

February 14, 2019

City of Hollywood
2600 Hollywood Boulevard
Hollywood, FL 33020-4807

RE: Park Road RFP #4585-18-PB – Park Road Development, LLC’s “Best and Final”

City Commission –

Pursuant to the email communication from Mr. Paul Bassar on January 15, 2019, please see below summary of Park Road Development, LLC’s (“Developer”) “Best and Final” offer in addition to the requisite forms attached hereto as Exhibit A and Exhibit B.

Developer’s Best and Final offer includes two options, which the City can select at its discretion:

- **Option A – Purchase Price with CDD Financing of City Facilities**
 - \$1M Purchase Price
 - Paid upon closing subject to vesting of all approvals
 - \$5.35M Environmental Remediation / Site Cleanup
 - City will participate in 50% of any cost savings against the environmental work
 - \$4M City Facilities with CDD Assessments paid prorata by the Developer and City based on acreage
 - \$750k Public Amenities
- **Option B – Purchase Price with Turnkey Lease of City Facilities**
 - \$3M Purchase Price
 - \$2M paid upon closing subject to vesting of all approvals
 - \$1,500 per market rate residential unit at Certificate of Occupancy (estimated to be \$472k)
 - \$8.00 per commercial / retail square foot at Certificate of Occupancy (estimated to be \$568k)
 - \$5.35M Environmental Remediation / Site Cleanup
 - City will participate in 50% of any cost savings against the environmental work
 - \$4M City Facilities with Turnkey Lease over a 20-year term @ 8% interest with the ability to purchase the improvements at any time
 - \$750k Public Amenities

In addition, our Development team further commits to work with the City to:

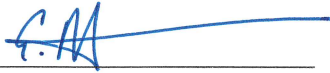
- Include workforce housing in the project;
- Increase residential density to enhance the mixed-use character of the project; and,
- Explore alternative uses for the intersection of Pembroke Road & Park Road.

The terms of this “Best and Final” offer are subject the terms presented in the RFP response, including: (i) negotiation of an acceptable Development Agreement (and related legal instruments); (ii) achievement of a minimum amount of entitlements; and, (iii) any and all other terms and conditions that may be negotiated in the Development Agreement.

Our development team is committed to the City of Hollywood and the transformative potential of the Park Road redevelopment. We look forward to working with the City on this project.

Respectfully submitted,

Park Road Development, LLC



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EXHIBIT A - OPTION A

Best and Final Offer						
Sources	Instructions	One Time Payment, if any	Recurring, if any(Annual)	Term of Ground Lease, if any (Years)	Total Value of Recurring Payments	Notes
Purchase Price	Respondents are requested to provide their highest and best purchase price or lease terms. An option is available for lease payments to be made as a One Time Payment, at the Respondent's discretion. If payments are over multiple years, utilizing a NPV calculation with a 7% discount rate, please provide a valuation of full lease.	\$1,000,000				\$1M cash payment at closing, subject to final approval with all appeals periods having run their course.
Remediation/Site Clean up Value	Respondents are required to provide an estimate of the remediation costs associated with their projects.	\$5,350,000				\$5,350,000 Estimated Environmental Remediation cost per the Langan Report - City will participate 50% in any savings against the environmental work as a cash payment upon completion of work and cost certification thereof.
Public Works and Other Municipal Facilities	If Respondents propose to enhance existing facility or construct new Public Works and/or other municipal facilities at the site, please provide the estimated value associated with these improvements that will be exclusively funded by the respondent.	\$4,000,000				Estimated costs of Department of Public Works facilities including City Fueling Station. Actual amount will vary based on Program to be determined with the City. See below for CDD financing terms.
Public Amenities	If Respondents are providing parks, walking trails or other public amenities, please provide the estimated value of these.	\$750,000				Estimated cost of public walkways, amenities and landscaping improvements actual TBD per the Final Development Plan
Subtotal A	Sum of all rows under Revenues	\$11,100,000				
Subsidy Request						
Sources	Instructions	One Time, if any	Recurring Annual, if any	Term of Subsidy Payments, if any (Years)	Total Value of Recurring Subsidy	Notes
Public Works and Other Municipal Facilities	If Respondents are intending upon removing existing Public Works and/or other municipal facilities from the site without paying for the replacement cost of a like facility on a similar site, please provide an estimated replacement cost of these facilities					Public Works Facility to Remain on Site. New facilities to be built by applicant; see below for additional details.
Public Direct Investment/Financing	If Respondents are seeking bond financing or other governmental funding associated with their projects, please provide an estimate of this request.					N/A
Fee Waiver	If Respondents are seeking waivers of impact or other fees, please provide an estimated amount requested to be waived.					No fee waiver requested. Applicant will pay all normal and customary fees for applicants work.
Other Requests	If Respondents have any additional subsidy request from the City in the form of direct payments, tax abatements, or other subsidy methods, please provide an estimated cost to the City associated with these.		(\$77,062)	30	(\$956,266)	Public Works Facility including City Fueling Station to be financed via a CDD to be placed on the Property. CDD fees will be paid based on prorata share of the property to be retained by City and Developer. For the purposes of illustration CDD payments have been estimated utilizing a NPV calculation with a 7% discount rate, as per the Purchase Price Instructions.
Subtotal B	Sum of all rows under Subsidy Request				(\$956,266)	
TOTAL (Subtotal A + Subtotal B)					\$10,143,734	

