



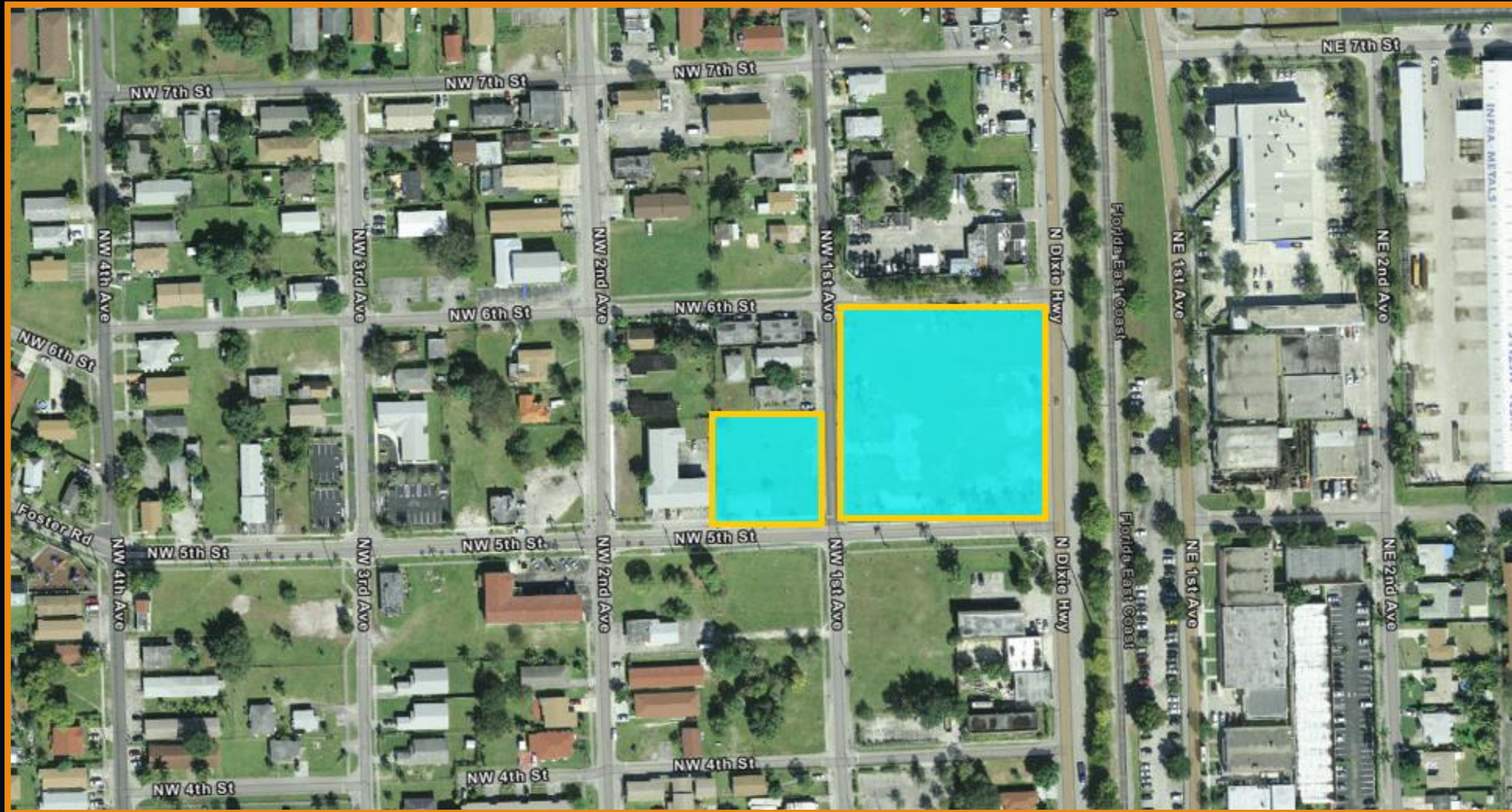
Hallandale Beach Community Redevelopment Agency

FOSTER DIXIE MIXED USE PROJECT

Chronology

- The Foster Dixie Site is and has been a redevelopment priority for the HBCRA Board.
- Original site is comprised of 9 parcels originally acquired between 1986 and 2009.
- In November 2012 the HBCRA engaged the Urban Land Institute (ULI) to complete a Technical Assistance Panel (TAP) for the Foster Dixie Site.
- HBCRA 'visioning' in 2013 reaffirmed the priority of initiating redevelopment of the Foster Dixie site.

