



R-2019-352 – CBRE_SOW FOR CITY PROPERTY MARKETING – REDEVELOPMENT FINAL.DOCX

For various city-owned sites including, but not limited to: 2600 Hollywood Boulevard, 1203 North Federal, and 3250 Hollywood Boulevard

Prepared for



CBRE

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COVER LETTER

Dear Ms. Storey,

On behalf of CBRE, Inc., thank you for the opportunity to provide you with a scope of services related to real estate consulting services for various city-owned properties including, but not limited to those sites identified and described herein. In this document we have described how CBRE can support the City to coordinate the assessment of the condition of the sites and facilities, understand current use and community needs, perform financial analysis and market studies, prepare RFQs and RFPs as needed, broadly market the properties, and negotiate the best transaction terms on the City's behalf.

With the world's largest and most successful commercial real estate services firm serving on the City's behalf, the City has access to development and public-private partnership (P3) specialists and local market experts to execute a seamless transaction at the best value to the City.

Please don't hesitate to contact us with any questions you may have. We look forward to representing the City of Hollywood and your citizens.

Sincerely,



Lee Ann Korst
Southeast Regional Manager
CBRE Public Institutions & Education Solutions
850 251 9319 | leeann.korst@cbre.com



Larry W. Genet
Senior Vice President
CBRE Advisory and Transaction Services
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PROJECT UNDERSTANDING

The City of Hollywood owns several valuable and underutilized properties which could present opportunities to create on-going or one-time revenue, generate property tax revenue, create enhanced city facilities and amenities, and support area revitalization. Any one of these projects could prove to be the catalyst for economic and private development. CBRE's key objective is to engage the expertise of the development community to streamline delivery, timing, and lower cost to meet the City's goals of providing high quality municipal facilities, economic development and asset monetization through public and private uses.

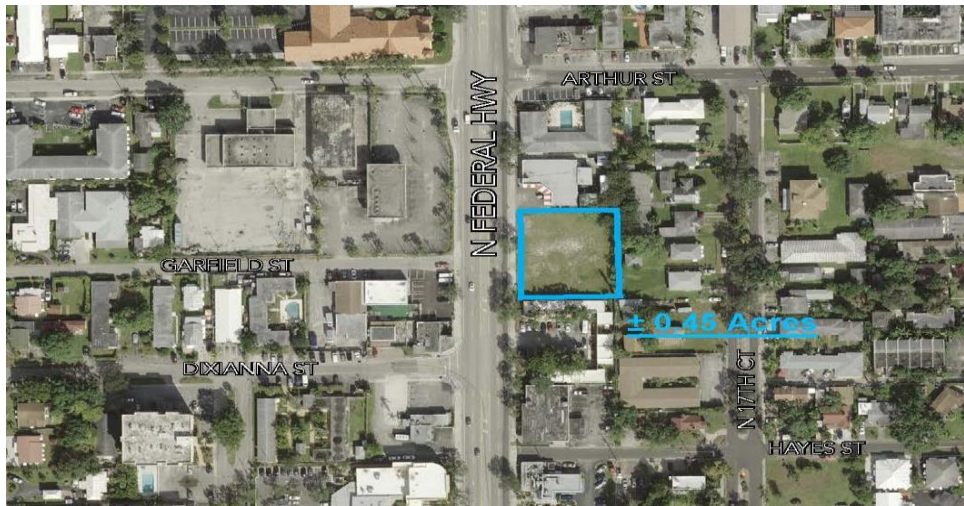
Given the high profile nature of the transactions and the importance of achieving the highest and best use on each site, we understand that the City is seeking CBRE's professional real estate advisory and consulting services to assess the properties and the market potential, prepare offering packages, broadly market the properties to a regional, national, even international audience, prepare a Request for Qualifications and Proposals, evaluate the responses from the developers, assist with negotiations on the City's behalf, and make recommendations for proceeding in a way that is advantageous to the City and its residents. These recommendations will be accretive to the City's aesthetic and economic development goals, and in the taxpayers' best interest while meeting the City's operational and financial goals.

At this stage, we understand that the City is seeking CBRE's services on the below properties:

