



City of Hollywood

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

Legislation Text

File #: R-2020-168, **Version:** 1

A Resolution Of The City Commission Of The City Of Hollywood, Florida, Ranking The Responses To The City's Publication Of A Notice Of Receipt Of An Unsolicited Proposal And Willingness To Accept Competing Proposals For The Development Of A Mixed-Use, Mixed-Income Project To Be Located On The City-Owned Parcel Of Land Between Fillmore And Polk Streets Along North 21st Avenue; Authorizing The Appropriate City Officials To Negotiate A Comprehensive Agreement With Housing Trust Group, LLC As The Highest-Ranked Firm.

Economic Vitality

Staff Recommends: Approval of the Attached Resolution.

Explanation:

The redevelopment of the City-owned parcels located along N 21st Avenue between Polk and Fillmore Streets has long been a part of downtown redevelopment discussions and plans. The parcels located along N 21st Avenue between Polk and Fillmore Streets include a former fire station (repurposed and leased to Barry University in 2011), surface parking lots, and a Shuffleboard Center.

The municipal election in January of 2008 included a land referendum, approved by voters, authorizing the disposition of the portion of the site that includes the former fire station and parking lot. In 2016, as the dual tracking of the rail corridor was underway to provide for the return of passenger rail to the Florida East Coast Rail corridor, the City issued a Request for Proposals (RFP) seeking qualified firms to redevelop the approximately 2.5 acres of land. This was prior to the completion of the dual tracking project and before Virgin Trains USA (formerly Brightline) began operating high speed passenger rail service on the FEC railway. This request did not result in any proposals.

In 2017, the City was selected by the South Florida Regional Transportation Authority (SFRTA) for the development of a Station Area Master Plan funded by a Federal Transit Administration (FTA) grant to examine this area as part of the planning for a proposed Tri-Rail Coastal Link commuter rail service. This planning effort was led by the Treasure Coast Regional Planning Council and included a complete assessment of current conditions, market study and a series of public design charrettes and workshops involving dozens of residents, neighborhood associations, and business and community groups. The completed study

prioritized the redevelopment of this site, and the area within a half mile of it, along with recommending infrastructure improvements that would help support a future train station.

On May 29, 2019, the City received an unsolicited proposal under Florida Statutes Section 255.065 from Housing Trust Group, LLC (HTG) along with a check in the amount of \$25,000.00, per the City Code of Ordinances, proposing to develop approximately 216 market rate and affordable rental housing units, up to 15,000 square feet of space to accommodate Barry University, additional ground floor commercial/community space and a parking garage to accommodate both public and private parking for the project.

The Office of Procurement Services convened an evaluation committee to assess whether the proposal met the criteria established under the state Public-Private Partnerships (P3) statute, F.S.S. 255.065, to be deemed a qualified project. The Committee determined that proposal met the criteria and that the City should proceed to seek any competing proposals for this development opportunity. On July 12, 2019, the Office of Procurement Services issued a Request for Proposals (RFP) in the interest of allowing competition to secure the best proposal relative to the City's redevelopment goals. The RFP was posted on BidSync and the City held a pre-proposal conference on August 1, 2019 for all interested parties. On August 26, 2019, the City published a Notice of Unsolicited Proposal for Public Private Partnership Opportunity for University Station Redevelopment, in the Florida Administrative Register and the South Florida Sun-Sentinel on August 26th and September 3rd announcing that the City would accept competing proposals. The City cancelled the formal RFP on September 13, 2019 in BidSync opting to accept proposals under the provisions of the P3 statute.

An alternate competing proposal was submitted to the City from Pinnacle Communities, LLC by the published deadline of 3:00 p.m. on September 18th per the P3 statute. The Office of Procurement Services established an Evaluation Committee comprised of voting members: Shiv Newaldass, Director, Department of Development Services; Jorge Camejo, Executive Director, Hollywood Community Redevelopment Agency; Raelin Storey, Director, Office of Communications, Marketing and Economic Development, Herb Conde-Parlato, Economic Development Manager, Office of Communications, Marketing and Economic Development; and Leslie Del Monte, Planning Manager, Department of Development Services. Paul Bassar, Director, Office of Procurement Services, served as the committee coordinator and a non-voting member. The Evaluation Committee met on September 24, 2019 to review the proposals and unanimously elected to hear oral presentations from the two proposers, Housing Trust Group, LLC and Pinnacle Communities, LLC.