EXHIBIT B - OPTION B

Best and Final Offer						
Sources		Revenues		Total Value of Recurring Payments		
Sources	Instructions	Recurring, if any(Annual)		Term of Ground Lease, if any (Years)	Notes	
		One Time Payment, if any				
Purchase Price	Respondents are requested to provide their highest and best purchase price or lease terms. An option is available for lease payments to be made as a One Time Payment, at the Respondent's discretion. If payments are over multiple years, utilizing a NPV calculation with a 7% discount rate, please provide a valuation of full lease.	\$2,000,000			\$2M cash payment at closing, subject to final approval with all appeals periods having run their course, plus \$1,040,500 estimated future payments to be made at the rate of \$1,500 per market rate residential unit and \$8 per commercial SF payable on receipt of a CO. Final amount will vary based on final Development Plan.	
Remediation/Site Clean up Value	Respondents are required to provide an estimate of the remediation costs associated with their projects.	\$5,350,000			\$5,350,000 Estimated Environmental Remediation cost per the Langan Report - City will participate 50% in any savings against the environmental work as a cash payment upon completion of work and cost certification thereof.	
Public Works and Other Municipal Facilities	If Respondents propose to enhance existing facility or construct new Public Works and/or other municipal facilities at the site, please provide the estimated value associated with these improvements that will be exclusively funded by the respondent.	\$4,000,000			Estimated costs of Department of Public Works facilities including City Fueling Station. Actual amount will vary based on Program to be determined with the City. See below for financing terms.	
Public Amenities	If Respondents are providing parks, walking trails or other public amenities, please provide the estimated value of these.	\$750,000			Estimated cost of public walkways, amenities and landscaping improvements actual TBD per the Final Development Plan	
Subtotal A	Sum of all rows under Revenues	\$13,140,000				
Subsidy Request						
Sources		Recurring Annual, if any		Total Value of Recurring Subsidy		
Sources	Instructions	One Time, if any		Term of Subsidy Payments, if any (Years)	Notes	
Public Works and Other Municipal Facilities	If Respondents are intending upon removing existing Public Works and/or other municipal facilities from the site without paying for the replacement cost of a like facility on a similar site, please provide an estimated replacement cost of these facilities				Public Works Facility to Remain on Site. New facilities to be built by applicant and leased to the City based on 8% self amortizing 20 year lease per the Developers REP submission	
Public Direct Investment/financing	If Respondents are seeking bond financing or other governmental funding associated with their projects, please provide an estimate of this request.				NA	
Fee Waiver	If Respondents are seeking waivers of impact or other fees, please provide an estimated amount requested to be waived.				Applicant will pay all normal and customary fees for applicants work.	
Other Requests	If Respondents have any additional subsidy request from the City in the form of direct payments, tax abatements, or other subsidy methods, please provide an estimated cost to the City associated with these.			up to 20 years	Lease may be paid off at any time by paying the then unamortized amount. For the purposes of illustration lease payments have been estimated utilizing a NPV calculation with a 7% discount rate, as per the Purchase Price Instructions.	(\$4,316,095)
Subtotal B	Sum of all rows under Subsidy Request					(\$4,316,095)
TOTAL (Subtotal A+ Subtotal B)						\$8,823,905