NORTH FEDERAL LAND

1203 North Federal, Hollywood, FL 3300

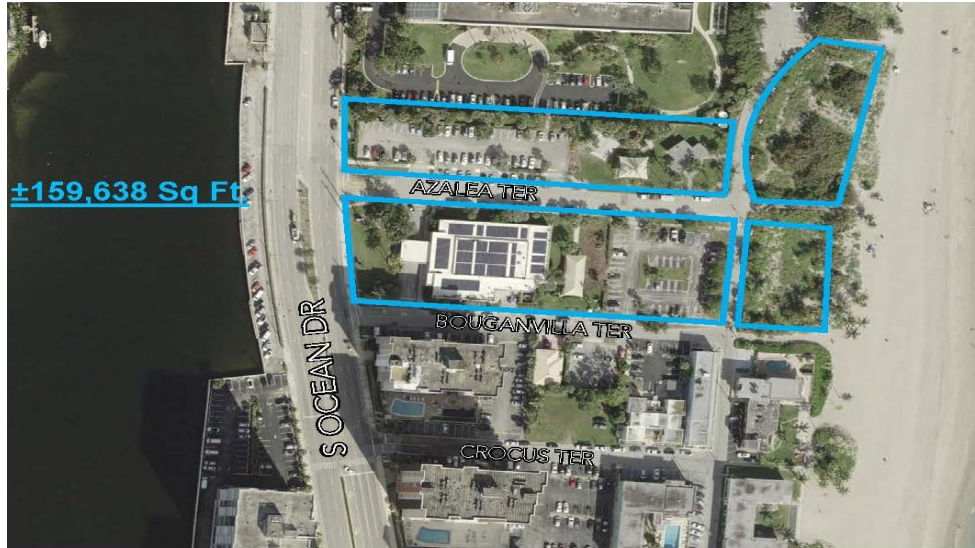
Parcel No. 5142-10-05-0030



HOLLYWOOD BEACH CULTURE AND COMMUNITY CENTER

1301 South Ocean Drive, Hollywood, FL 33020

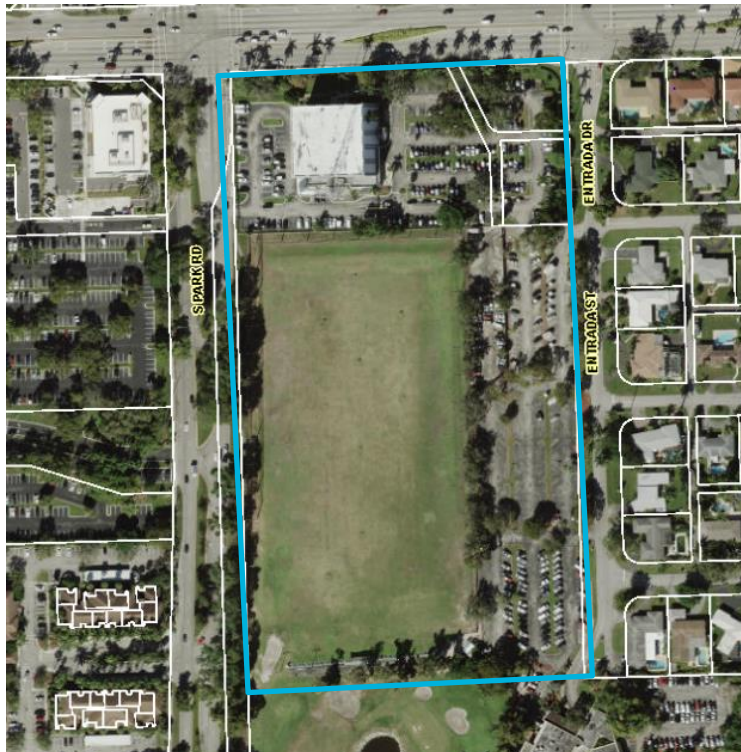
Parcel No. 5142-24-01-0011



POLICE DEPARTMENT / PARKING LOT/ DRIVING RANGE SITE

3250 Hollywood Blvd, Hollywood, FL 33021

Parcel No. 5142-08-01-0300



CITY HALL

2600 Hollywood Blvd, Hollywood, FL 33020
Parcel No. 5142-16 01 0010



CBRE PROPOSED SERVICES

In light of the City's goals, we will perform the below tasks. It is important that CBRE learn, in detail, what the City seeks to accomplish and perform market-oriented assessments of the property and development goals. Given the work completed to date, some or all of the Phase I and Phase II tasks could be eliminated or minimized to include review and validation.

Phase 1: Due Diligence

CBRE will perform a market assessment and analysis of the properties. This process is intended to allow the parties to understand the likely outcomes and risks associated with pursuing various marketing strategies.

CBRE will prepare a report outlining the likely value ranges, and recommended marketing strategies. CBRE's report will reflect stakeholder input and current market conditions and make recommendations as to specific strategies and timing/phasing of the projects. Subject to the parties' input, specific activities may include:

1. Meet with internal and external stakeholders, in particular, but not limited to, Development Services; Communications, Marketing and Economic Development; Design and Construction Management; Public Works; Parks, Recreation and Cultural Arts, and other relevant City departments
 - a. Determine current zoning and land use for sites and surrounding areas including any previous visioning or planning work that was conducted.
 - b. Determine specific infrastructure, facilities or community "must haves" and those that are preferred for inclusion in any developer solicitations.
 - c. Determine the City's minimum requirements for inclusion in the developer solicitations.
2. Develop a market study to determine demand and to identify specific development opportunities (for mixed-use, expanded hospitality, retail, multi-family, and office)
3. Identify and evaluate potential transaction structures
4. Establish a recommended market price
 - a. Consider the physical attributes of the property including location, demographics, size, and configuration
 - b. Evaluate existing appraisals and comparable sales in the market

