

ORANGEBROOK GOLF COURSE REDEVELOPMENT

GOLF COURSE REDEVELOPMENT PROPOSAL SUMMARY ANALYSIS

Best and Final Offer



400 Entrada Drive, Hollywood, FL 33021

February 9, 2023

CBRE

Orangebrook Golf Course Redevelopment / Development Team Overview

	Golf Architect	Clubhouse / Private Architect	Engineering Firm (s)	Construction Manager	Operator (s)
E2L	Richard Mandell Golf Architecture (RMGA)	Leo A Daly	TLC (MEP) McNamara Salvia (structural) Miller Legg (civil / stormwater) Aqua Turf Intl (irrigation)	Hedrick Brothers Construction (vertical), Case Verde (golf)	Troon (golf) Driftwood (hotel) Wellstar (adult active living) Apogee (events)
Ernie ELS Group	Ernie Els Design, Norby Design	Peacock + Lewis	EDSA (master planning), Kimley Horn (civil) Aqua Turf Intl (irrigation) Turgrass (agronomy)	Kast Construction (vertical) Landscapes Unlimited (golf)	Landscape Unlimited (golf) under asset management agreement with A.P.E.X. Meyer Jabara Hotels (hotel)
GCF Development & PPG Development	Rees Jones/Sanford Design	Kobi Karp	Ayden Environmental (environmental) Botek Thurlow (civil) Traftech Engineering (traffic)	GT McDonald (vertical) QGS (golf)	ClubCorp (golf) Accor (hotel)
Green Lynx (Orangebrook Links, LLC)	Josh Pettit	JV – MKDC/MJA Studio	Not Provided	Not Provided	Self Managed / Castlewood Properties

Orangebrook Golf Course Redevelopment | Golf Overview

	Course Design	Golf Management and Term	Club House	Capital Reserve	Greens Fees	Amenities	Use of GO Bond
E2L	27-hole Championship (comprised of three 18-hole configurations) 6,617-6,855 yards 9-hole par-3 illuminated 18-hole Composite Course (pro level) 7,467 yards	Operator: Troon Term: 15 years with three 5-year options	15,000 SF	5% of total revenue (\$250,706 / year based on year 1 revenue)	\$40-\$70/round (Hollywood resident - weekend) \$70-\$100 (non-Hollywood resident - weekend)	Top Tracer driving range: Birdies Golf Entertainment Center 2.90-mile ADA-accessible preserve and trail Golf academy 18-hole putting course Pickleball courts	Zero
Ernie ELS Group	Championship Course: 18- hole 7,400 yards 18-hole par 3 (9-hole illuminated)	Operator: Landscapes Unlimited Term: 49 years	15,000 SF 1,000 SF Pro-shop 200/250 Seat Restaurant	5% total revenue (\$220,250 / year based on year 1 revenue)	Undisclosed special rates for Hollywood residents \$35.50/round –par 3 course \$73.50/round - Championship Course	Driving range Putting course (Himalayas) Golf academy 3-mile nature trail	Zero
GCF Development & PPG Development	Championship Course: 18 hole 7,170 yards 18-hole “Challenge Course” 4,430 yards	Operator: Club Corp Term: 10 years	34,000 SF 5,991 SF restaurant & bar Banquet hall Fitness facility Golf pro shop	\$226,000 / year + 5% escalation	\$35-\$65/round (non-member Hollywood residents) \$70-\$130/round (non-member non-Hollywood residents)	Driving range Entertainment booths Golf academy Lighted short game area 3- mile ADA accessible nature preserve path	Zero
Green Lynx (Orangebrook Links, LLC)	Championship Course: 18- hole 6,850 – 7,470 yards 18-hole par 3 Developer does not recommend illumination 6,850 – 7,470 yards	Operator: Green Lynx Term: 25 years with two 25-year options	20,784 SF 3,230 SF restaurant 970 SF kitchen “Al Fresco” indoor/outdoor dining	Narrative description but numbers not provided	\$62 Hollywood resident \$82 non-Hollywood resident	Surf park Driving range with live golf entertainment booths 3-mile nature trail	\$17.8 M

