



Mr. Jeremy Earle, Ph.D., AICP, FRA-RA  
Assistant City Manager  
Community Redevelopment Agency Director  
City of Hallandale Beach  
400 South Federal Highway  
Hallandale Beach, FL 33009

January 18, 2018

**VIA ELECTRONIC MAIL**

Dear Dr. Earle:

Subject to a letter proposal and associated scope of work dated August 31, 2017, Lambert Advisory (Lambert) completed a review of the proposed City Center project and associated request for CRA financial support for the project submitted by the Peñas Group (Developer). The City Center project is associated with City owned properties at the intersection of Foster Road and Dixie Highway in the City of Hallandale Beach.

As part of our scope of work, Lambert reviewed the Developer's plans, met and addressed questions to the project Developer based upon our review, conducted independent analysis associated with achievable rents for residential and retail uses, as well as order of magnitude costs of construction, and demand for retail and residential on the City Center properties. After initially meeting with the Peñas Group and discussing their plan, the Developer submitted an updated plan which responded to some of our concern associated with the extent of retail space on the site in the original plans submitted to the CRA. We re-reviewed the proposal in light of these updated plans.

After we received the updated plans, we found the Developer's proforma and financial analysis generally consistent with current market, construction, and financial conditions although we made recommendations to the CRA associated with a modest reduction in the amount of CRA investment requested by the developer as necessary to fill project financial gaps. Subsequent to our recommendation, we then met jointly with the CRA and Developer and at the meeting between the CRA and Developer, the Developer accepted the CRA's modified financial support proposal largely consistent with our recommendation.

The Redevelopment Agreement's financial terms are in line with the outcome of the meeting attended by the CRA and Developer.

Should you, the City Manager, or City's elected officials have any questions regarding our findings or any other aspect of our work please call me at (305) 503-4095 at any time.

As always, we thank you for the opportunity for Lambert to work with the City on this engagement.

Very truly yours,

A handwritten signature in black ink, appearing to read "Paul M. Lambert". The signature is fluid and cursive, with the first name "Paul" being the most prominent.

Paul M. Lambert  
Managing Principal