Original Site (2.37 Acres)



ULI - TAPS

- TAPs are advisory services to assist communities by bringing together seasoned real estate, planning, landscape architecture, financing, marketing, and development experts to provide unbiased pragmatic advise on complex land use and development issues.
- In addition to input from development experts, local community participation was taken into consideration for the TAP recommendation.
- 30 Surveys were completed (door to door) along the immediate vicinity. The survey results indicated that most residents supported a mixed use project as it will improve the community and create jobs. Further, residents mentioned the following possible uses for the site:

Apartment Rental	Restaurant
Single Family Housing	Bank & ATM
Retail Stores	Offices
Beauty Supply	Pharmacy
Dollar Store	Technical School
Fast Food	Entertainment Center
Grocery	Outside Seating

ULI Recommendation

Analysis of the TAP members and community input concluded that the Foster Dixie Site should be used for a

“Neighborhood Serving” Mixed-Use Development

Common neighborhood themes about the future of the TAP focus site:

- It should be used for mixed-used development that benefits the neighborhood, serves as an economic draw and stimulus, and provides a gateway for Foster Road.
- Uses could include neighborhood-oriented retail, low-intensity homeownership (possibly over retail space), and space for cultural arts groups and job training.
- Redevelopment of the site should be within the context of an overall master plan for the surrounding area that has as an end-goal a harmonious area where uses are compatible and create a place that those who leave want to come back to.

Chronology *(Continued)*

- In August 2013 staff released an RFP to engage a developer for the construction of a mixed –use project at the Foster Dixie Site.
- One proposal was received and the RFP was awarded to Foster Road, LLC in December 2013.
- DA with Foster Road, LLC was terminated on September 2015 due to their inability to meet DA milestones, secure financing, and a request of substantial increase of HBCRA's investment.

Recommendations to Board - September 15, 2015 Meeting

- Continue to assemble additional contiguous or adjacent parcels for an enlarged mixed-use project.
- Consider increased density (more units) in order to achieve a more financially attractive scale.
- Engage in a directed outreach program with the real estate development/investment community to showcase the opportunity and solicit interest.
- Consider the development of the smaller parcel for the development of townhouses via a selected architect and GC, independent of a mixed-use project on the larger parcel.

