



# City of Hollywood

Hollywood City Hall  
2600 Hollywood Blvd  
Hollywood, FL 33020  
<http://www.hollywoodfl.org>

## Legislation Text

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**File #:** R-2024-022, **Version:** 1

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A Resolution Of The City Commission Of The City Of Hollywood, Florida, Approving The Conceptual Site Plan Developed By PPG GCF Orangebrook Owner, LLC For The Redevelopment Of The Orangebrook Golf Course And Country Club Located At 400 Entrada Drive, Hollywood, Florida.

### *Economic Vitality*

Staff Recommends: Approval of the attached Resolution.

### Explanation:

The City owns the Orangebrook Golf Course and Country Club located at 400 Entrada Drive, Hollywood, Florida ("Property"). On July 13, 2020, the City received an unsolicited proposal which pursuant to Section 255.065, Florida Statutes (Public-Private Partnerships), was determined to be a qualifying project for the Orangebrook Golf Course Redevelopment ("OB Redevelopment").

On February 17, 2021, the City Commission received a presentation on the unsolicited proposal, and authorized City staff to solicit additional proposals for the OB Redevelopment in accordance with state statutes. On April 15, 2021, City staff posted notices to solicit proposals for the OB Redevelopment through a public-private partnership ("P3"), and received six proposals by the due date of August 12, 2021.

On August 30, 2021, an Evaluation Committee, comprised of City staff voting members and two non-voting consultants (CBRE and National Golf Foundation) was assembled and began the process of evaluating the six proposals through a series of meetings and presentations.

On March 1, 2023, the Evaluation Committee's recommendations were presented to the City Commission, and the City Commission passed and adopted Resolution R-2023-028, approving and authorizing City staff to negotiate an agreement for the OB Redevelopment P3 with firms in the following ranked order:

1. GCF Development LLC / PPG Development LLC Ranked #1
2. E2L Real Estate Solutions, LLC Ranked #2
3. Ernie Els Group Ranked #3

On March 15, 2023, a Negotiation Committee comprised of City staff was assembled and began the process of negotiating an agreement with the #1 ranked firm, PPG GCF

Orangebrook Owner, LLC (“Developer”), previously referred to as GCF Development LLC/PPG Development LLC, for the OB Redevelopment P3. During the negotiation process, the City and Developer (“Parties”) negotiated a Comprehensive Development Agreement, Ground Lease Agreement and License Agreement for Site Access that sets forth the material rights and obligations of the Parties with respect to the OB Redevelopment P3 (“Agreements”). The Agreements do not require the use of GO Bond Funds, include financial benefits to the City, and provide for all components of the Project presented to the Commission in the Developer’s Best and Final Offer (“BAFO”).

On July 13, 2023, the City Commission approved the Agreements including a provision that the City Commission would approve the Conceptual Site Plan and the final location of the minimum 36 holes of golf.

The Parties have continued to meet to refine the Conceptual Site Plan and the basic layout of the 36 holes of golf to address City Commission feedback, community input and regulatory requirements primarily related to stormwater management. The Conceptual Site Plan to be approved by the City Commission includes: (a) an 18-hole championship golf course that exceeds 7,250 yards (designed by Rees Jones Inc. and Sanford Ferris Golf Course Design with the goal of attracting a PGA tournament), (b) a 9-hole challenge course, (c) a 17 acre practice facility including a 9-hole lighted short course, a driving range, and putting course, (d) a new clubhouse (15,000 square feet or greater) including a banquet facility to accommodate at least 150 people with a kitchen, (e) a starter shack, (f) course restrooms, (g) maintenance facilities (12,000 square feet or greater), (h) a cart barn (10,000 square feet or greater), (i) space for a “Wow Factor” entryway signage/entry feature, (j) an approximately 3-mile perimeter park and mid-course walking trail, (k) a hotel with a minimum of 175 keys with a restaurant and bar, banquet hall, conference center and meeting areas (over 10,000 square feet), fitness facility (minimum of 3,000 square feet), (l) parking facilities to accommodate all required parking, (m) 750 residential dwelling units in three residential towers with a minimum of 100 units of Hero Housing and (n) structured parking garages for the residential towers.

#### Fiscal Impact:

The Agreements require the Developer to fund the entire Project and set forth several revenue streams from the completed Project that will benefit of the City. The first revenue stream would be the ad valorem taxes to be derived from the private components of the Project, including the three residential towers and the hotel site. The estimated ad valorem taxes, based upon the current millage rate and the estimated taxable value of approximately \$380 million, would be \$2.98 million annually. This is upon completion of all the private components of the Project and their addition to the tax rolls.

The second revenue source is a 50/50 profit share of the net profits of the golf operations. This is estimated at \$721,380 in the first full year of golf operations and estimated to increase by approximately 2.5% annually once stabilized.

The third revenue source included in the Comprehensive Development Agreement is a share in the profits from the hotel operations through the means of a resort fee equal to 1% of gross room revenue and share of revenue from the sale of alcoholic beverages equal to 2% of the gross alcoholic beverage sales. The resort fee is expected to generate approximately \$220,000 based on assumptions about percentage occupancy and room rates for a four-star hotel in this vicinity. This amount would reasonably be expected to grow by approximately 2-3% annually.

The fourth revenue source negotiated and agreed to by the Developers and the City is a share of the gross revenue in the occurrence of a transfer of ownership of the private components of the Project. In the event of a transfer the new owner of that component would pay to the City an amount equal to one-half of one percent (.05%) of the gross revenues of the transfer less any real estate commissions and other expenses of the transfer. Based upon the projected value of the private components as of completion, assuming a transfer occurred using those estimated values, the amount of revenue shared with the City as a result of the transfer would be estimated at approximately \$1.9 million. This revenue occurs only if the private components are transferred and does not apply to the first transfer that may be done with the initial principals of the Developer.

Recommended for inclusion on the agenda by:  
Raelin Storey, Assistant City Manager  
David E. Keller, Director, Financial Services