Cover Memorandum/Staff Report

File #: 23-237 CRA **Agenda Date:** 11/16/2023 **Item #:** 7B.

TO: **CRA Board of Commissioners**
FROM: **Christine Tibbs, Assistant Director**
THROUGH: **Renée A. Jadusingh, Executive Director**
DATE: **November 16, 2023**

AWARD REQUEST FOR PROPOSALS CRA NO. 2023-04 WORKSPACE OPERATOR FOR 98 NW 5TH AVENUE

Recommended Action:

1. Accept the Evaluation Committee's scores and Award Request for Proposals (RFP) CRA No. 2023-04 for a Workspace Operator for 98 NW 5th Avenue to Co-Space, LLC; and

2. Authorize the CRA Executive Director to negotiate an Agreement for the Workspace Operator for 98 NW 5th Avenue with Co-Space, LLC;

   OR

3. Reject the Evaluation Committee's scores and cancel the RFP, and/or reject the submitted Proposal, and/or direct CRA Staff to re-issue the RFP.

Background:

At the June 1, 2023, CRA Board Meeting, the CRA Board approved the issuance of an RFP (See Exhibit A) for the Workspace Operator for 98 NW 5th Avenue to obtain Proposals from qualified, experienced, and innovative Workspace Operators to manage the second-floor workspace.

The objective of the RFP is to enter into a Workspace Operator Agreement ("Agreement") with an entity possessing a proven track record of delivering high-quality services and programming as well as the infrastructure and experience in launching, growing, supporting, and cultivating a community within the shared workspace environment. Services and programming under the Agreement are to be restricted to the second-floor workspace, which consists of an open floor plan of approximately 3,320 square feet - which is fully furnished with multiple open work areas, conference rooms, restrooms, office suites, private telephone booths, and access to public parking.

Within the RFP, the general responsibilities of the Workspace Operator will include, but are not limited to, the following:

To provide the staffing and resources for the day-to-day management, programming, and oversight of the second floor workspace and its users, including collecting fees from users; managing and maintaining operating schedule for the space; providing quarterly financial and programming reports to the CRA; having employees available during operating hours during the entirety of the term of the Agreement; establishing procedures for the operation of the workspace; implementing a comprehensive business plan; managing facility operations; and promoting the workspace and its services and programs within the local community.

Along with providing support for entrepreneurs and small businesses, the Workspace Management Company should feature programming that provides career training and education for Delray's small business community, providing opportunities for growth and development of business skills.

The RFP was issued on June 16, 2023, with an extended Proposal Submission Due Date of August 10, 2023. On August 10, 2023, one (1) Proposal was timely submitted to the CRA:

1. Co-Space, LLC ("Proposer")

CRA Staff reviewed the Proposal (See Exhibit B) for compliance with the RFP requirements and found the Proposer and Proposal to be technically responsive. As such, the Proposal was provided to the Evaluation Committee for review. On September 6, 2023, the Evaluation Committee held a public meeting and reviewed the Proposal based on the Evaluation Criteria outlined in the RFP.

At that meeting, the Evaluation Committee requested an Oral Presentation (See Exhibit C) from the Proposer on September 25, 2023.

Following the Oral Presentation, the Evaluation Committee finalized their review of the Proposer on its qualifications, experience, submitted narrative, and submitted proposal (See Exhibit D).

The Evaluation Committee did note the limited relevant experience of the Proposer as it relates to operating, managing, and programming similar shared workspace environments. The Proposer owns a co-working space in Miami Gardens, Florida, and has been operating, managing, and programming the space since March 2023.

The Evaluation Committee recommended the CRA Board award the RFQ and enter negotiations with the Proposer based on the success of the programming the Proposer achieved since March 2023, and the programming being proposed by the Proposer for the 98 NW 5th Avenue location - Mental & Physical Wellness, Business Resources and Development, Educational Empowerment & Access - and the steps that the Proposer will take to achieve success at the 98 NW 5th Avenue location - the Proposal contained short term goals to create awareness, medium term goals to leverage growing relationships, and long term goals to sustain and stabilize the Workspace.

Of note, the Proposer did state within its Proposal and Oral Presentation that it is seeking:

1) Assistance with community connections and at least six (6) months of business mentorship with a local business leader and utilization of the CRAs community relationships to drive awareness and opportunities for the Workspace; and

2) At least $100,000 of CRA funding assistance to support the launch and growth of the Workspace with the funds going towards hiring two (2) employees and covering overhead associated with programming; and

3) At least 12 months of rent forbearance to allow the Proposer to focus on growing the Workspace with funds intended for rent being reallocated to marketing, outreach, and facilitating programming.

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The RFP stated, amongst other requirements:

1) The successful proposer should have five (5) years of experience in programming, activating, managing, overseeing, and maintaining a shared workspace environment; and

2) The successful proposer will be a rent-paying tenant with the rent ranging from $10-$20 per sq. ft (approximately $2,766.67 - $5,533.33 per month). At the June 1, 2023, CRA Board meeting the possibility of a one-time CRA funding assistance grant had been discussed as a possibility; the amount, if any, would be dependent on the proposals received, the overall needs of the successful proposer, and the desire of the CRA Board; and

3) The Agreement would have an initial two (2) year term with four (4) one-year options to renew.

If awarded, negotiations between the CRA and the Proposer would include finalizing the build out/ramp up period (if any), monthly rent amount (within the range stated in the RFP), one-time CRA funding assistance grant amount (if any), Workspace management, maintenance, outreach, activation, and programming requirements, Workspace staffing requirements, and Workspace operating hours.

If negotiations are successful, the drafted Agreement will be brought before the CRA Board for review and approval.

At this time, CRA Staff is requesting the CRA Board to:

1. Accept the Evaluation Committee's scores and Award Request for Proposals (RFP) CRA No. 2023-04 for a Workspace Operator for 98 NW 5th Avenue to Co-Space, LLC; and

2. Authorize the CRA Executive Director to negotiate an Agreement for the Workspace Operator for 98 NW 5th Avenue with Co-Space, LLC;

   OR

3. Reject the Evaluation Committee's scores and cancel the RFP, and/or reject the submitted Proposal, and/or direct CRA Staff to re-issue the RFP.

Attachment(s): Exhibit A: RFP for Workspace Operator for 98 NW 5th Avenue and Addendum; Exhibit B - Co-Space LLC Proposal; Exhibit C - Co-Space LLC Oral Presentation; Exhibit D - Evaluation Committee Composite Score; Exhibit E - Location Map

CRA Attorney Review:

N/A

Finance Review:

N/A

Funding Source/Financial Impact:

N/A

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Overall need within the Community Redevelopment Area from Delray Beach CRA Redevelopment Plan:

Removal of Slum and Blight
Land Use
Economic Development
Affordable Housing
Downtown Housing
Infrastructure
Recreation and Cultural Facilities