



Château Group

Paul A. Bassar
City of Hollywood
Interim Assistant Finance Director for Procurement and Contract Compliance
Financial Services Department
2600 Hollywood Blvd Suite 303
P.O. Box 229045
33020-9045, FL 33022-9045
Office: 954-921-3628
E-mail: PBASSAR@hollywoodfl.org

RE: RFP Prime Oceanfront Redevelopment Opportunity – Best and Final Offers (BAFO's)

Dear Mr Bassar,

The Chateau Group would like to thank you for the opportunity to continue with this process. As requested, below please find a summary of our **Best and Final Offers (BAFO's)** including refinements/improvements to our original proposal:

Château Group's final proposal includes:

- **The BASE case (PORPOSED PROJECT #A)**
- **The NEW case (PROPOSED PROJECT #B)**
- **The ENHANCED case (PROPOSED PROJECT #C)**

- **Refinements to the project, renderings and images and site plan (Appendix A)**
- **Images showing the three scenarios proposed (Appendix A)**

Thank you in advance for your attention.,

Esteban Koffsmon,
Senior Vice President – Château Group

SUMMARY:

- **The BASE case (PORPOSED PROJECT #A)**
 - This is the previously proposed project with LOW density, intensity, and height. All same contributions as discussed so far. We added a \$500,000 additional contribution to be allocated to the reconstruction of Harry Berry Park close to the ocean and the extension of the Broadwalk as proposed in the project. The total contribution is estimated in more than **\$43,000,000.00** dollars. The **yearly** revenue to the city is **+\$4,000,000.00** dollars plus additional potential revenue if the city decides to sell any or all the improvements located on swap land #1, #2 and/or #3.
 -
- **The NEW case (PROPOSED PROJECT #B)**
 - This version of the project eliminates the retail on the waterfront and, alternatively, proposes the relocation of HBCCC on the waterfront next to the new and relocated Harry berry park. This version has some changes in the economics, contributions, costs such as:
 - The swap of land #1 and #2 (land #3, north of Summit Towers where the HBCCC was proposed, remains ownership of Chateau Group)
 - The Land deficit cash contribution **increases from 10MM to 18MM**
 - The 'appraise value' of the land contributed is reduced proportionally,
 - \$500,000 additional contribution to be allocated to the reconstruction of Harry Berry Park close to the ocean and the extension of the Broadwalk as proposed in the project and
 - 121 parking spaces for the use of the HBCCC at an estimated cost of **\$1,815,000**The total contribution is estimated in more than **\$45,000,000.00** dollars. The **yearly** revenue to the city is estimated in **+\$4,000,000.00** dollars plus additional potential revenue if the city decides to sell any or all the improvements located on swap land #1 and/or #2.
- **The ENHANCED case (PROPOSED PROJECT #C)**
 - This version proposed an **INCREASE** in density and height to match the other three firms' projects that are also competing (30 floors instead of 18 floors and 70 DU/acre in lieu of 50DU/acre), those proposals have taller buildings. Although we strongly believe that height as well as intensity and density of our BASE case is consistent with the underlying existing conditions and neighboring properties as it was previously drafted, we think that by proposing similar density, intensity and height as our competitors, our economic contribution could much more significant. In this scenario, we offer an additional \$7,000,000 contribution towards land value deficit (we defined it as 'additional height contribution'). We also added \$500,000 additional contribution to be allocated to the reconstruction of Harry Berry Park close to the ocean and the extension of the Broadwalk as proposed in the project and
 - 121 parking spaces for the use of the HBCCC at an estimated cost of **\$1,815,000**The total contribution is estimated in more than **\$52,000,000.00** dollars. The **yearly** revenue to the city is estimated in **+\$4,000,000.00** dollars plus additional potential revenue if the city decides to sell any or all the improvements located on swap land #1 and/or #2.