Phase 2: Vision and Planning

Utilizing information compiled from the City's previous planning, and building on it with data collected in previous tasks, CBRE will:

1. Present Phase I conclusions to the City and stakeholders.
2. Understand "links" with other local projects and initiatives.
3. Identify timelines for each real estate use (mixed-use, hospitality, retail, residential).
4. Prepare an Request for Proposal ("RFP") to be distributed to the market.

Phase 3: Market Engagement

Armed with information gathered in previous phases, CBRE will collaborate with the City to develop and implement an RFP process to engage prospective investors and/or developers by performing the following tasks:

1. Develop an RFP template that details the selection process, respondent qualification criteria, project approach, value parameters, etc.
2. Create a prospective investor, developer, owner list based upon market specialization, financial capability, and compatibility with the City's goals for the project.
3. Oversee the RFP process.
 - a. Hold pre-bid conference
 - b. Disseminate documents; contact respondents for clarifications; answer questions; collect submissions
 - c. Review and qualify selection team
 - d. Critically review ability to deliver
4. Work with the City's selection team, assess overall submission quality.
 - a. Evaluate project design and respondent expertise
 - b. Perform detailed financial analysis and conduct meetings with finalists
5. Oversee 'Best and Final Offer' process.
 - a. Understand guarantees and security
 - b. Develop Letters of Intent/term sheet with a top selected proposer
6. Review final agreements for adherence to business terms.

Phase 4: Proposal Evaluation, Partner Selection, Transaction Execution

CBRE will evaluate all proposals on a like-kind basis and participate in the respondent due diligence and selection process considering the following:

- a. Submission quality including objective and subjective criteria
- b. Interviews with proposal teams
- c. Proposer financial strength
- d. Risk issues for all parties
- e. Perform Financial analysis of all proposals received

CBRE will assist with negotiating and executing all necessary documentation including but not limited to:

- a. Letter of Intent
- b. Land Leases
- c. Development and Operating Agreements
- d. Common area and/or required easements

Phase 5: Post Transaction Services

At the request of the City, CBRE may act as the Parties' representative after contract execution. At the Parties' request, services may include:

1. Oversee the leasing and/or management
2. Project/Construction Management

Other analytics – With prior approval of the City and at additional cost, CBRE will perform related studies to include both internal and external subject matter experts that may be required or advisable:

- Architectural and Engineering
- Space programming
- Employment experts
- Traffic consultants
- Tax specialists
- Land planners/architects
- Parking consultants

PROPOSED PRICING

FEE FOR TRANSACTION AND DEVELOPMENT ADVISORY SERVICES

The City shall pay CBRE a monthly retainer of \$7,500 that will generally cover all site specific work related to analyzing and positioning the sites for redevelopment and public/private partnerships in the best interests of the City and its residents. The retainer will be billed monthly over the course of the project, which we anticipate to be approximately 12 -15 months.

In addition, CBRE will be paid a market fee by the Developer calculated based on the Total Value of the Project and sliding scale listed below. Total Value of the Project is defined as all hard and soft costs of the project including, but not limited to the value of the land plus infrastructure, design, and construction costs as proposed by Developer.

The Developer shall pay the fee within thirty (30) days of execution of all development agreements between the City and Developer. CBRE shall credit back to the City any monthly retainer previously paid at such time as CBRE is paid by Developer. CBRE will specify the fee arrangement and payment terms in the RFQ and RFP issued by CBRE on the City's behalf and stipulate that said fee is to be paid by the developer as a condition for consideration of the Developer's proposal by the City.

SERVICE	PAID BY	AMOUNT	TIMING
Consulting services for marketing, RFQ/RFP process and bid analysis	City	\$7,500 / Month	Payable monthly as services are rendered
Transaction and development advisory brokerage	Developer	Per sliding scale listed below	30 days of execution of development agreement

COMMISSION RATE	TRANSACTION VALUE TRANCHE
3.50%	\$0 - \$10 M
3.00%	\$10 M - \$20 M
2.50%	\$20 - \$30 M
2.00%	\$30 M - \$50 M
1.75%	\$50 - \$100 M
1.50%	\$100 M or greater

These fees reflect commission payable to CBRE only. Any outside brokers / buyer representation will be responsible for seeking commissions from their principals, unless the City believes it to be prudent to offer a supplemental outside representation fee at its discretion. Commissions will be charged per transaction on cumulative and compounding basis.

