



# City of Hollywood

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

## Legislation Text

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A Resolution Of The City Commission Of The City Of Hollywood, Florida, Ranking The Responses To The City's Notice Of Receipt Of An Unsolicited Proposal And Willingness To Accept Competing Proposals For The Redevelopment Of The City's Hollywood Beach Culture and Community Center, Adjacent Parking Lots and Recreational Areas, As Part Of A Public Private Partnership To Create New Public Facilities and Amenities Along With Private Facilities On The City-Owned Parcels Of Land Generally Located At 1301 South Ocean Drive Between Azalea Terrace And Bougainvillea Terrace; Authorizing The Appropriate City Officials To Negotiate A Comprehensive Agreement With PRH 1301 S Ocean Drive, LLC, wholly owned and controlled by The Related Group, As The Highest Ranked Firm.

*Economic Vitality*

Staff Recommends: Approval of the Attached Resolution.

### Explanation:

An unsolicited offer for the redevelopment of four City of Hollywood owned parcels generally located at 1301 South Ocean Drive in Hollywood, and more specifically comprised of folio numbers 514224020013, 514224010011, 514213030020 and 514224020010, was received by the City under the provisions of the State of Florida's Public-Private Partnerships (P3) Statute, F.S.S. 255.065. In accordance with the Statute, the City of Hollywood determined the proposal to be a qualified project serving a public purpose. In June of 2020, the City published the required notice of the receipt of an unsolicited proposal and the City's willingness to accept competing proposals for a public-private partnership for the redevelopment of the site. The City's real estate transaction advisory firm, CBRE, ensured that the opportunity was broadly marketed to achieve the most beneficial responses for the City and its taxpayers. The opportunity to submit competing proposals was first noticed on June 23, 2020 in the Florida Administrative Register and the South Florida Sun-Sentinel newspaper with all submissions due by September 28, 2020.

The City's goal in this solicitation under the P3 statute was to receive proposals that would provide a long-term revenue source to the City; incorporate a new, state-of-the-art Culture and Community Center for residents; enhance beachfront recreational amenities for the public; extend the historic Hollywood Beach Broadwalk; and provide replacement public parking, in addition to commercially viable private residential and commercial development.

The City of Hollywood's Department of Financial Services-Procurement Division established a selection committee comprised of City and CRA staff with expertise in real estate, economic development, architecture, engineering, municipal finance and budgeting, as well as recreational facilities, to review the proposals. On December 2nd and 3rd, 2020, eight firms presented their proposals to the selection committee. After deliberations and scoring, the City's selection committee short-listed four firms: The Related Group, Key International/13th Floor Investments, Continuum Company and Chateau Group.

The City, through its Procurement Division working with CBRE, provided each of the four firms with feedback and questions from the selection committee specific to their proposals and invited these firms to provide a public overview of their proposals to the City Commission at the Regular City Commission Meeting on January 20, 2021 and received additional feedback from City Commission members. Following this presentation, the firms were afforded the opportunity to submit a Best and Final Offer (BAFO) to the City of Hollywood prior to the final ranking of the selection committee. Additionally, they were encouraged to meet with residents living near the proposed redevelopment site.

Each of the four firms submitted a BAFO which was then reviewed by CBRE and each selection committee member. A final selection committee meeting to discuss the BAFO's was held on February 18, 2021 at Hollywood City Hall in the City Commission Chambers with some attending virtually via WebEx and some attending in person. The meeting was open to the public. Each firm provided an overview of their BAFO and answered questions from selection committee members. Following these discussions, the selection committee scored the proposals based on specific evaluation criteria that included the qualifications and experience of the development team; overall development plan; financial and management plan; and overall financial benefit to the City. The scoring of the selection committee resulted in the ranking of the four firms in the following order:

1. The Related Group	1.89
2. Key International/13 <sup>th</sup> Floor Investments	2.17
3. Continuum Company	2.30
4. Chateau Group	2.92

The selection committee recommends that the City Commission accept the committee's ranking and authorize the appropriate City officials to negotiate a Comprehensive Agreement with PRH 1301 S Ocean Drive, LLC, an entity wholly owned and controlled by The Related Group, for the redevelopment of the site into a mixed use project that will provide new state-of-the-art public recreational and community amenities including a 23,100 SF community center, a 22,000 SF Harry Berry Park, a 5,000 SF public restaurant, 58,430 SF of oceanfront plaza and public green space, an extended Boardwalk and 158 public parking spaces along with approximately 300 new private residential condominium units and associated parking. The Comprehensive Agreement will be brought back to the City Commission for approval.

**Fiscal Impact:**

The potential revenue generated from this project includes \$35,000,000 in up-front consideration to the City. The up-front consideration includes an initial payment of \$5,000,000 upon lease execution, \$10 million of estimated public improvements, and \$20,000,000 of estimated closing payment (based on 12.5% of estimated total condominium sales). Additionally, the City will receive an Annual Guaranteed Rent of \$400,000 per year and 30% participation rent on gross retail rental revenues for the life of the lease.

The proposal includes construction of a new Community Center, 158 revenue generating public parking spaces and 100,000 SF of public park, recreation and open space at no cost to the City. Revenues generated from the public parking spaces will be retained by the City.

The project is estimated to produce permitting, impact and connection fees of approximately \$3,000,000. Annual property tax revenue of approximately \$1,732,841 is anticipated once the development is fully constructed and stabilized.

Additional analysis to determine the overall financial impact on the City will be conducted once the final amount and terms are negotiated as part of the Comprehensive Agreement.

**Recommended for inclusion on the agenda by:**

Raelin Storey, Director, Communications, Marketing & Economic Development

Shiv Newaldass, Director, Development Services

Paul Bassar, Contract Compliance Administrator, Financial Services

Gus Zambrano, Assistant City Manager of Sustainable Development