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August 11, 2022

Dr. Jeremy Earle  
Executive Director  
Hallandale Beach Community Redevelopment Agency  
400 S. Federal Highway  
Hallandale Beach, FL 33009

Re: Hallandale City Center Redevelopment agreement amendments request

Dear Dr. Earle:

We hope you are doing well. I would like to take this opportunity to thank you again for hosting the groundbreaking ceremony for this pinnacle development and most important for your overall support to the Hallandale City Center project.

This communication is to formally request certain amendments to the current redevelopment agreement between Hallandale City Center LLC "HCC" and the Hallandale Beach Community Redevelopment Agency "HBCRA". The requested revisions are necessary to address the changed economic market conditions that have occurred in the last four years when the agreement was first signed. Said conditions, generally arise from market factors and supply chain changes encountered, including the Coronavirus that has significantly increased construction costs, the current inflation in the market place, and most recently, the burrowing owls that delayed the constructions scheduled.

The requested revisions specifically relate to the timing of money disbursements and the amount of the Gap Grant. First, the Third Amendment to the Redevelopment Agreement provides that the first two installments of the Gap Grant are to be disbursed in the fiscal year 2021-22. As you are aware the groundbreaking ceremony recently occurred and the burrowing owls are still onsite. Therefore, the first two installments of the Gap Grant cannot be disbursed prior to September 30, 2022. Accordingly, HCC is requesting that the disbursement of the first two installments of the Gap Grant be made in the fiscal year 2022-23 and the third installment be disbursed in the fiscal year 2023-24.

The second request is in reference to the amount of the Gap Grant. The total amount of the Gap Grant is \$2,750,000. The Redevelopment Agreement originally allocated \$1,100,000 for the construction of the (55) parking spaces that we will be delivering to the City of Hallandale Beach, and the remaining \$1,650,000 as an incentive for the 14 workforce housing units.

In March 2018 when the Redevelopment Agreement was executed, the \$20,000 per structured parking space was a viable number and the grant was sufficient to cover 100% of its construction cost. Today more than four years later, construction costs have escalated dramatically, and the original amount granted would only cover around 56% of each parking space construction cost. The current construction cost per structured parking space is \$31,209.86, resulting in an additional needed Gap Grant allocation for each parking of \$11,209.86, for a total of \$616,542.30. Backup for these updated construction costs is attached hereby.



Similarly, the portion of the Gap Grant in the amount of \$1,650,000 allocated to the Workforce Housing is no longer economically viable. When the Gap Grant was originally granted four years ago, it covered 68.9% of the total construction costs of these units, however in today's market this grant would only cover 44.1% of such costs. (Please see attached supporting construction costs documentation). As such, the Workforce Housing portion of the Gap Grant should be increased by \$924,798.92 in order to cover the same intended 68.9% of the total cost for these (14 ) units as originally agreed.

Based on the time passed and market circumstances supported by the attached current construction cost budget, HCC would like to formally and respectfully request from the HBCRA a Gap Grant allocation of \$616,542.30 for the fifty five (55) structured parking spaces and \$924,798.92 for the (14) workforce housing units component. The total Gap Grant increase needed is: \$1,541,355.21

Finally we kindly request the HBCRA Board to consider our requests prior to the end of the current fiscal year due to the specified timing of the first two installments of the Gap Grant as currently stated in the Third Amendment to the Redevelopment Agreement. As such, we would like to schedule a meeting at your earliest convenience to discuss our requests in further detail.

Thank you in advance for your attention to this communication.

Sincerely,

Jacky Aizenman  
Managing Partner  
Hallandale City Center



**GAP GRANT VS. CONSTRUCTION COSTS CHANGED OVER TIME (LAST 4 YEARS)**

<b>PARKING SPACES (55 PARKING SPACES)</b>				
	<b>MARCH, 2018</b>	<b>JUNE 2022</b>	<b>% CHANGED</b>	
S.F Cost Construction	\$ 181.25	\$ 282.84	56%	
S.F Cost Structural Parking	\$ 90.00	\$ 140.44	56%	
222.2 S.F Cost Single Structural Parking Space	\$ 20,000.00	\$ 31,209.90	N/A	
Total Cost for 55 Parking Spaces	\$ 1,099,999.89	\$ 1,716,544.49	N/A	
HBCRA Grant Difference with Respect to Construction Costs	\$ 1,099,999.89	\$ 616,544.60	N/A	
% of HBCRA Grant Contribution	100.00%	64.08%	N/A	