SCENARIO / EXAMPLE:

The City engages CBRE for development advisory services to redevelop a property and performs the tasks described above. One of two outcomes occur:

1. The City selects a qualified Developer, and CBRE earns a commission of 3%. In this case, the monthly retainer is credited back to the City from proceeds from the earned commission.
2. For whatever reason, a Developer is not selected or approved, CBRE keeps the earned retainer fees to account for time and out of pocket expenses.

The above-mentioned assignment and services shall be subject to and performed in compliance with the Florida Department of Management Services Contract #ITN-DMS-12/13-007A as adopted by the

City Commission for Tenant-Broker and Real Estate Consulting Services. Please, acknowledge your acceptance of these terms by signing below, on behalf of the City of Hollywood, and return the same at your earliest convenience.

Please don't hesitate to contact us with any questions you may have. We look forward to representing you and your citizens.

Sincerely,

William I. Gulliford III

Senior Managing Director

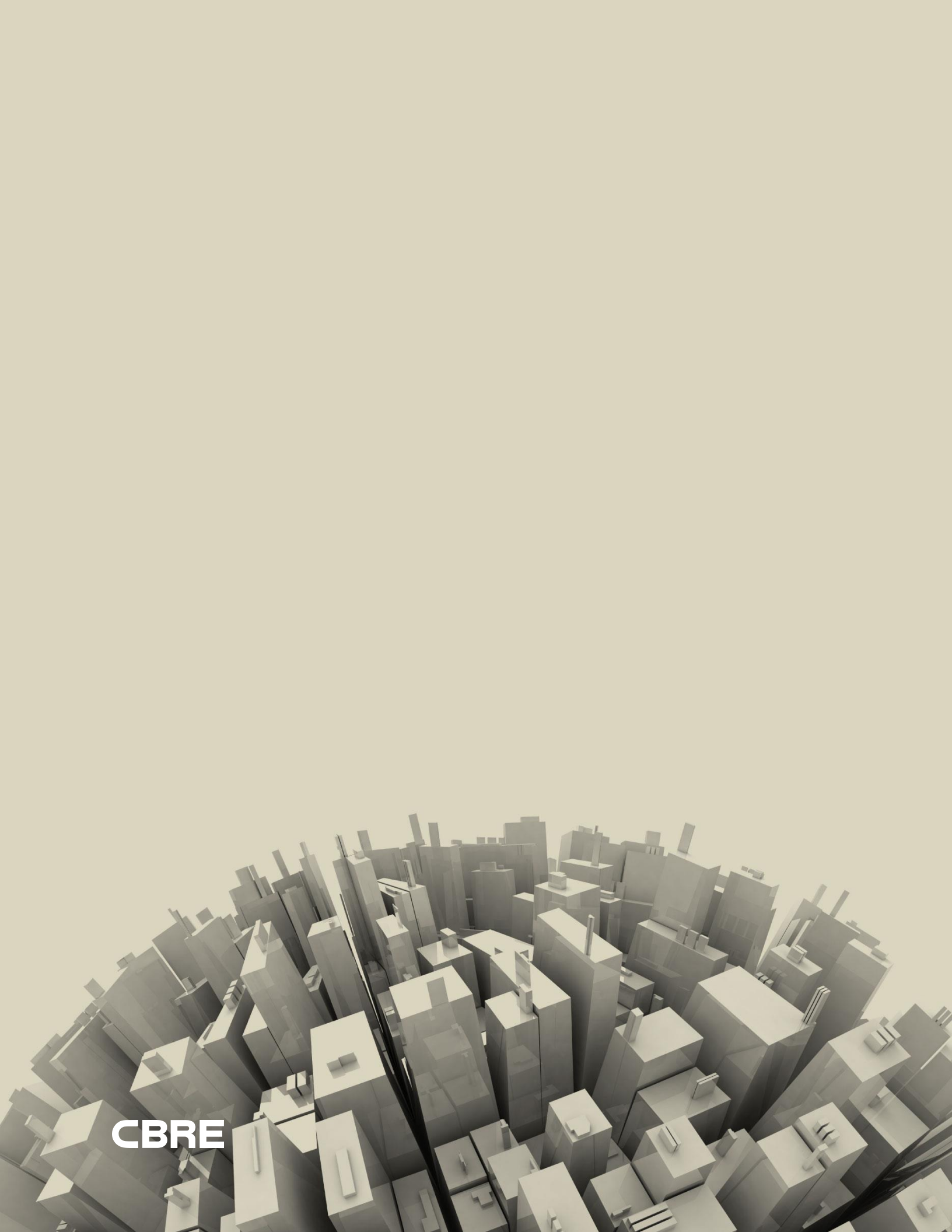
CBRE, Inc

Agreed:

Raelin Storey

Communications, Marketing & Economic Development Director

City of Hollywood



CBRE

For more information

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toward  a greener
tomorrow

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