Staff actions following recommendations

Sept. 2015 - New location for the proposed medical plaza



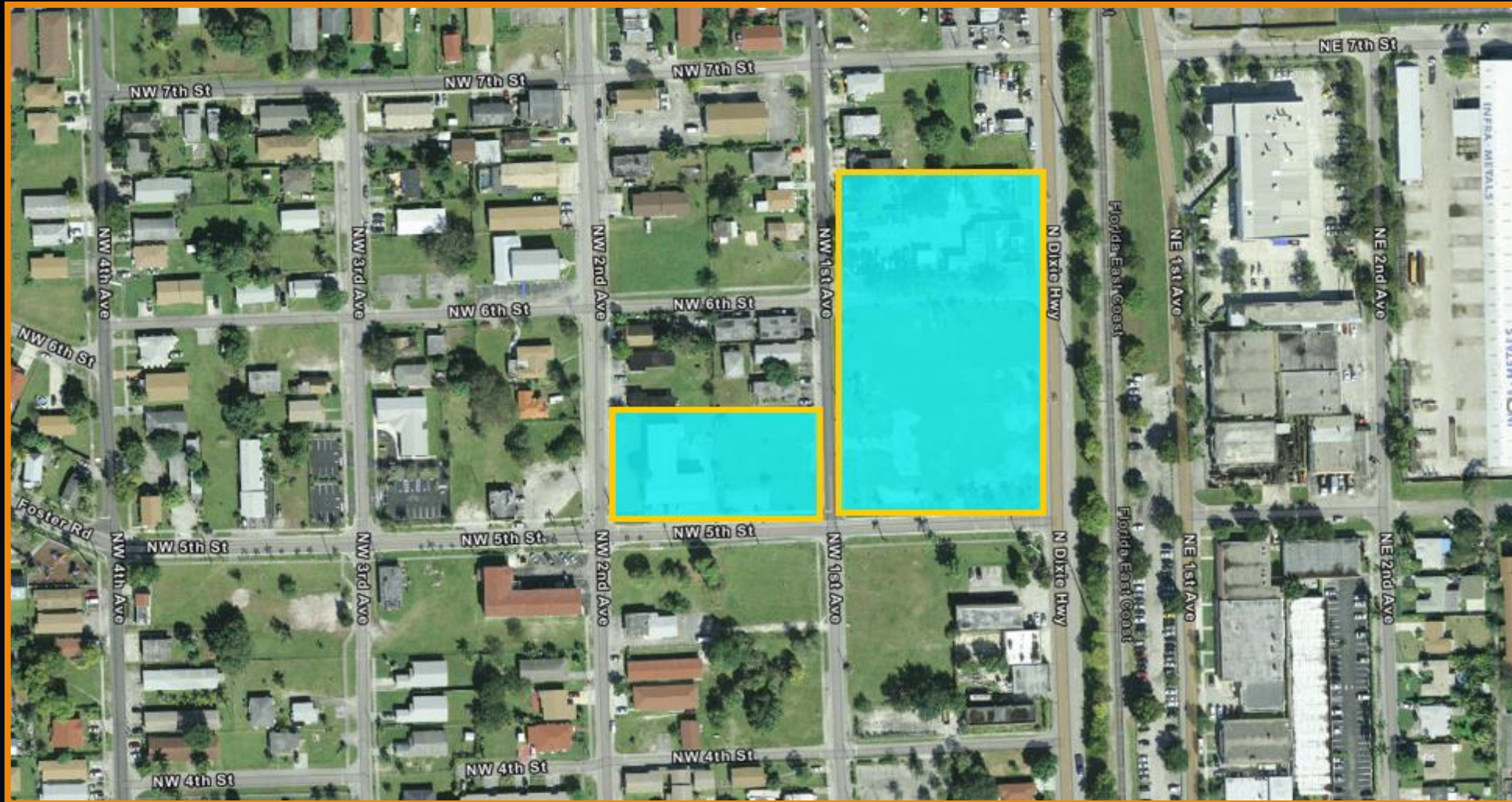
Nov. 2015 - Developers Breakfast



May 2016 - Larger site assembled

- Staff recommendation to the Board to relocate the proposed medical office building to HBCRA owned site to the south of Foster Rd.
- Hosted a breakfast meeting with development community to garner interest in submitting proposals for the redevelopment of the site.
- The purchase of two parcels adjacent to the existing $\frac{1}{4}$ parcel was completed “squaring up” the HBCRA owned land.

New Assembled Site (3.97 Acres)



Unsolicited Proposal Process - Benefits and Approach

Benefits

- Most desirable by development community
- Provides greater flexibility for project consideration

Approach

- Interested parties invited to submit proposals
- Proposals evaluated by Staff and CRA Development Consultant
- Staff presents summary of evaluations and recommendations to CRA Board

Evaluation Methodology

- Evaluation of proposals to be done by CRA Staff
- All government entities that are receiving "unsolicited proposals" from developers are following the Florida Statute 287.05712 Public Private Partnerships.
- The “best practices” utilized by other entities for the review of unsolicited proposals is that the City Manager and administrative staff review and evaluate unsolicited proposals from a developer.
- F.S. 287.05712 refers to developments that will remain publicly owned and operated. The Foster Dixie site will be privately owned and operated
- Broward County Code of Ethics, Ordinance No 2011-19, stipulates in Section 6 that Elected officials cannot serve as a voting member of an evaluation committee in connection with any “prospective procurement”.

