Legislation Details (With Text)

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Type:	CRA Discussion	**Status:**	Agenda Ready
File created:	1/23/2019	**In control:**	Community Redevelopment Agency
On agenda:	1/29/2019	**Final action:**	
Title:	REQUEST FOR PROPOSALS - SW 600-800 BLOCKS WEST ATLANTIC AVENUE PROPERTIES - FINAL RANKING OF PROPOSALS		
Sponsors:			
Indexes:			
Code sections:			
Attachments:	1. Agenda Cover Report, 2. Exhibit A - RFP 600-800 W. Atlantic Ave Proposal and addendums, 3. Exhibit B - PMG Assoc Final Report West Atlantic Properties Revised 0123, 4. Exhibit C - PMG Assoc Community Benefit Matrix, 5. Exhibit D - Selection Committee Results		

Date	Ver.	Action By	Action	Result

TO: **CRA Board of Commissioners**
FROM: **Renée Jadusingh, Esq., CRA Assistant Director**
THROUGH: **Jeff Costello, CRA Executive Director**
DATE: **January 29, 2019**

REQUEST FOR PROPOSALS - SW 600-800 BLOCKS WEST ATLANTIC AVENUE PROPERTIES - FINAL RANKING OF PROPOSALS

Recommended Action:

CRA Board of Commissioners rank the Proposals and direct Staff to enter into negotiations with the top-ranked proposer for a period of ninety (90) days based on the template Purchase & Sale Agreement included in the Request for Proposals - SW 600-800 Blocks West Atlantic Avenue Properties.

Background:

A Request for Proposals for the CRA-owned properties located at SW 600-800 Blocks on W. Atlantic Avenue (RFP), located on the south side of West Atlantic Avenue between SW 6th and SW 9th Avenues, was issued on August 21, 2018, with a submission deadline of November 2, 2018 (extended from October 5, 2018. The CRA received the following six (6) proposals in response to the RFP prior to the submittal deadline:

- BH3, LLC
- Jones New Urban Delray, LLC
- Kayne Anderson Real Estate
- Land America, LLC
- Prime Investors and Developers, LLC
- Uptown Delray, LLC

All six (6) proposals were reviewed for compliance with the RFP requirements and all proposals were provided to the Selection Committee for consideration.

Financial & Feasibility Analysis by PMG Associates, Inc.:
Subsequent to receiving the proposals, a Work Assignment with CRA development finance consultant, PMG Associates, Inc. ("PMG"), was approved for the financial analysis of the proposals, which included physical examination of the Proposers Financial Statements to ensure that they have the financial security to complete the proposed project.

It should be noted that PMG reviewed the Financial Statements for five (5) out the six (6) Proposers as Land America, LLC declined to provide their Financial Statements. Based on PMG's review, the five (5) Proposers who provided their Financial Statements have sufficient financial background to complete their proposed project.

The results of PMG's analysis were presented to the Selection Committee on December 18, 2018 and to the CRA Board at the January 15, 2019 Board Meeting. Please refer to Exhibits B & C for the complete PMG Report and Community Benefits Matrix.

RFP Selection Committee:
On January 10, 2019, the Selection Committee met to score the proposals based on the criteria outlined on Page 17 of the RFP. (See Exhibit D for Selection Committee Results.)

RFP Selection Procedure:

In accordance with RFP, the CRA Board of Commissioners will rank the proposals at a CRA Board Meeting and direct Staff to enter into negotiations with the top-ranked proposer for a period of ninety (90) days based on the template Purchase & Sale Agreement included in the RFP (See pages 18 & 34 of Exhibit A). If an agreement in principle cannot be reached with the top-ranked proposer within ninety (90) days, CRA Staff would commence negotiations with the next highest ranked proposer, and so on until an acceptable agreement has been reached.

