
MEMORANDUM

TO: DANIEL ROSEMOND
HALLANDALE BEACH CRA

FROM: J. KEVIN LAWLER
N-K VENTURES LC

SUBJECT: REVIEW/EVALUATION – AMENDED PROPOSAL – CLAUDIA
PENAS MIXED-USE PROJECT AT DIXIE-FOSTER

DATE: MAY 23, 2016

The following is an updated review and an evaluation of an amended unsolicited proposal from Claudia Penas (“Penas”) for the development of phased mixed-used project (“the project”) on land owned by the CRA at Dixie-Foster. This review is based on an amended submission from Penas in a letter dated May 4, 2016.

Proposed Amended Terms

The initially proposed three (3) phased mixed-use development program of 71 rental units and 25,500 sf of retail, including an 18,000 sf grocery store remains unchanged. The major changes to the initial Penas’ proposal are as follows:

- ✓ Reduction of the CRA contribution ‘ask’ to the land (\$5.0 mil vs. initial ask of \$13.5 mil).
- ✓ Substitution of 3rd party conventional financing in lieu of CRA funded construction loans.
- ✓ Indication that the Penas’ group has sufficient financial strength (no documentation provided).
- ✓ Acknowledgement that the grocery store is an essential component, and requests a Development Agreement to be structured to allow time to secure a grocery store tenant lease commitment.

Conclusions and Recommendations

1. The substantial movement in reducing the CRA funding requirement increases the attractiveness of the Penas unsolicited proposal.
2. Without the grocery store component, the proposed development program is a limited ‘value add’ for anchoring the Dixie-Foster redevelopment gateway. Exploring the realistic potential to secure a grocery store with the Penas group would be desirable.
3. Qualifying the financial capability of the Penas group and addressing their proposed CBP commitment remain outstanding issues to be resolved.