

## MEMORANDUM


March 2, 2018

TO: City Commission

THRU: Greg Harrison, City Manager  
Brian Donovan, Assistant City Manager

FROM: Horacio Danovich, CIP Manager

RE: Memorandum of Understanding



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### Issue

Staff is seeking City Commission approval of a Resolution to enter into a Memorandum of Understanding (MOU) Agreement between the City of Pompano Beach ("City") and Azur Equities and Floridians F.C. ("Azur").

### Recommendation

Staff recommends Approval of the Resolution.

### Background

The City issued RFP L-40-16 seeking a qualified firm to design, construct and operate a Sports Complex at the City's 12-Acre park in Palm Aire. Azur submitted a proposal and staff reviewed the proposal and received authorization from the City Commission to negotiate an agreement.

City staff has worked with the Applicant and negotiated an initial MOU to allow the process to continue towards a final Development Agreement. The MOU is the first step in what Staff believes will be a lengthy approval process whereas Broward County Planning and other agencies including various City Departments will be tasked to work together towards implementation of a plan to build a model Sports Complex facility. The approval process will necessitate County authorization to construct onsite dormitories and potential rezoning; site remediation (site was recently designated as a Brownfield); analysis and careful engineering site design around a sensitive and complex system of underground utilities, etc.

Exhibits A-D represent a starting point. The Legal Description (Exhibit "A") will not change as the site boundaries are set. The proposed Timeline (Exhibit "C") will likely need to be adjusted depending on government approvals. The proposed rent (Exhibit "D") will not change except for the start date unless an unforeseen event causes the approval process to severely affect Azur's business plan. However, the Conceptual Plan (Exhibit "B") will change. Azur's initial site plan proposal will have to be modified due to numerous field conditions. One of those field conditions that has affected the initial site plan is access to the site. In addition, the existing wellfields may preclude the installation of soccer fields along the north end of the site. Lastly, Azur's desire to build onsite dormitories requires County approval. Should the County negate the construction of said dormitories, then Azur would need to reassess their business plan and evaluate other options to house potential players-in-training. Although Azur has been approved to construct housing facilities on CRA-owned land along the east side of NW 31<sup>st</sup> Avenue, the Developer wishes to have dormitories onsite, which will permit a safer and more secure environment for underage children.

City Staff is seeking approval to retain a consultant to re-do the site survey. The survey is necessary for site development. Staff obtained a proposal from the firm that conducted the initial survey (Calvin-Giordano & Associates) in the sum of \$11,840.00. The firm is the logical choice as they have site data already.

As far as site remediation, the City Commission approved designating the site as a Brownfield. The designation paved the way for staff to conduct remediation efforts. Said efforts are expected to cost as much as \$1.4 million. Combined with survey work and other environmental engineering services (process paperwork through the County, monitoring, etc.) Staff anticipates up to \$1.5 million in expenditures. It is important to note staff recommends remediating the site regardless as to whether the Applicant is approved to proceed. The cleanup efforts would assure the City of a usable site. Therefore, staff is seeking Commission authorization to seek proposals. An agenda item will be brought to the City Commission for approval(s) at a later date. Note remediation work will take up to 12 months; therefore, time is of the essence.

Upon securing the services of a qualified contractor, the City will process the necessary paperwork to qualify for Tax Credits. On an annual basis, Applicants such as the City can request and receive up to \$1 million in Tax Credits. It is important to understand Tax Credit certificates cannot be issued immediately. There is a waiting period and Tax Credits are granted on a first-come, first-serve basis. Staff estimates the first certificate may be issued in two (2) years. As a result, the City will not recover funds until 2021, or so. The maximum tax credit the City can receive are \$0.75 per \$1.00 (\$750,000.00 for \$1,000,000 spent in cleanup work).

In conclusion, the MOU will enable Azur to navigate through the approval process and work with the authorities towards overcoming the aforementioned obstacles. Staff recommends approval.