A - THE BASE CASE:

Public Amenity Summary	Square Footage of public use areas or # of spaces	Estimated cost to develop public use areas
Community Center	25,000 SQFT <ul style="list-style-type: none"> A 3 story HBCCC floorplate of 4,000 sqft for a total of 12,000 sqft. 12 feet clear height A 24-foot clear 100' x 100' ballroom = 10,000 sqft A 3-story parking structure with basketball, soccer courts on top. 150-160 parking spaces An on-grade lap pool of approximately 100'x40' Roof top soccer and basketball courts 	\$5,000,000 Plus, the land value on Lot #3 swap estimated in: \$10,146,000
Harry Berry Park	+/- 5,000 sqft	\$500,000
General public space / plaza areas / Greenspace for public use without cost to the public	All Beach front area of approx. 60,000 sqft Plus, Broadwalk and bike paths	Value/cost by the developer included in the construction cost of the project
Broadwalk extension	Starting on Bouganvillea	Included in the project cost and Harry Berry Park allocation
Public Parking	150-160 spaces in Lot swap #3 and 96 spaces in new building for visitor, retail, and beach club	\$1,440,000 approx.

BREAKDOWN OF CONTRIBUTIONS:

CONTRIBUTIONS CALCULATIONS		SF	\$/UNIT	\$/SQFT	CAP	VALUATION
LAND DEFICIT	(USED AVERAGE BETWEEN GROSS AND NET APPROACH)					\$ 10,148,106.20
CONSTRUCTION OF COMMUNITY CENTER	ON LOT #3 SWAP	25,000.00		200		\$ 5,000,000.00
CONSTRUCTION OF PARKING FOR THE CITY	ON LOT #2 SWAP	117,837.00	\$ 12,500	275		\$ 3,437,500.00
CONSTRUCTION OF RETAIL FOR THE CITY	ON LOT #2 SWAP	9,307.00		175		\$ 1,628,725.00
CONSTRUCTION/RELOCATION OF HARRY BERRY PARK						\$ 500,000.00
CONSTRUCTION OF KIDS PLAYGROUND AND PUBLIC PARK	ON LOT #1 SWAP					\$ 1,000,000.00
CHATEAU GROUP LAND VALUE						\$ 20,177,447.61
						\$ 41,891,778.82
APPLICATION FEE						\$ 375,000.00
BROKER'S FEE					0.95%	\$ 950,000.00
						\$ 43,216,778.82

Château Group has already increased size and contribution towards the new location of the HBCCC. Our contribution reflects \$200/sqft based on the proposed 25,000 sqft of interior space or \$5,000,000. Château Group would like to reiterate that the allocation of the funds committed would be at the city's discretion.

Please, consider that currently, the HBCCC, holds 16,716 sqft of interior space and that the development guidelines ask for a community center comparable in size. If the city wishes to have 20,000 sqft of interior space, the contribution would be equivalent to \$250/sqft of interior space, and the offered funds can be reallocated accordingly.

The updated concept proposed is:

- A 3 story HBCCC floorplate of 4,000 sqft for a total of 12,000 sqft. 12 feet clear height
- A 24-foot clear 100' x 100' ballroom = 10,000 sqft
- A 3-story parking structure with basketball, soccer courts on top. 150-160 parking spaces
- An on-grade lap pool of approximately 100'x40'

We would like to restate that the 'bulk' of money contributed by Château Group is intended to be allocated by the city of Hollywood as the city deems most desirable and not based upon the specific sites and uses proposed by Château Group. However, we believe that the community center can be built within the budget proposed by Château Group without the need for additional funds or the reallocation of provided funds.

BREAKDOWN OF VALUATION OF LAND SWAPPED:

ADDRESS	LOTS	VALUATION	SF	ACRES	GROSS SF	ACRES	VALUATION
1 2401 N OCEAN DR	5	3,299,927	17,701	0.41	26,326	0.6044	
2 1051 N OCEAN DR	12	6,731,471	36,108	0.83	52,148	1.1972	
3 901 S OCEAN	16	10,146,050	54,424	1.25	83,279	1.9118	
		20,177,448	108,233	2.48	161,753	3.71	\$ 25,273,929.74
4 HOLLYWOOD CITY LAND			FOLIO 5142-2				
			FOLIO 5142-2	58,806	1.35		
			FOLIO 5142-2	32,000	0.73		
			FOLIO 5142-2	25,244	0.58		
			FOLIO 5142-2	43,588	1.00		
		29,760,677.26	159,638	3.66	230,316	5.287	\$ 35,986,912.50
				14.7%	14.7%	14.2%	1.57
CHATEAU DEFFICIT ON LAND VALUE		(9,583,229.65)	(51,405)	(1.18)	(68,563)	(1.57)	(10,712,983)
BRT-25-R LOT MARKET VALUE		\$ 600,000	51.49%				
BRT-25-C LOT MARKET VALUE		\$ 900,000	48.51%				
AVERAGE MARKET VALUE		\$ 745,544 /LOT					
PROPOSED LAND VALUE PER NET ACRE AT (33% DISCOUNT ON VALUATION)	67%	\$ 500,000 /LOT	\$ 6,806,250.00 / NET ACRE				
			\$ 186.43 / SFT NET				
LOT VALUATION	LOTS	\$ 500,000.00	3200 LOT SIZE				
	11.409	TOTAL VALUE \$	5,704,550.00				