Orangebrook Golf Course Redevelopment

Multifamily and Commercial Use Proposal Overview

Proposer	Multifamily Units	Multifamily –Mixed Income Units	Hotel	Leased Acreage	Leased Acreage / Term
E2L	210 adult active living units	Alternate proposal including affordable housing and/or golf villas	198 Keys	+/- 9.5 acres leased +/- 1.5 acres for golf entertainment +/- 1.5 acres for hotel +/- 6 acres for residential	15-years with five 3-year renewal options for golf entertainment 99- years for hotel and residential
Ernie ELS Group	811 apartment units 27 “Casita” villas	117.6 workforce (15%)	160 Keys 4 Star	245 acres leased +/- 10 – 20 acres would be used for private development between options A or b *open to a management agreement for golf course in lieu of leasing all acreage	49-years for golf 99-year for hotel and residential
GCF Development & PPG Development	750 units	100 “Hero / Attainable” (13.3%) 80% - 120% AMI	175 keys 4 star	+/- 5 acres leased +/- 7 acres non-golf use	99-years for hotel and residential
Green Lynx (Orangebrook Links, LLC)	None	None	230 Keys 4 Star	+/- 233.75 acres	25-year lease with two 25-year options

Orangebrook Golf Course Redevelopment | Financial Analysis

Proposer	E2L Real Estate Solutions	Ernie Els Group	GCF Development & PPG Development	Green Lynx
Golf (Holes)	36 Holes	36 Holes	36 Holes	36 Holes
Hotel (Keys)	198 Keys	160 Keys	175 Keys	230 Keys
Rental Apartments (Units)	210 Units	811 Units	750 Units	N/A
Proposed Ground Lease (If Applicable)	99 Years	99 Years	99 Years	75 Years
Proposed Management Agreement (If Applicable)	99 Years	N/A	10 Years	75 Years
Proposed Annual Management Fee (If Applicable)	N/A	N/A	N/A	N/A

Capital Budget				
Public Improvements	\$36,526,328	\$31,845,250	\$41,712,500	\$35,836,274
Private Improvements	<u>\$141,445,585</u>	<u>\$235,154,750</u>	<u>\$368,917,549</u>	<u>\$140,310,040</u>
Total	\$177,971,913	\$267,000,000	\$410,630,049	\$176,146,314
Proposed GO Bond Funding	\$0	\$0	\$0	\$17,800,000
Percentage GO Bond Funded (Golf Operations)	0.00%	0.00%	0.00%	49.67%
Additional Funding Required by City	\$0	\$0	\$0	\$0
Initial Equity Requirement (City)	\$0	\$0	\$0	\$0

Financial Benefit to City Overview				
Annual Golf Operations Revenue	\$458,902	\$586,678	\$721,380	\$245,760
Annual Growth Rate (Once Stabilized)	Per Pro Forma to Stabilization (Yr 11), 2.5% thereafter	Per Pro Forma to Stabilization (Yr 3), 2.5% thereafter	2.50%	Per Pro Forma to Stabilization (Yr 9), 2.5% thereafter
Ground Rent Revenue (Hotel)	\$225,121	N/A	N/A	\$492,212
Annual Growth Rate	Per Pro Forma to Stabilization (Yr 3), 2.5% thereafter	N/A	N/A	Per Pro Forma to Stabilization (Yr 9), 2.5% thereafter
Ground Rent Revenue (Housing)	\$300,000	N/A	N/A	N/A
Annual Growth Rate (Once Stabilized)	N/A	N/A	N/A	N/A
Annual Property Tax Revenue	\$1,223,882	\$3,657,133	\$2,977,544	\$880,718
Annual Growth Rate (Once Stabilized)	2.00%	2.00%	2.00%	2.00%
Proposed Annual Debt Service	N/A	N/A	N/A	N/A

FINANCIAL BENEFIT TO CITY NPV @ 5.00% [30 Years]

Net Present Value	\$51,226,732	\$81,483,079	\$72,505,276	\$43,533,818
Net Present Value - Less GO Bond	\$51,226,732	\$81,483,079	\$72,505,276	\$25,733,818

