



EXECUTIVE SUMMARY

To: Jim Scholl., City Manager

Through: Thaddeus Cohen, Planner Director

From: Patrick Wright, Planner II

Meeting Date: July 6, 2016

RE: **Development Agreement - 5555 College Road (RE #00072080-001400; AK # 1076007)** - A request for a development agreement between Sunset Marina, LLC and The City of Key West for the construction of a 39 affordable units and 23 market rate units on property located within the General Commercial (CG) Zoning District. The request is for Sixty-six (66) residential dwelling units consisting of existing four residential dwelling units and an additional Sixty-two (62) residential dwelling units, along with up to 9,600 square feet of non-residential floor area consisting of the existing marina ship store and office, marina repair shop, storage space, and showers and laundry facilities all of which currently exist today, which facilities may be converted to another non-residential use of equal or lesser impact with no building exceeding forty feet in height.

Request: Development agreement between Sunset Marina, LLC and The City of Key West for the construction of a 39 affordable units and 23 market rate units.

Applicant: Smith | Oropeza | Hawks

Property Owners: Sunset Marina, LLC

Location: 5555 College Road (RE # 00072080-001400; AK # 1076007)

Zoning: General Commercial (CG)



Project Background:

The subject property is located on North Stock Island off of College Road. It is bound by the Monroe County Detention Center to the West, Condominiums to the East, the Key West Golf Course to the South and the Gulf of Mexico to the North. The property is surrounded by Public Service, General Commercial. The parcel is approximately 4.5 acres not including environmentally sensitive areas.

The existing parcel is mixed use commercial and residential. Currently all of the commercial uses are contained within two structures. A marina ship store and general office space are located in one structure, and a second building consisting of four (4) affordable deed restricted one bedroom, one bathroom residential units and office, 9,600 square feet consisting of a 2,960 square foot marina boat repair shop, 1,840 square feet of storage attendant to the marina use, 1,125 square feet consisting of showers and laundry facilities attendant to the marina use and 3,675 square feet of office space. In addition to the commercial space, Sunset Marina owns twenty-nine (29) boat wet slips in the adjacent boat basin.

The proposed major development agreement seeks to add twenty-three (23) market rate units and thirty-nine (39) deed restricted affordable multi-family units to the property for a total of sixty-two (62) additional units. Sixty (60) of those units will be housed within fifteen (15) multi-family four unit buildings. The remaining two (2) units will be located in the existing mixed use three story building as part of renovation and conversion of an unused boat showroom area.

In February of 2002 the Planning Board passed Resolution 2002-003 permitting the construction of the existing multifamily affordable units on the property. Per Section 122-

63 (f) conditional use approvals run with the land. The expansion of this residential conditional use requires approval for Major Development Plan review as expressed below.

On February 4th, 2015 the project was awarded 23 market rate equivalent single family units through Year 1 of the City's Building Permit Allocation System (Planning Board Resolution 2015-06). On June 29th, 2015 the project was awarded 39 affordable equivalent single family units through Year 2 of the City's Building Permit Allocation System (Planning Board Resolution 2015-26).

City Actions:

Preliminary City Commission authorization:	October 21, 2014 (Resolution 14-308)
Development Review Committee (DRC):	March 26, 2015
Development Review Committee (DRC):	March 24, 2016
Preliminary Tree Commission:	May 10, 2016
Planning Board:	May 26, 2016
Final Tree Commission:	June 14, 2016
City Commission:	July 6, 2016

The Land Development Regulations acknowledge the findings of the state legislature that enable Development Agreements under Florida Statute, as follows (see Section 90-676):

(1) The lack of certainty in the approval of development can result in a waste of economic and land resources, discourage sound capital improvement planning and financing, escalate the cost of housing and development, and discourage commitment to comprehensive planning.

(2) Assurance to a developer that, upon receipt of a development permit, the applicant may proceed in accordance with existing laws and policies, subject to the conditions of a development agreement, strengthens the public planning process, encourages sound capital improvement planning and financing, assists in ensuring there are adequate capital facilities for the development, encourages private participation in comprehensive planning and reduces the economic costs of development.

(3) The comprehensive planning process should be furthered by authorizing local governments to enter into development agreements with developers. The intent is to encourage a stronger commitment to comprehensive and capital facilities planning, ensure the provision of adequate public facilities for development, encourage the efficient use of resources, and reduce the economic cost of development.

Development Agreement Review Criteria (Section 90-682):

The City's Land Development Regulations set forth criteria for the contents of a Development Agreement. The specific criteria, as well as the location of the information within the Development Agreement, are addressed below.

(a) Any development agreement approved under this article shall contain not less than the following requirements as provided in F.S. § 163.3227:

(1) A legal description of the land subject to the development agreement and the identification of all persons having legal or equitable ownership therein.

The legal description can be found in Exhibit A of the attachments. All ownership and equitable interests in the property are listed in Section C, Terms of Agreement 1. Legal Description; Ownership and Equitable Interests in the Property.

(2) The duration of the development agreement, which duration shall not exceed five years, but which may be extended by mutual consent of the city and the developer. Any request for an extension shall be subject to the public hearing process necessary for the initial approval of the development agreement.

The proposed duration of the agreement is five years as expressed in Section C, Terms of Agreement 2. Duration of Agreement Renewal.

(3) The development uses permitted on the land, including population densities, building intensities and building heights.

The proposed development is described in Section C, Terms of Agreement 5. Site Plan. The permitted maximum density for the site is 66 units. Building heights are not to exceed the maximum permitted height of the CG zoning district.

(4) All documents required to comply with criteria cited in the land development regulations applicable to the subject project.

The applicant has addressed the criteria cited in the Land Development Regulations applicable to the subject project under Section C, Terms of Agreement 5. Site Plan.

