



Memorandum

Date: April 24, 2024

To: Honorable Mayor and Councilmembers

From: Kathie Brooks
Interim City Manager

Department: Michelle M. Lopez
The Corradino Group
Interim Planning & Zoning Director

Subject: **Brownfield Area Designation – Lithia Motors Green Reuse Area**

Introduction

The intent of the proposed Resolution is to **designate a brownfield area** for the property owned by FL Doral-S, LLC (the “Applicant”) located at 9300 NW 13th Street, Doral, Florida 33172 (the “Subject Property”), as further identified by folio no. 35-3033-003-0010, as the **“Lithia Motors Green Reuse Area,”** pursuant to Section 376.80(2)(C), Florida Statutes, of Florida’s Brownfield Redevelopment Act. The “Subject Property” legal description is provided in Exhibit A.

Upon addressing the existing environmental impacts, the developer intends to redevelop the property with a Subaru dealership and service center. The Applicant’s financial commitment to the environmental remediation and redevelopment of the “Subject Property” is estimated to be approximately \$31.0 million dollars. In addition, it is anticipated that the project will generate least 50 permanent full-time equivalent jobs, as well as a significant number of indirect jobs in other industries of our local economy to support the operations of the dealership and service center. More information regarding the economic impacts of the project is provided below in the evaluation of the criteria for designating the “Subject Property” as a brownfield area pursuant to Section 376.80(2)(c), Florida Statutes.

Background

The “Subject Property” consists of approximately 8.392 acres of land located in the vicinity of NW 93 Avenue and NW 13th Street. This area is one of the most important industrial locations in the city due to a diverse concentration of industrial uses, which includes but is not limited, to warehouses (freight forwarding, cargo services, etc.), logistic, car dealerships (retail sales, body shops, general mechanical services, etc.), gas stations, restaurants, and shopping center (Walmart Store). In addition, the property is adjacent to one of the three major highways (S.R. 836) located along the southern boundaries of the city.

An aerial map of the general area including the “Subject Property” is provided in Exhibit B, to provide a visual view of the area’s industrial uses.

The current uses adjoining the “Subject Property” are:

- to the north, warehouses.
- to the east, warehouses, food distribution, restaurants, stormwater retention lake.
- to the south, warehouses and S.R. 836.
- to the west, warehouses and car dealerships.

Environmental Issues:

According to the Phase I Environmental Site Assessment (ESA), prepared by Bureau Veritas (2022), the “Subject Property” “... was historically naturally vegetated and/or pasture land from at least 1938 until the early 1960s, when the majority of the property was excavated, along with the adjoining properties to the south and west, a borrow pit/quarry lake, which was subsequently backfilled as part of the Marx Brothers No.1 unpermitted solid waste dump.” In May 2022, a Subsurface Exploration & Geotechnical Engineering Study, conducted by NV5, Inc and referenced in the ESA, “documented wood, plastic, concrete fragments and metal at depths of 25 to 38 feet on the southern and western portions of the site.” Additional environmental studies of the “Subject Property”, such as the Lagan Engineering and Environmental Services, Inc, “Limited Groundwater Assessment and Phase II Environmental Site Assessment,” dated August 11, 2022, and cited in the EAS, “... indicated that numerous soils, soil vapor, and groundwater have been collected from throughout the subject property. Laboratory analytical results identified arsenic in soil samples collected from the ground surface to 0.5 feet below ground surface (bgs) at concentrations that exceeded the Florida Department of Environmental Protection (FDEP) Soil Cleanup Target Level (CSTL) for Direct Exposure Residential (DER). Arsenic was also detected in groundwater in one sample exceeding the FDEP Groundwater Cleanup Target Level (GCTL). Additionally, Methane concentrations were detected above the 1.25% by volume in all but one soil vapor probes, exceeding the lower explosive limit (LEL).” Phase I EAS also noted the possibility of the “Subject Property” being impacted by asbestos-containing materials (ACM) based on the date of construction (1972-1976). A copy of the Phase I Environmental Site Assessment Executive Summary is provided in Exhibit C.

Brownfield Area Designation:

As indicated, the intent of the Resolution is to designate the “Lithia Motors Green Reuse Area” pursuant to Sec. 376.80(2)(c), Florida Statutes, of Florida’s Brownfield Redevelopment Act as a brownfield area for the purpose of environmental remediation, job creation and promoting economic redevelopment and revitalization. Exhibit D provides the “Subject Property” Brownfield Area Boundaries Map.