FINANCIAL BENEFIT TO CITY TOTAL (NON-DISCOUNTED - 10 YEARS)

Total Proceeds	\$27,223,227	\$45,417,847	\$40,685,174	\$22,238,600
Total Proceeds - Less GO Bond	\$27,223,227	\$45,417,847	\$40,685,174	\$4,438,600

FINANCIAL BENEFIT TO CITY TOTAL (NON-DISCOUNTED - 30 YEARS)

Total Proceeds	\$109,879,839	\$171,995,705	\$152,463,782	\$95,870,017
Total Proceeds - Less GO Bond	\$109,879,839	\$171,995,705	\$152,463,782	\$78,070,017

Orangebrook Golf Course Redevelopment | Financial Analysis Notes

<u>E2L Real Estate Solutions</u>	<u>Ernie Els Group</u>	<u>GCF Development & PPG Development</u>	<u>Green Lynx</u>
<ul style="list-style-type: none"> Proposal includes golf course operating share to the City equal to 75% of NOI. Proposed Ground Rent for Hotel equal to 1.25% of Total Revenue. Proposed ground lease term for hotel and housing is 99 years. Proposed ground lease term for golf entertainment venues is 99 years (driving range, "birdies" and 18 hole putting course). Proposed Management Agreement for golf course is 15 years with subsequent 5 year renewal options at mutual consent for a full term of 99 years. City to retain ownership of the golf course, clubhouse and associated parking. 	<ul style="list-style-type: none"> Operations share based on 10% of gross revenue from golf related activities. Proposed ground lease term for golf club is 19 years with three (3) - ten (10) year renewal options (49 years total). Proposed ground lease term for hotel & residential is 99 years 	<ul style="list-style-type: none"> The development team will complete the golf development in exchange for development rights and a 99 year lease, with a request for the ability to extend for an additional term, for approximately 3 acres out of 245 acres (less than 2% of the site) in order to build 3 rental buildings to accommodate 250 units each and approximate 175 key hotel. The development team will manage the golf course and clubhouse operations with a 50/50 split and profit share with the City of Hollywood. Proposing a management agreement term of 5-10 years with rights of termination. A term of 30 years is assumed. 	<ul style="list-style-type: none"> -- Golf lease term is 25 years with two (2) twenty five (25) year extension options at option of Manager. -- Golf operations share includes a Minimum City Payment of \$150,000 per year increasing at CPI. Proposer is assuming 2.50% -- Land Use term for hotel and wave park is 25 years with two (2) twenty five (25) year extension options. -- Hotel operations share includes a Minimum City Payment of \$75,000 per year starting Year 2 and an additional \$75,000 starting Year 3 for Surf Stadium increasing at CPI. Proposer is assuming 2.50%
<ul style="list-style-type: none"> Real Estate Taxes projected using a taxable value of \$75,854,528 for hotel and golf entertainment venues and \$80,479,988 for senior living, mill rate of 8.1548 and 4% early payment discount. 2.00% annual increases are assumed. Golf Course Capital Reserves: 5.00% of Total Revenue from golf operations during Years 1-10, 2.00% thereafter, reserved to fund future equipment, capital repairs and replacement. 	<ul style="list-style-type: none"> Real Estate Taxes projected using a taxable value of \$375,000 per room for hotel and \$450,000 per apartment for housing, \$14,199,850 for Retail, \$7,000,000 for Common Area and \$21,000,000 for Golf Course using mill rate of 8.1548 and 4% early payment discount. 2.00% annual increases are assumed. Golf Course Capital Reserves: 5.00% of Total Revenue from golf operations reserved for CapEx reinvestment and upkeep to Els Brand standard. Year 1 amount = \$220,250. 	<ul style="list-style-type: none"> Real Estate Taxes projected using a value of \$380,341,463, mill rate of 8.1548 and 4% early payment discount. 2.00% annual increases are assumed. Proposer supplied one year stabilized pro forma. Analysis assumes that Net Operating Income will increase by 2.50% annually. Major capital improvements to be funded from capital reserve account consistent with industry standards (TBD in partnership with City). Once quantified replacement reserves will reduce stated revenue share to the City. 	<ul style="list-style-type: none"> Real Estate Taxes projected using a assessed value equal to \$350,000 per room for Hotel and 80% of projected build cost of \$40,000,000 for Wave Park, mill rate of 8.1548 and 4% early payment discount. 2.00% annual increases are assumed. Golf Participation Fee (in addition to minimum) of 2.0% of all sales at golf facilities Years 1-24, 2.75% for Years 25-49 and 3.5% for Years 50-74. Hotel Participation Fee (in addition to minimum) of 3.15% of all sales at hotel facility Years 1-24, 3.65% for Years 25-49 and 4.15% for Years 50-74. Wave Participation Fee (in addition to minimum) of 3.15% of all sales at wave park facility Years 1-24, 3.65% for Years 25-49 and 4.15% for Years 50-74. Capital Reinvestments required for the entire term of the management agreement will be paid for out of operating revenues or developer cash investments.

