



City of Hallandale Beach City Commission Agenda Cover Memo

Meeting Date:		Item Type:		1 st Reading	2 nd Reading
8/5/2020		<input checked="" type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <input type="checkbox"/> Other	Ordinance Reading	N/A	N/A
File No.:			Public Hearing	<input type="checkbox"/>	<input type="checkbox"/>
20-249			Advertising Required	<input type="checkbox"/>	<input type="checkbox"/>
			Quasi Judicial:	<input type="checkbox"/>	<input type="checkbox"/>
Fiscal Impact (\$):		Account Balance (\$):	Funding Source:	Project Number :	
Yes		TBD	7210-531010 Consultants and Contracts		
Contract/P.O. Required		RFP/RFQ/Bid Number:	Sponsor Name:	Department:	
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	FY2018-2019-010 Best Use of North City Beach Center	Cathie Schanz, CPRE	Parks, Recreation and Open Spaces	
Strategic Plan Focus Areas:					
<input checked="" type="checkbox"/> Financial		<input checked="" type="checkbox"/> Organizational Capacity	<input checked="" type="checkbox"/> Infrastructure	<input checked="" type="checkbox"/> Development, Redevelopment and Economic Development	
Implementation Timeline					
Estimated Start Date 05/20/20 Estimated End Date: 7/18/2020					

SHORT TITLE:

A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF HALLANDALE BEACH, FLORIDA, RESCINDING AWARD TO BEACHWALK ELITE HOTELS & RESORTS, LLC AND REJECTING ALL PROPOSALS FOR RFP# FY2018-2019-010, BEST USE OF NORTH CITY BEACH CENTER; AUTHORIZING THE CITY MANAGER RESOLICIT PROPOSALS; AND PROVIDING FOR AN EFFECTIVE DATE.

STAFF SUMMARY:

Summary:

This item provides an update on the negotiation of an operation and management agreement with the selected vendor, Beachwalk Elite Hotels & Resorts, LLC, as directed on May 20, 2020 and seeks City Commission on use of the facility moving forward.

Background:

The North City Beach Park Center is a 2-story building with a roof terrace containing approximately 6,020 square feet. The Center sits on the south side of an existing building, which also houses one (1) of the City's fire stations. There is only one (1) access point to the Center from the East, and there is no on-street or dedicated parking for the Center.

The North City Beach Park Center wraps around the iconic Hallandale Beach 'Beach Ball' Water Tower. The center was originally built on City Property by the Beach Club Condominiums for use as a sales center. Once turned over to the City, the center was renovated by Public Works and opened to the public for City use and rentals in 2011.

In June, 2012, the City Commission approved a Development Agreement for the North City Beach Park. In October, 2012, the City Commission entered into a Lease Agreement of the North City Beach Park Center to the same developer for use as a sales center for its Beachwalk project. This agreement was amended to extend the terms, allowing the developer to use as a sales center for its Hyde Beach Resort. The center was returned to the City in July, 2017.

The City released RFP# FY2018-2019-010, Best Use of North City Beach Center on July 1, 2019 to select the most qualified vendor. RFP# FY2018-2019-010, Best Use of North City Beach Center sought a revenue generating proposal which could include franchise, retail, conferencing space, meeting space, public use, and/or redevelopment ideas. The best use of the Center was described as any use which compliments the City's strategic and/or financial goals that is most advantageous to the City.

The release notice for the RFP was sent via email to over twenty (20) vendors from the City's Vendor list. In addition, the RFP was advertised in the Hallandale Beach Chamber of Commerce website, City's website, DEMANDSTAR website, and Official City Social Media pages. The RFP was also advertised through the Miami Minority Business Development Agency Business Center, the U.S. Small Business Administration, and the Broward County Community Relations and Outreach Section Office of Economic and Small Business Development.

On July 15, 2019, a non-Mandatory Pre-Proposal Conference was held with two (2) firms attending. On July 15, 2019 and July 31, 2019 non-Mandatory Site Visits were held with two (2) firms attending. On August 8, 2019, the City received two (2) responses to the Request for Proposal solicitation from Beachwalk Elite Hotels & Resorts, LLC and Chabad Ocean Synagogue, Inc.

The Evaluation Committee, was comprised of Dr. Jeremy Earle, CRA Executive Director, Assistant City Manager, Cathie Schanz, Parks, Recreation & Open Spaces Director, Vanessa Leroy, Development Services Director, and Noemy Sandoval, Grants Manager.

The evaluation criteria for this RFP was:

1. Proposed Use
2. Proposer's Ability to Perform Proposed Use
3. Financial Proposal

As illustrated on the attached summary rating sheet (Exhibit 2), Beachwalk Elite Hotels & Resorts, LLC was the highest ranked vendor. Beachwalk Elite Hotels & Resorts, LLC is currently the owner, operator of the Beachwalk Resort located at 2602 E Hallandale Beach Blvd. Beachwalk

Elite Hotels & Resorts, LLC and their parent company, JDM Hospitality Management Corp, have extensive experience in the operations and management of commercial hospitality properties.