<b>WORKFORCE HOUSING (14 UNITS)</b>				
	<b>MARCH, 2018</b>	<b>JUNE 2022</b>	<b>% CHANGED</b>	
Cost Affordable-Workforce per Unit ( 1,000 S.F)	\$ 171,100.00	\$ 267,000.96	56%	
14 Affordable Workforce Units	\$ 2,395,400.00	\$ 3,737,985.46	56%	
HBCRA Grant for 14 Affordable-Workforce units ( \$117,857 per Unit)	\$ 1,649,998.00	\$ 1,649,998.00	N/A	
HBCRA Grant Contribution with Respect to Construction Costs	\$ (745,402.00)	\$ (2,087,987.46)	N/A	
% of HBCRA Grant Contribution	68.9%	44.1%	N/A	
HBCRA Contribution at 68.9%	\$ 1,649,998.00	\$ 2,574,796.92	N/A	
HBCRA Approved	\$ 1,649,998.00	\$ 1,649,998.00	N/A	
HBCRA Grant Difference to Adjust to 68.9%	\$ -	\$ 924,798.92	N/A	

New HBCRA Incentive Needed for Parking (55 Parking Spaces)	\$	616,544.60
New HBCRA Incentive Needed for Workforce Units (14 Units)	\$	924,798.92
<b>TOTAL NEW HBCRA INCENTIVE NEEDED</b>	<b>\$</b>	<b>1,541,343.52</b>

**Hallandale City Center**  
Updated Costs Summary

	Hard Costs	Notes
DIV 1 - GENERAL REQUIREMENTS	\$ 993,960.00	General requirement costs for 24 months
DIV 2 - DRAINAGE INJECTION WELLS	\$ 112,500.00	Includes RAR and (3) wells limited to 150 feet per well
DIV 2 - SITEWORK DEVELOPMENT	\$ 1,925,000.00	Includes MOT rental for 18 months. Includes (3) drainage wells. Includes Block C ground parking asphalt
DIV 2 - LANDSCAPING & IRRIGATION	\$ 256,005.00	Structural soil along the perimeter sidewalks included in this price
DIV 3 - PRECAST CONCRETE JOISTS	\$ 870,000.00	Excludes the Cazaly hanger connections at roof level
DIV 3, 4 - SHELL CONCRETE & MASONRY	\$ 8,999,900.00	
DIV 5 - MISCELLANEOUS STEEL	\$ 748,000.00	Aluminum screen over façade, aluminum railings for areas indicated, miscellaneous metals
DIV 6 - CABINETRY & CASEWORK	\$ 446,480.00	Includes Cabinets and doors in white smooth melamine, full edgebanded. Countertops in Imprezza black color
DIV 7 - ROOFING	\$ 839,980.00	Includes R-19 minimum insulation over roofs. See alternate deducts below
DIV 7 - WATERPROOFING	\$ 140,000.00	Corridor walkway floors, apartment balconies, elevator shaft & general caulking
DIV 8 - GLASS & METAL FAÇADE	\$ 1,195,000.00	Includes VE: U factor of 0.85, SHGC of 0.53, VT of 0.43, non insulated, No Low E.
DIV 8 - INTERIOR & EXTERIOR DOORS	\$ 456,460.00	Residential & commercial doors assumed at 6'-8" in height
DIV 9 - FRAMING, DRYWALL & INSULATION	\$ 1,425,950.00	Includes all ceilings as per plans
DIV 9 - INTERIOR & EXTERIOR PAINTING	\$ 290,000.00	
DIV 9 - FLOORING & WALL TILE	\$ 574,775.00	Includes apartment kitchen, living room and bedrooms in luxury vinyl. Bathroom floor/walls in ceramic tile
DIV 10 - SPECIALTIES	\$ 218,751.00	Includes mirrors, bath accessories, extinguishers, mailboxes, bike racks, shower curtains, wire shelving, partitions
DIV 10 - SIGNAGE	\$ 25,000.00	Standard signage for service area rooms and fire department required signage
DIV 10 - FIREPROOFING / INSULATION	\$ 10,000.00	
DIV 10 - STUCCO	\$ 663,500.00	Includes Stucco as per plans, including stairwells
DIV 14 - ELEVATOR SYSTEM	\$ 182,000.00	Includes a Schindler Elevator system, traction elevators, 3000 lbs, 150 fpm. Material increases included
DIV 15 - HVAC & VENTILATION	\$ 900,000.00	
DIV 15 - KITCHEN APPLIANCES	\$ 262,000.00	
DIV 15 - PLUMBING	\$ 1,282,000.00	
DIV 15 - FIRE SPRINKLER SYSTEM	\$ 425,500.00	
DIV 16 - ELECTRICAL	\$ 1,485,000.00	
DIV 16 - FIRE ALARM SYSTEM		Included in Electrical budget
MISCELLANEOUS	\$ 450,000.00	Smart door entry and access systems, CCTV system, Park furniture + Unidentified Scope
CONTRACTOR FEE (5.2%)	\$ 1,309,243.57	Reduced contractor fee to 5.2%
<b>TOTAL</b>	<b>\$ 26,487,004.57</b>	<b>**</b>

**\*\* This value is predicated to receiving \$1,500,000.00 as a deposit at time of executing an agreement**