At the January 15, 2019 CRA Board Meeting, the Board voted to allow the six (6) Proposers to the RFP to make ten (10) minute Oral Presentations to the Board prior to the final ranking of the proposals. Subsequent to this meeting, Land America, LLC formally withdrew their Proposal. Thus, the remaining five (5) Proposers will make Oral Presentations to the Board at the January 29, 2019 Special CRA Board Meeting ("Special Meeting"). Thereafter, the Board will rank the top 3 Proposers based on the RFP, the responses to RFP, and the Oral Presentations at the Special Meeting.

Pursuant to the RFP, the CRA reserves the right to negotiate such terms and conditions with a proposer as it deems is in the public interest at its sole and absolute discretion.

Summary of Proposals:

- **BH3, LLC**

  Total Development Scenario:
  - Retail: 43,300 Square Feet
  - Grocery: 33,000 Square Feet
  - Office: 21,600 Square Feet
  - Residential: 165 Rental Units (plus pool and amenities) (12 units Workforce Housing offsite)
  - Parking: 744 Structured and Surface

  Proposed Terms:
  - No compensation for the land.
  - Incentives have been requested in the amount of $13,574,125.

Proposed Grocery Store Letters of Interest:

- Atlantic Retail (Aldi)
- Sprouts Farmers Market

➢ **Jones New Urban Delray, LLC**

Total Development Scenario:

- Retail: 4,000 Square Feet
- Grocery: 22,000 Square Feet
- Office: 13,200 Square Feet (including medical and clinic)
- Residential: 224 units, 194 Rental Units, 30 For Sale units (27 Workforce Housing)
- Parking: 428 Surface Lots

Proposed Terms:

- Land purchase of $4 million.
- Incentives have been requested from the CRA for the Development Infrastructure Assistance Program in the amount of $250,000.

Proposed Grocery Store Letters of Interest:

- Healthier Choices Management
- Atlantic Retail (Aldi)
- Sabor Tropical Supermarket

➢ **Kayne Anderson**

Total Development Scenario:

- Retail: 25,000 Square Feet
- Grocery: 20,000 Square Feet
- Office: 50,000 Square Feet
- Residential: 142 Rental Units (The proposer notes that they are working with the Delray Beach Housing Authority to construct 54 For Sale units on Housing Authority controlled property in the Southwest Neighborhood.)
- Parking: 522 Structured and Surface Lots

Proposed Terms:

- Land purchase of $4 million.
- Incentives have not been requested from the CRA.

Proposed Grocery Store Letters of Interest:

- Atlantic Retail (Aldi)
- Vegan Fine Foods
- Uplift

➢ **Prime Investors and Developers, LLC**

Total Development Scenario:

- Retail: 19,000 Square Feet
- Grocery: 22,000 Square Feet
- Office: 32,000 Square Feet
- Hotel: 117 room (Extended Stay)

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- Residential: 94 Rental Units (24 Workforce Housing)
- Parking: 544 Structured and Surface Lots

Proposed Terms:

- Land purchase of $4 million.
- Incentives have been requested from the CRA for the Development Infrastructure Assistance Program in the amount of $250,000.

Proposed Grocery Store Letters of Interest:

- Atlantic Retail (Aldi)
- Sprouts Farmers Market

➢ **Uptown Delray, LLC**

Total Development Scenario:

- Retail: 29,830 Square Feet
- Grocery: 19,662 Square Feet
- Office: 22,498 Square Feet
- Residential: 112 Rental Units (22 Workforce Housing)
- Parking: 390 Surface Lots

Proposed Terms:

- Land purchase of $4,150,000.
- Incentives have been requested from the CRA for the Development Infrastructure Assistance Program in the amount of $250,000.

Proposed Grocery Store Letters of Interest:

- Katz & Assoc.

Attachment(s): Exhibit A - RFP & 3 addendums; Exhibit B- PMG Assoc. Final Report; Exhibit C - PMG Assoc Community Benefit Matrix; Exhibit D - Selection Committee Results