Orangebrook Golf Course Redevelopment | Golf Course Financial Returns

Proposer	<u>E2L Real Estate Solutions</u>	<u>Ernie Els Group</u>	<u>GCF Development & PPG Development</u>	<u>Green Lynx</u>
Golf (Holes)	36 Holes	36 Holes	36 Holes	36 Holes
Proposed Ground Lease (If Applicable)	30 Years	49 Years	N/A	N/A
Proposed Management Agreement (If Applicable)	99 Years	N/A	10 Years	75 Years
Proposed Annual Management Fee (If Applicable)	N/A	N/A	N/A	N/A

Capital Budget				
Public Improvements	\$36,526,328	\$31,845,250	\$41,712,500	\$35,836,274
Proposed GO Bond Funding	\$0	\$0	\$0	\$17,800,000
Percentage GO Bond Funded (Golf Operations)	0.00%	0.00%	0.00%	49.67%
Additional Funding Required by City	\$0	\$0	\$0	\$0
Initial Equity Requirement (City)	\$0	\$0	\$0	\$0

Financial Benefit to City Overview				
Annual Golf Operations Revenue	\$458,902	\$586,678	\$721,380	\$245,760
Annual Growth Rate (Once Stabilized)	Per Pro Forma to Stabilization (Yr 11), 2.5% thereafter	Per Pro Forma to Stabilization (Yr 3), 2.5% thereafter	2.50%	Per Pro Forma to Stabilization (Yr 9), 2.5% thereafter

FINANCIAL BENEFIT TO CITY NPV @ 5.00% [30 Years]

Net Present Value	\$17,593,377	\$10,669,795	\$14,850,911	\$6,074,085
Net Present Value - Less GO Bond	\$17,593,377	\$10,669,795	\$14,850,911	(\$11,725,915)

FINANCIAL BENEFIT TO CITY TOTAL (NON-DISCOUNTED - 10 YEARS)

Total Proceeds	\$7,956,391	\$5,373,260	\$8,081,896	\$3,105,167
Total Proceeds - Less GO Bond	\$7,956,391	\$5,373,260	\$8,081,896	(\$14,694,833)

FINANCIAL BENEFIT TO CITY TOTAL (NON-DISCOUNTED - 30 YEARS)

Total Proceeds	\$39,813,438	\$23,632,841	\$31,670,532	\$13,396,846
Total Proceeds - Less GO Bond	\$39,813,438	\$23,632,841	\$31,670,532	(\$4,403,154)

Orangebrook Golf Course Redevelopment | Schedule



	E2L	Ernie Els Group	GCF Development & PPG Development	Green Lynx (Orangebrook Links, LLC)
SCHEDULE	Total: 32 months Golf: 20 months Golf facilities: Private: 32 months	Total: 30 months Golf course: 15 months Golf facilities: 20 months Private: 30 months	Total: 60 months Golf course: 18 months Golf facilities: 24 months Private: 60 months	Total: 26 months Golf course: 16 months Golf facilities: 17.5 months Wave stadium: 14 months