



City of Deerfield Beach

150 NE 2nd Ave
Deerfield Beach, FL
33441
954-480-4200

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Status: DEPARTMENTAL BUSINESS

In Control: City Commission

Title

Resolution 2022/ - A Resolution of the City Commission of the City of Deerfield Beach, Florida, approving the Ranking and for Invitation to Negotiate #22-41-PC for the sale of city property located at 1045 SW 11th Way contingent upon approval of the sale at a Referendum Election; authorizing negotiation of the key business terms and a purchase and sale contract, which shall be subject to referendum approval, with the top ranked firm, MBA Development Partners of Florida, LLC; providing for implementation and an effective date.

Recommended Action

Commission to vote on Resolution

Voting Requirement

Adoption requires a 3/5 vote of the City Commission

Background/History

The City owns a +/-3.75 acre parcel located at 1045 SW11th Way. The property had a lease that had been in place since 2003 with the Florida Atlantic Research and Development Authority (and subsequent sublessees) with the expectation that the lessee would develop the parcel. The lease had been extended a number of times since 2003, but a development project did not occur. On February 15, 2022, the Deerfield Beach City Commission voted to deny a proposed eighth extension to the lease for the 1045 SW 11th Way property. At the February 15th meeting and prior to denial, the lessee proposed paying the City \$3.2 million to extend the lease and place a 41,000 square foot office building on the site with a surface parking lot. At the same time, the City had contracted for a market appraisal for the parcel that indicated the property had an actual market value of \$6.5 million.

The City Commission indicated a desire to pursue other project options that would be of greater benefit to the City and directed staff to pursue the sale of this parcel to be developed by a private entity. Due to stipulations in the City of Deerfield Beach Charter, any city-owned property with a value greater than \$750,000 can not be sold or leased without the approval of 51% of eligible Deerfield Beach voters.

In May, the Commission approved the hiring of Colliers International, a highly experienced commercial brokerage firm, to represent the City in this real estate transaction, including the creation of an Invitation to Negotiate (ITN) procurement process and marketing of the opportunity. The City Manager designated an evaluation committee comprised of the Assistant City Manager, Director of Planning and Development Services and Director of Economic Development to review, evaluate and rank proposals.

The City engaged in an Invitation to Negotiate (ITN) procurement process for this solicitation. The ITN model was selected to encourage greater private sector competition, allow for flexibility in the types of proposals submitted, create a well-defined framework for evaluation of proposals, deliver a clear

recommendation to the City Commission and provide flexibility to negotiate the specific details of the Commission's selected proposal. Six responses were submitted. After preliminary evaluation, the four highest ranked groups were asked to make presentations of their proposals to the evaluation committee. The public was invited to observe the presentations in an effort to make the process transparent and build consensus for the project as early as possible in the process. A detailed report of the procurement process is attached to this item.

Current Activity

The project recommended by the evaluation committee is a "Live-Work-Play" mixed-use development comprised of medical and office space (60,000 square feet), workforce housing (120 units), hotel (105 rooms), convention and entertainment space (12,000 square feet) and retail/restaurant space (7,000 square feet) with structured parking adequate to meet the needs of the development. The proposal proposes purchasing the land from the City for \$6.5 million and proposes approximately \$7.5 million in park and other public improvements in the City. In addition to direct financial community benefit, MBA Development Partners of Florida, LLC ("MBA") will actively seek local and minority-owned businesses to provide labor, materials and supplies during construction and hold job fairs for ongoing employment opportunities as the project moves into operation. MBA estimates their proposed project will generate 1,224 jobs while it is under construction and 77 annual jobs once the project is in operation. Over the next 30 years, the development is projected to generate \$42 million in new taxes for the City of Deerfield Beach. The proposed project, which is subject to land use and zoning approvals, includes a green roof top, at-grade open spaces and an event center that will be accessible to the public, includes enhanced connectivity and improvements to Mayo Howard Park.

MBA proposed a robust public outreach initiative to educate the public about the project in advance of the proposed March 14, 2023 referendum election date. MBA also committed to ongoing public outreach and input on the project as part of the land development process if their proposal is ratified by the voters of Deerfield Beach in a referendum. If the sale and project are approved, MBA projects project completion in the fourth quarter of 2027.

Recommendation

Commission approval of the Evaluation Committee's ranking for ITN #22-41-PC, and authorize the negotiation of the key business terms and a purchase and sale agreement with MBA, the top ranked firm, for the sale of the Property to MBA, subject to referendum approval.