Château Group owned land 901 south ocean dr. (48.51% of the total contribution of land) is valued at \$600,000/lot and the two commercial lots the Château Group owns, 1051 and 2401 north ocean dr. (51.49% of the total land contribution) is valued at \$900,000/lot based on the above average (close to 50/50) and comparable provided we strongly believe that these lots could average \$745,000 / lot, approx. 50% more than the trade/swap value.

REFERENDUM / P3 COMPLIANCE

Château Group proposes to hold a mail-in referendum. The referendum, including the marketing of same, shall be paid by Château Group, and shall not require public funds. In addition, the proposed land swap fully complies with the P3 statutory requirements

CLARIFICATIONS

The new playground being offered on (North lot - swap #1) is 'suggested' to be a new park for the city, not a replacement of Harry Berry Park.

Our vision for the program on the three lots that Château Group is looking to contribute and swap with the city's **land is not intended to be set in stone nor decided solely by Château Group.**

Château Group is looking to work together with the city, community Groups, and the neighbors in establishing the program for each lot. We believe the uses proposed per lot will provide the best use but, we expect to refine the program with all interested stakeholders. We anticipate holding numerous design charrettes to see if we can reach a consensus and gain complete community support.

As explained in the previously submitted package, Château Group proposes the following uses on the land contributed, uses can be determined by the city and neighbors:

Lot north	1) a park
Lot central	2) a structured parking/retail
Lot south	3) community center / ballroom / library / auditorium / meeting rooms / active adult center

BROADWALK

The location of the broadwalk includes a dune; the broadwalk was designed to be in between the dune. Château has had numerous oceanfront developments and has a wonderful working relationship with the department of environmental protection. If the city approves this design, Château's staff is well equipped to work with the necessary state agencies to get this design approved. Château's goal is to follow the building profiles immediate adjacent to the site on the south and to incorporate the broadwalk in compliance with FDEP regulations.

PUBLIC PARKING

Currently, the HBCCC has 36 parking spaces on the east lot and 56 parking spaces on the north lot for a total of 92 parking spaces. We propose a public parking garage structure of 150-160 parking spaces on future community center lot (Jefferson street). This parking structure will not only serve for the HBCCC use but will also service beach user, if desired. Additionally, the proposed project on bougainvillea will be designed to accommodate further public parking as well.

AZALEA STREET

We relocated Azalea street back into our design at the far north end of the property. Azalea Street connects to Surf rd. and back to the roundabout at the core of the project proposed.

A1A RETAIL ACTIVATION

We conceptualized retail spaces, café, restaurant etc. Parallel to A1A, the design proposes terraces for outdoor tables, vegetation to propose shaded areas and water features to promote outdoor dining. These spaces are planned by proposing an extra setback between A1A/property line and the building façade. We also propose a larger setback at the intersection of A1A and bougainvillea to create a 'gateway' feel towards the beach.

B - THE NEW CASE:

Public Amenity Summary	Square Footage of public use areas or # of spaces	Estimated cost to develop public use areas
Community Center	20,000 SQFT <ul style="list-style-type: none"> A 3 story HBCCC 10,000 sqft. 12 feet clear height. A 24-foot clear 100' x 100' ballroom = 10,000 sqft An on-grade lap pool of approximately 100'x40' Outdoor theater / band shell 	\$4,000,000
Harry Berry Park	+/- 5,000 sqft	\$500,000
General public space / plaza areas / Greenspace for public use without cost to the public	All Beach front area of approx. 60,000 sqft Plus, Broadwalk and bike paths	Value/cost by the developer included in the construction cost of the project
Broadwalk extension	Starting on Bouganvillea	Included in the project cost and Harry Berry Park allocation
Public Parking	121 spaces for the HBCCC Exclusive use 86 spaces in new building for visitor, retail, and beach club	\$1,815,000 approx. \$1,290,000 approx.