Summary of Six Unsolicited Proposals Received



Name	Date of Submission/ Amendment	Proposal Development Concept	Requested HBCRA Investment	Other
Royal Castle/Integra	Feb 10 Amended June 30	Mixed Income Rentals with limited retail <ul style="list-style-type: none"> 102 units 6,000 sf support and retail 	\$ 7.4 mil: land + cash grant of \$2.4 mil.	Requires LIHTC and Broward County Housing bonds for financing.
Donaldson/ McCormick Baron Salazar	March 25	Mixed Income Rentals with limited retail; no specific site plan.	\$ 8.9 mil: land + cash grant for soft and hard cost of \$3.9 mil.	No site plan submitted; requires LIHTC and SAIL financing.
Hallandale City Center LLC (C. Penas, A. Riviati and D. Sayegh)	March 25 Amended May 4	Mixed use with market rate rentals and grocery store retail anchor	\$5.0 mil, land only	Proposed to use HBCRA funding for construction and some permanent financing; requested to modify proposal.
Foodgles, Inc.	April 19	Big Box Supermarket and related. <ul style="list-style-type: none"> 120,000 sf grocery 30,000 sf office 400 structured parking spaces 	\$ 21.2 mil: land + construction loan and grants	Highly speculative; requires HBCRA to provide start-up and venture capital
IMC Equities Group	April 27 Amended July 20	Mixed use with market rate rentals and supporting retail	\$5.0 mil, land only	Proposed retail footprint is on the MOB property; requested to modify proposal.
Atlantic Pacific Communities LLC/Catholic Health Services, Inc.	August 9	90 affordable, independent lifestyle apartments for persons of 55 years of age or older and 6,000 square of stand-alone retail/commercial space	\$4.88 mil to \$5.58 mil, land + CRA cash of \$.535 mil for LIHTCs	Requires LIHTCs + 1 st mortgage and CRA cash. Development fees of \$3.3 mil or @ 13% of total project costs.

Review Criteria for Unsolicited Proposals



Highest and best use of the property



Developer financial capacity, relevant experience and ability to proceed in a timely manner



Deal terms



Aesthetic/development contribution of the project

Four (4) of the Six (6) Proposals Were Suspended from Further Review

- **Foodgle's:** Highly speculative, Heavy CRA Investment Requirement
- **Royal Castle/Integra:** Requires LIHTCs and Uncertain Timetable
- **Donaldson/McCormick:** Requires LIHTCs and Uncertain Timetable
- **APC/CHS:** Requires LIHTCs and Uncertain Timetable

Proposals for Further Consideration



	Hallandale City Center LLC	IMC Equities Group
Experience	Mid sized portfolio of commercial development in SE FL; residential limited to rehabilitation or retro fit of existing buildings.	8.0 mil sf of commercial and residential assets owned; 6 projects recently completed or in process.
Financial Capability	No documentation provided	\$ 861.5 mil in assets; \$30 mil + in operating cash flow year-end 2015.
Development Plan	<ul style="list-style-type: none"> ▪ 71 market rate rental units ▪ 18,000 sf grocery store ▪ 7,500 sf of other retail 	<ul style="list-style-type: none"> ▪ 92 workforce housing rental units ▪ 12 for sale townhouses ▪ 4,200 sf retail
Estimated Costs (ex land)	\$15.78 mil	\$17.1
Financing	Construction and 1 st mortgage financing to be secured by developer. No preliminary commitments letters from lenders provided.	All financing (debt and equity) to be funded by the developer. Financial statements reflect strong capability.
HBCRA Investment	\$5.0 mil, land only	\$5.0 mil, land only
Conditions	Requires unspecified period to secure a grocery store lease commitment.	None
Leverage Ratio	3.16	3.42
Est. Annual Tax Increment	\$122,000	\$143,500

Recommendation

IMC Equities Group

The project represents:

- Workforce rental housing with retail component.
- Well established capacity in development and a major portfolio of owned assets in the State of Florida
- Financial capacity to complete project
- No capital contribution by the HBCRA beyond the conveyance of HBCRA owned land (3.97 acres valued at \$5,046,739).



Next Steps

- Consensus by HBCRA Board on proposed use/recommended developer
- Authorization to proceed with negotiating a Development Agreement (DA)
- A negotiated DA, along with more detailed site plan will be brought back before the board within ninety (90) days for final approval

Questions?