On October 7, 2019, the Evaluation Committee met in a public meeting in the Hollywood City Commission Chambers, Room 219. Each proposer made a presentation followed by a question and answer period with the Evaluation Committee. Following these oral presentations, the Evaluation Committee scored the proposals based on specific evaluation criteria that included the qualifications and experience of the development team; overall development plan; financial plan; management plan; development timeframe; and financial

benefit to the City. The scoring of the Evaluation Committee resulted in the ranking of the two proposals as follows:

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| 1. | Housing Trust Group, LLC | 558 points |
| 2. | Pinnacle Communities, LLC | 526 points |

With Housing Trust Group as the top ranked firm, City staff prepared an agenda item for the City Commission to approve the Evaluation Committee's ranking and award the opportunity to develop the mixed use/mixed income project to Housing Trust Group, LLC. On October 16, 2019 Pinnacle Communities, LLC filed a complaint contesting the Intent to Award to HTG in the Circuit Court of Broward County Florida and the City Attorney subsequently advised the agenda item should be pulled.

After discussions and negotiations the City and Pinnacle Communities, LLC agreed that it was in both parties best interests to resolve the matter. On February 2, 2020 Pinnacle Communities, LLC and the City entered into a Settlement Agreement with the City agreeing to reopen the P3 Proposal process to the public allowing both Pinnacle Communities, LLC and Housing Trust Group, LLC, along with any other interested proposers, to submit proposals (a Best and Final Offer) during the reopened process.

The City published new notices of an Unsolicited Proposal for Public Private Partnership Opportunity for University Station on February 19, 2020 and February 26, 2020 in the Florida Administrative Record and the Sun-Sentinel newspaper.

On March 20, 2020 two proposals were received, Housing Trust Group, LLC and Pinnacle Communities, LLC. On April 16, 2020 an evaluation committee, consisting of representatives from the Department of Development Services-Community Development and Planning Divisions, Hollywood Community Redevelopment Agency, Department of Design and Construction Management and the Office of Communications, Marketing & Economic Development, evaluated proposals based on the evaluation criteria of: Qualifications, Experience, Declarations and Development Team; Development Plan; Financial Plan; Management Plan; Development Timeframe; and Financial Benefit to the City. On May 11, 2020 after hearing oral presentations from both firms the evaluation committee members finalized their scoring which resulted in the following ranking of the two proposals:

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| 1. | Housing Trust Group, LLC | 561 Points |
| 2. | Pinnacle Communities, LLC | 529 Points |

The Evaluation Committee recommends that the City Commission accept the committee's ranking and authorize the appropriate City officials to negotiate a Comprehensive Agreement including Ground Leases with Housing Trust Group, LLC for the redevelopment of the site into a mixed use/mixed income project that will provide high quality rental housing, accommodate Barry University, and further the vision for the area contemplated in the Station Area Master Plan. The Comprehensive Agreement including Ground Leases will be brought

back to the City Commission for approval.

Fiscal Impact:

The potential revenue generated from both Phase I and II of the ground lease is a minimum of \$4,500,000.00 and a maximum of \$6,000,000.00. The ground lease amounts are dependent upon receipt by the Housing Trust Group (HTG) of low income housing tax credits. To assist in HTG's success in obtaining the low income house credits the City has committed to provide a cash loan of up to \$800,000 which is to be repaid at 3% annual interest in a 30 year amortization schedule with a balloon payment in year 15. Funding for the loan will be brought back for Commission approval at a future date.

The proposal includes construction of a 110 revenue generating public parking spaces at no cost to the City.

The project is estimated to produce permitting, impact and connection fees of approximately \$850,000.00. Annual property tax revenue of approximately \$200,000.00 is anticipated once the development is fully constructed.

Additional analysis to determine financial impact on the City will be conducted once the final amount and terms are negotiated.

Recommended for inclusion on the agenda by:

Raelin Storey, Director, Communications, Marketing & Economic Development

Shiv Newaldass, Director, Development Services

Paul Bassar, Director, Procurement Services

Gus Zambrano, Assist City Manager of Sustainability Development