(5) A description of the public facilities that will service the development, including designation of the entity that will be providing such facilities. Additionally, if new facilities are needed to serve the project, the date by which such facilities will be constructed shall be provided. A schedule to ensure that public facilities shall be available concurrent with the impacts of the development shall also be provided. Such schedule, relating the provision of public facilities or services to events or thresholds in the development, may be substituted for the certain dates required under this subsection.

A description of the public facilities that will service the development are found in Section C, Terms of Agreement 10. Concurrency and Public Facilities. The concurrency management has also been reviewed by staff as outlined and attached in the Planning Board staff report for the Major Development Plan.

(6) The applicant may be required to provide for a performance bond, letter of credit, or similar instrument, to be deposited with the city, to secure the construction of any new

facilities that are required to be constructed as part of the proposed development agreement. Alternatively, such construction may be a condition precedent to the issuance of any building permits or other development permissions. If the new public facilities are in place and operating at the time development permits are requested, no such performance bond or letter of credit shall be necessary unless such facilities are not adequate for the project.

Not applicable. A concurrency analysis showing that facilities will be available at the time of development is being revised to reflect the City's 2013 Comprehensive Plan amendments.

(7) A description of any reservation or dedication of land for public purposes. The development agreement shall provide specifically how all impact fees and other funding requirements for the project are to be met.

The agreement does not include the reservation or dedication of land for public purposes. All applicable City impact fees will be required.

(8) If land is to be conveyed to the city in discharge of the obligation of any impact fee or other similar obligation, the development agreement shall provide that such conveyance will be by warranty deed and will be accompanied by an environmental audit and a title insurance policy which shall be in an amount not less than the assessed value of the land. The applicant shall bear the cost of these requirements.

Not applicable.

(9) A description of all development permits approved or needed to be approved for the development of the land, which description shall specifically include but not be limited to the following:

a. Any required comprehensive plan amendments or rezonings.

Not applicable

b. Any required submissions to or approvals from the county; the South Florida Regional Planning Council; the state departments of community affairs (DCA), environmental protection (DEP), transportation (DOT), health and rehabilitative services (DHRS); the United State Army Corps of Engineers; the South Florida Water Management District; the United States Environmental Protection Agency; or any other departments with competent jurisdiction over any aspect of the proposed development.

Required permits and approvals are outlined in Section C, Terms of Agreement 11. Required Permits and Approvals.

c. If development requirements are not satisfied, action in reliance on the development agreement or expenditures in pursuance of its terms shall not vest any development rights

to the applicant/property owner. Failure to perform as specified in the development agreement shall not constitute partial performance and shall not entitle the applicant or property owner to a continuation of the development agreement.

This issue is addressed in Section C, Terms of Agreement 16. Laws Governing this Agreement.

(10) A specific finding in the development agreement that the development permitted or proposed is consistent with the city's comprehensive plan and with the land development regulations. However, if amendments are required to the comprehensive plan or land development regulations, such amendments shall be specifically identified in the development agreement, and the agreement shall be contingent upon those amendments being made and approved by the appropriate governmental agencies.

This issue is addressed in Section C, Terms of Agreement, 14. Finding of Consistency.

(11) The city commission may provide for any conditions, terms, restrictions or other requirements determined to be reasonably necessary for the public health, safety or welfare of city residents and property owners.

This is addressed in Section C, Terms of Agreement 4. Proposed Development b. Affordable Work Force Housing. As part of this Development Agreement thirty-nine (39) units will be affordable work force housing units.

(12) A statement indicating that failure of the development agreement to address a particular permit, condition, term or restriction shall not relieve the developer of the necessity of complying with the law governing the permitting requirements, conditions, terms or restrictions.

This is addressed in Section C, Terms of Agreement 15. Compliance with Permits, Terms, Conditions and Restrictions Not Identified Herein.

(13) At the city commission's discretion, the development agreement may provide that the entire development, or any phase thereof, be commenced or completed within a specific period of time.

The proposed duration of the agreement is five years, per Section C, Terms of Agreement 2. Duration of Agreement Renewal.

(b) At such time as the city administrative official has reduced the terms of the proposed development agreement to written contractual form, the administrative official shall transmit such development agreement to the planning board and the city commission with a written recommendation from the development review committee.

This report responds to this requirement. The minutes of the DRC Meeting and Planning Board Resolution 2016-28 are attached herein.

(c) Prior to the first public hearing, the proposed development agreement shall have been reviewed by the planning board, and its recommendation along with the development review committee's recommendation shall be provided to the city commission.

At a dually advertised public meeting held May 26, 2016 the Planning Board reviewed this Development Agreement, based on comments from Staff provided at the DRC Meeting held March 26, 2015 and March 24, 2016. Minutes from that meeting and Planning Board Resolution No 2016-28 are attached herein.

Options / Advantages / Disadvantages:

Option 1. Approval of the Development Agreement as recommended by the Planning Board.

1. **Consistency with the City's Strategic Plan, Vision and Mission:**
This action is consistent with the City's Strategic Plan.
2. **Financial Impact:** There is no direct financial impact to the City related to the project other than additional impact fees collected; although, the site improvements should increase the ad valorem tax yield.

Option 2. Deny the approval of the Development Agreement.

1. **Consistency with the City's Strategic Plan, Vision and Mission:**
This action is not consistent with the City's 2013 Comprehensive Plan that promotes affordable housing, specifically Chapter 3: Housing Element.
3. **Financial Impact:** There is no direct financial impact to the city related to the project; although the City will not benefit from impact fees and the increase in the ad valorem tax yield based on the site improvements for the property.

Recommendation: Option 1

The Planning Department and Planning Board recommend that the request for a Development Agreement be **approved**.