BREAKDOWN OF CONTRIBUTIONS:

CONTRIBUTIONS CALCULATIONS	SF	\$/UNIT	\$/SQFT	CAP	VALUATION
LAND DEFICIT	(USED AVERAGE BETWEEN GROSS AND NET APPROACH)				\$ 17,826,030.82
CONSTRUCTION OF COMMUNITY CENTER	ON SITE				\$ 4,000,000.00
CONSTRUCTION OF PARKING FOR THE CITY	ON LOT #2 SWAP	117,837.00	\$ 12,500	275	\$ 3,437,500.00
CONSTRUCTION OF RETAIL FOR THE CITY	ON LOT #2 SWAP	9,307.00		175	\$ 1,628,725.00
CONSTRUCTION/RELOCATION OF HARRY BERRY PARK					\$ 500,000.00
CONSTRUCTION OF KIDS PLAYGROUND AND PUBLIC PARK	ON LOT #1 SWAP				\$ 1,000,000.00
121 PARKING SPACES INSIDE PROPOSED GARAGE ON SITE	ON SITE		\$ 15,000.00		\$ 1,815,000.00
CHATEAU GROUP LAND VALUE					\$ 13,542,387.04
					\$ 43,749,642.85
APPLICATION FEE					\$ 375,000.00
BROKER'S FEE				0.95%	\$ 950,000.00
					\$ 45,074,642.85

THE ENHANCED CASE:

Public Amenity Summary	Square Footage of public use areas or # of spaces	Estimated cost to develop public use areas
Community Center	20,000 SQFT <ul style="list-style-type: none"> A 3 story HBCCC 10,000 sqft. 12 feet clear height. A 24-foot clear 100' x 100' ballroom = 10,000 sqft An on-grade lap pool of approximately 100'x40' Outdoor theater / band shell 	\$4,000,000
Harry Berry Park	+/- 5,000 sqft	\$500,000
General public space / plaza areas / Greenspace for public use without cost to the public	All Beach front area of approx. 60,000 sqft Plus, Broadwalk and bike paths	Value/cost by the developer included in the construction cost of the project
Broadwalk extension	Starting on Bouganvillea	Included in the project cost and Harry Berry Park allocation
Public Parking	121 spaces for the HBCCC Exclusive use 86 spaces in new building for visitor, retail, and beach club	\$1,815,000 approx. \$1,290,000 approx.

BREAKDOWN OF CONTRIBUTIONS:

CONTRIBUTIONS CALCULATIONS		SF	\$/UNIT	\$/SQFT	CAP	VALUATION
LAND DEFICIT	(USED AVERAGE BETWEEN GROSS AND NET APPROACH)					\$ 17,826,030.82
ADDITIONAL HEIGHT CONTRIBUTION						\$ 7,000,000.00
CONSTRUCTION OF COMMUNITY CENTER	ON SITE	20,000.00		200		\$ 4,000,000.00
CONSTRUCTION OF PARKING FOR THE CITY	ON LOT #2 SWAP	117,837.00	\$ 12,500	275		\$ 3,437,500.00
CONSTRUCTION OF RETAIL FOR THE CITY	ON LOT #2 SWAP	9,307.00		175		\$ 1,628,725.00
CONSTRUCTION/RELOCATION OF HARRY BERRY PARK						\$ 500,000.00
CONSTRUCTION OF KIDS PLAYGROUND AND PUBLIC PARK	ON LOT #1 SWAP					\$ 1,000,000.00
121 PARKING SPACES INSIDE PROPOSED GARAGE ON SITE	ON SITE		\$ 15,000.00			\$ 1,815,000.00
CHATEAU GROUP LAND VALUE						\$ 13,542,387.04
						\$ 50,749,642.85
APPLICATION FEE						\$ 375,000.00
BROKER'S FEE					0.95%	\$ 950,000.00
						\$ 52,074,642.85

CONCLUSIONS:

Château Group is thankful for the opportunity to participate in the RFP and believes that the THREE alternatives/scenarios presented today address most of the Hollywood Beach Commission requests, concerns, and desires.

We also took the opportunity to define further our project and produced drawings to incorporate the proposed scenarios. Please refer to appendix A.

APPENDIX A