Florida’s Brownfield Redevelopment Act provides the public and private sectors with an array of regulatory and financial benefits to facilitate the environmental cleanup and reuse of properties with environmental challenges. These incentives are made available pursuant to adoption by a local government of a Resolution that complies with the applicable procedural and substantive criteria. In this instance, the Applicant intends to pursue the Voluntary Cleanup Tax Credit and environmental liability protection under state law. Both incentives are only available to parties whose property is within a local government approved **brownfield designated area**, and in which the Applicant enters into a **Brownfield Site Remediation Agreement (BSRA)** with the environmental regulatory agency responsible for administering the Florida Brownfields Redevelopment Program. For sites in Miami-Dade County, that agency is the Miami-Dade County Department of Regulatory and Economic Resources (“DRER”). It is important to note that there are important and very detailed nuances to both incentives, which will be explained by staff and the Brownfield consultant (The Goldstein Environmental Law Firm) when this item comes before the Mayor and City Council. Please also see a summary of incentives published by the FDEP enclosed as Exhibit E.

Community Meeting:

A community meeting sponsored by the Applicant and interested stakeholders abutting the Subject Property pursuant to Sec. 376.80(4)(a) Florida Statutes was held on March 27, 2024, at the City of Doral Culture Center prior to completing the designation of the “Subject Property” as a brownfield area. The intent of this meeting is to inform the residents and public of the environmental challenges associated with the property, and the Applicant’s plans to enter into a BSRA with Miami-Dade County DRER as well as to afford the community with an opportunity to ask questions and provide feedback about ongoing site redevelopment efforts. Approval of the designation requires two (2) public hearings before the Mayor and Council, currently scheduled for April 24, 2024 (First Reading), and June 12, 2024 (Second Reading). In approving the designation, which must be done by Resolution, the local government must consider the following five (5) criteria pursuant to Section 376.80(2)(c) Florida Statutes:

- I. **A person who owns or controls a potential brownfield site is requesting the designation and has agreed to rehabilitate and redevelop the brownfield site.**

Answer: The Applicant satisfies this criterion in that it owns the “Subject Property” as evidenced by a special warranty deed, dated December 28, 2022. (See: Exhibit F) The Applicant further satisfies this criterion in that it has agreed to redevelop and rehabilitate the “Subject Property.”

Accordingly, the Applicant meets this first criterion.

2. **The rehabilitation and redevelopment of the proposed brownfield site will result in economic productivity of the area, along with the creation of at least 5 new permanent jobs at the brownfield site that are full-time equivalent positions not associated with the implementation of the brownfield site rehabilitation agreement and that are not associated with redevelopment project demolition or construction activities pursuant to the redevelopment of the proposed brownfield site or area. However, the job creation requirement does not apply to the rehabilitation and redevelopment of a brownfield site that will provide affordable housing as defined in s. 420.0004 or the creation of recreational areas, conservation areas, or parks.**

Answer: The Applicant satisfies this criterion in that, first, the Project will result in significant economic productivity of the area, as mentioned above. The budget for rehabilitation and redevelopment is approximately \$31 million, which will be spent in part on local labor, contractors, consultants, construction materials, furnishings, infrastructure improvements, and impact fees. This work will support roughly 325 temporary construction jobs over the period of development. The construction workers will spend a percentage of their salaries with local merchants who, in turn, will reinvest locally in their respective businesses, as well as the businesses of other local merchants. Additionally, the proposed commercial uses that are part of the Project will create at least 50 permanent full-time equivalent jobs.

For all the reasons discussed herein, the Applicant meets this second criterion.

3. **The redevelopment of the proposed brownfield site is consistent with the local comprehensive plan and is a permissible use under the applicable local land development regulations.**

Answer: The Applicant satisfies this criterion in that the Project is located in an Industrial (I) zoning district and has a future land use designation of Industrial (I), which allows development of the Project with several retail and service uses as proposed as a matter of right. (See: Exhibit G)

The proposed project is consistent with the City’s Comprehensive Plan and Land Development Regulations. Therefore, the Applicant meets this third criterion.

