

City of Delray Beach

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Minutes - Final

Thursday, March 2, 2023

9:00 AM

Special Meeting at 9:00 AM

Delray Beach City Hall or Watch on YouTube:

<https://www.youtube.com/channel/UCc2j0JhnR8Hx0Hj13RhCJag/s>
treams

City Commission

Mayor Shelly Petrolia

Vice Mayor Adam Frankel

Deputy Vice Mayor Juli Casale

Commissioner Ryan Boylston

Commissioner Shirley Ervin Johnson

Pursuant to Section 3.12 of the Charter of the City of Delray Beach the Mayor has instructed me to announce a Special Meeting of the City Commission to be held for the following purposes:

- Present:** 4 - Commissioner Shirley Ervin Johnson, Mayor Shelly Petrolia, Vice-Mayor Adam Frankel, and Commissioner Ryan Boylston
- Absent:** 1 - Deputy Vice Mayor Juli Casale

SP.1. Public Private Partnership Proposal Presentations for the Delray Beach Golf Course

Sponsors: Economic Development Department

Attachments: [Agenda Cover Report](#)
[City of Delray Beach Golf Course Workshop Presentation 020323 Final Presentation V2 \(003\)](#)

The roll call was taken by Katerri Johnson, City Clerk, and the following were present:

Terrence Moore - City Manager
Lynn Gelin - City Attorney

Mr. Moore, City Manager, recognized Sara Maxfield, Director of Economic Development Services, who was present to facilitate the four companies' presentations that were chosen by the Commission under RFP # 2022-023 to provide their full presentations to elevate the condition of the Delray Beach Public Golf Course and to answer any questions.

CGHP Developments & Hensel Phelps :

Cory Olson, Operations Manager with Hensel Phelps, introduced his key team members who provided their proposal.

Mario Caprini, with the Capital Group, stated they were master developers with a master developer concept approach that sees itself as a fiduciary agent to the City. He acknowledged that his company's strategy was **not** to buy the property but to recommend what was in the City's best interest. He explained that under his firm's proposal, they would provide the funding, design, and outreach to the community, including redeveloping the City's water infrastructure needs.

Beth Daniel, a former Ladies Professional Golf Association (LPGA) player and consultant, shared that the golf course had the endorsement of the prestigious Donald Ross Society, who would be heavily involved in the redesign in conjunction with Dick Wilson, a world-renowned golf course architect.

Mr. Olsen's proposal included his company constructing an apartment complex consisting of 312 residential units, including mixed-income. He mentioned that the complete design consists of a nearby hotel with 128 rooms that could lodge the guests attending a function and enhance the local economy.

Mr. Caprini presented various deal structure options, noting that his firm chose the Master Lease Option as the best choice for the City. He advised that, unlike other firms, they would finance the project, mitigating any loss to the City.

The presenter entertained questions from the Commission.

The developer clarified that 120 residential units would comprise mixed-income Workforce Housing. They shared that they would be amenable to alternative structural changes if necessary.

Bobby Jones Links / Mill Creek:

John Grimaldi, Vice President of Mill Creek Residential Trust, stated that Mill Creek was the 3rd largest multifamily developer in the country and the only proposer headquartered in Palm Beach County. The Master Plan proposal calls for carving out 10 acres on Atlantic Avenue for the Modera Delray Beach apartment complex and spending \$24 million dollars for a new golf course and enhanced clubhouse.

Mr. Grimaldi proposed that Rees Jones Inc. would serve as the Golf Course architect and Mill Creek Residential would serve as the developer for the project. Mr. Grimaldi provided the financial breakdown of his firm's proposed 30-year lease agreement with the City. He stated that the proposal for residential homes included Palm Beach County's requirements for workforce housing.

In conclusion, Mr. Grimaldi provided an overview of the project's critical components :

- Renowned 18-hole golf course designed by Rees Jones
- Modera Delray Beach Apartment Complex comprises 650 residential homes, including 130 workforce housing units.
- Improved clubhouse to hold events, banquets, Etc.

Ownership type :

- Fee simple for 10 acres, with a 30-year lease agreement with the City. He said that The Bobby Jones Links agreement would be expected to pay the City **\$10,000,000** over 30 years.

The presenter entertained questions from the Commission.

The Commission shared its concerns with Mr. Grimaldi. They impugned why Mill Creek asked for 10 acres to develop two five-story apartment buildings, including retail space, and discussed who would run the operation upon completion. Additionally, they asked for reassurance that the 9-hole Donald Ross Design would remain open during the restorations and the availability of Workforce Housing Units.

Heatherwood Luxury Rentals

Chris Capece, President of Heatherwood Luxury Rentals, provided an overview of his company's proposal. Mr. Capece summarized Heatherwood's differentiating factors and expertise that his firm would provide:

- Heatherwood would provide its financing.
- Renovate and rebuild 18 hole championship golf course while preserving the Donald Ross front nine and back nine holes.
- Renovate the interior and exterior of the Club House and parking lot.
- Fee simple for 10 acres for private development
- 39-year operations and maintenance agreement with two 30-year extensions for golf operations.
- Provide a guaranteed payment and profit-sharing check to the City.
- Use reclaimed water for the sprinkler system.
- Build a 360-residential/multi-family apartment community, including 36 workforce units with a golf/residential access road off West Atlantic Avenue.

The presenter entertained questions from the Commission

The Commission recognized that Heatherwood's proposal of a 3-story residential building had the lowest density. They discussed the driving range configuration and asked if adding more water holes was necessary. Mr. Capece noted that the proposed extension on Atlantic Avenue would ease the traffic congestion.

Related Group:

Neil Schiller with the Government Law Group was in attendance with his clients, Related Group & Nicklaus Design Group.

Ron Melendez, Vice President of Development with Related Group,

introduced his team of professionals who have worked collaboratively on the project's redesign and multi-phase approach. The architectural renderings were shared for the new Golf Course, Clubhouse, and Residential Units.

Mr. Schiller concluded his presentation by summarizing their proposal:

- Seeking to purchase seven acres from the City.
- 7160-foot golf course length.
- 25,000-foot new Clubhouse located on Atlantic Avenue.
- The Related Group manages 444 residential units.
- \$27 average daily rate for residents to play golf.
- Over **one million dollars** of golf revenue is projected for the first year.
- \$25 million upfront to the City with no risk or phases.
- The City would maintain ownership of the Clubhouse, but it would be managed and maintained by a management company through an issued RFP and paid out through the proceeds from the golf course.

The presenter entertained questions from the Commission.

The Commission engaged in a discussion about the seven Donald Ross designs and the projected greens fees. They expressed concerns about the compromised wells and how the seven acres would be divided.

The special meeting was adjourned at 3:30 P.M. with no further business to discuss.



City Clerk

ATTEST:



MAYOR

The undersigned is the City Clerk of the City of Delray Beach, Florida, and the information provided herein is the Minutes of the March 2, 2023 City Commission Special Meeting held on March 2, 2023, which minutes were formally approved and adopted by the City on March 30, 2023.



City Clerk

NOTE TO READER:

If the Minutes you have received are not completed as indicated above, this means they are not the official Minutes of the City Commission. They will become the official Minutes only after review and approval which may involve some amendments, additions or deletions as set forth above.