Beachwalk Elite Hotels & Resorts, LLC has proposed a Beachwalk Elite Conference and Venue Center concept for the North City Beach Park Center through a facility lease. This proposed concept would create an extension of the Beachwalk Resort providing a place for business networking, corporate training, and utilization of support opportunities for pre and post production activities for surrounding larger venues. Parking would be available at Beachwalk Resort and shuttle service would be provided from the Beachwalk Resort for clients and users of the facility.

On May 20, 2020 the City Commission awarded the RFP to the highest ranked proposer, Beachwalk Elite Hotels & Resorts, LLC and authorized the City Manager and City Attorney to negotiate an Operation and Management Agreement with Beachwalk Elite Hotels & Resorts, LLC, reserving the right to reject all proposals should negotiations fail. The City Commission provided a deadline of August 5, 2020 to bring the agreement back to the City Commission for approval. The City Commission further directed the City Staff to ensure the agreement maximized revenue to the City while providing for public use of the facility.

Current Situation:

Staff worked with Joseph W Matteo, Sr, President of JDM Capital to negotiate the terms of the agreement. Mr. DeMatteo was notified the City must receive his proposed terms on or before July 16, 2020 to report back to the Commission on August 5, 2020. On July 16, 2020 a walkthrough of the facility was held with Mr. DeMatteo and Michael Stefakis, Beachwalk Elite Hotel Director of Operations. An email was received from Mr. DeMatteo on July 16th stating his firm is unable to negotiate the terms of the original proposal and is prepared to move forward with the proposed terms for a private event space that would be leased to Beachwalk Elite Hotels & Resorts, LLC.

Recap of the Proposal:

Use: Beachwalk Elite Conference Center "Conference Center"

Extension of Beachwalk Resort beachfront amenity hosting Special Events, Influencer Workshops, Networking Venue or Short Term Conference Rental

- Five (5) year term with three (3) five (5) year extensions – total lease term twenty (20) years.
- Base lease five thousand dollars (\$5,000) per month for the first five (5) year term with an increase of one thousand dollars (\$1,000) at each five (5) year renewal.
- Profit sharing after year three (3) of two.five percent (2.5%) of gross sales
- Improvements one hundred percent (100%) funded by Beachwalk Elite Conference Center

At this time, City Staff been unsuccessful in negotiating an agreement that meets the May 20, 2020 direction of the City Commission. Pursuant to City of Hallandale Beach Code of Ordinances , Chapter 23, Section 23-12, Procedures for purchases in excess of \$50,000, (4) Rejection of Bids, the City Commission may authorize City Manager to: a) Reject all bids; or b) reject all bids and re-advertise, pursuant to the procedure prescribed in this section in the Code.

Staff is also requesting City Commission direction for future use of the North City Beach Park Center. Options include:

- Do not do anything. Leave the facility unoccupied at this time.
- Reissue an Operation and Management RFP post COVID-19 State of Emergency. This could be done via a third party broker with expertise in soliciting interest in commercial properties.

- Return the facility to the City Parks, Recreation and Open Spaces facility offerings for public use. This will require the bidding and budgeting of needed repairs as well as operational resources (staff, utilities, supplies, etc).

Why Action is Necessary:

Pursuant to City of Hallandale Beach Code of Ordinances , Chapter 23, Section 23-12, Procedures for purchases in excess of \$50,000, (4) Rejection of Bids, the City Commission may authorize City Manager to:

- a) Reject all bids; or b) reject all bids and re-advertise, pursuant to the procedure prescribed in the Code.

Cost Benefit:

Currently, there is an opportunity for the potential revenue the facility could generate for the City. The Beachwalk Elite Hotels & Resorts, LLC's proposal provides a monthly lease payment to the City of Hallandale Beach of five thousand dollars (\$5,000) per month for the first five (5) year term with an increase of one thousand dollars (\$1,000) per month at each five (5) year renewal. The proposal also includes a profit share payment after year three (3) of two and a half percent (2.5%) of gross sales to the City after the first three years.

PROPOSED ACTION:

Pursuant to City of Hallandale Beach Code of Ordinances , Chapter 23, Section 23-12, Procedures for purchases in excess of \$50,000, (4) Rejection of Bids; the City Commission may authorize City Manager to:

- b) Reject all bids; or b) reject all bids and re-advertise, pursuant to the procedure prescribed in this section in the Code.

Commission direction for future use of North City Beach Park Center.

ATTACHMENT(S):

Exhibit 1 – Resolution

Exhibit 2 – Summary Rating Sheet

Exhibit 3 – RFP # FY2018-2019-010, Best Use of North City Beach Center

Exhibit 4 – 07/16/20 Email - JDeMatteo

Exhibit 5 - RFP # FY2018-2019-010 Response Beachwalk Elite Hotels & Resorts, LLC

Exhibit 6 - RFP # FY2018-2019-010 Response Chabad Ocean Synagogue