- 4. Notice of the proposed rehabilitation of the brownfield area has been provided to neighbors and nearby residents of the proposed area to be designated pursuant to paragraph (1)(c), and the person proposing the area for designation has afforded to those receiving notice the opportunity for comments and suggestions about rehabilitation. Notice pursuant to this subparagraph must be posted in the affected area.**

Answer: The Applicant satisfies all applicable notice and opportunity to comment requirements established by Florida Statutes § 376.80(2)(c)(4) and § 376.80(1)(c)(4)(b) as follows:

- (i) notice is being posted at the Subject Property;
- (ii) notice is being published in the Miami Herald;
- (iii) notice is being published in the Doral, Florida community bulletin section of Craig's List; and
- (iv) a community meeting was held on March 27, 2024, at the City of Doral Cultural Arts Center.

All notices associated with the proposed brownfield area designation will contain substantially the following narrative:

Representatives for FL Doral-S, LLC held a community meeting, on March 27th, 2024 at the City of Doral Cultural Arts Center from 5:30 p.m. until not later than 7:00 p.m., for the purpose of affording interested parties the opportunity to provide comments and suggestions about the potential designation of land located approximately at 9300 N.W. 13th Street, Doral, FL 33172, identified by Folio Number 35-3033-003-0010, as a Green Reuse Area. This Community Meeting will also address future development and rehabilitation activities planned for the site. The designation is being made pursuant to Section 376.80, Florida Statutes, of Florida's Brownfield Redevelopment Act, and will involve two public hearings before the City Council of the City of Doral, on April 24, 2024 (First Reading) and May 22, 2024 (Second Reading), to be held in the City of Doral Government Center, Council Chambers, located at 8401 N.W. 53rd Terrace, 3rd Floor, Doral, FL 33166. The public hearing notices are included in Exhibit H.

For more information regarding the community meeting, including directions, the dates of the two public hearings, or to provide comments and suggestions regarding designation, development, or rehabilitation at any time before or after the meeting date, please contact Brett C. Brumund, who can be reached by phone at (305) 640-5300, by email at bbrumund@goldsteinenvlaw.com, and/or U.S. Mail at The Goldstein Environmental Law Firm, P.A., 2100 Ponce de Leon Blvd., Suite 710, Coral Gables, FL 33134.

Proof of publication and posting was provided to the City by the Applicant. Therefore, the Applicant meets this fourth criterion.

- 5. The person proposing the area for designation has provided reasonable assurance that he or she has sufficient financial resources to implement and complete the rehabilitation agreement and redevelopment of the brownfield site.**

Answer: The total capital budget of approximately \$31 million for the Project is fully funded through the Applicant's financial resources through its parent company, Lithia Motors; additional funds may be raised in the future as needed from financial institutions with which Lithia Motors has longstanding relationships.

In addition, Lithia Motors' development team has an extensive track record of success in financing, building, and managing automotive retail developments, with over 75 years of experience in commercial projects and 290 automotive retail locations across the United States. Lithia Motors has consistently strong financial statements, balance sheets, and a strong cash position as well as a proven history of leveraging assets with other capital sources, an impressive track record of success, and a staff of highly experienced and sophisticated development officials. This constitutes reasonable assurance that the Applicant has sufficient financial resources to implement and complete the rehabilitation agreement and redevelopment plan. Accordingly, it satisfies this fifth and last criterion.

The Applicant meets this fifth criterion.

Fiscal Impact

The Resolution has no fiscal impact on the city revenues or expenditures.

Strategic Plan Alignment

The proposed brownfield area designation of the "Subject Property" is going to further the City's "Revenue Growth" strategic goal. The Applicant financial commitment to the environmental remediation and redevelopment of the "Subject Property" will increase the property value, thereby, adding new revenues to the city's property tax base and fees. In addition, this project will also have a positive economic impact in the general area, which will further the following strategic initiative "Identify redevelopment projects consistent with the comprehensive plan." It is important to note that the additional tax revenues may be used to fund the infrastructure projects in the five-year capital improvement program (CIP).

Recommendation

The Planning and Zoning Department respectfully requests that the Mayor and City Councilmembers authorize approval of the Lithia Motors Green Reuse Area Brownfield Area Designation pursuant to Section 380.76(376.80(2)(C), Florida Statutes, of Florida's Brownfield Redevelopment Act.