



# Memorandum

**TO:** Kris Mory, Director of Economic Development

**FROM:** Paul Collette, Senior Buyer

**THRU:** Bogdan Avasiloae, Purchasing Manager

**DATE:** November 18, 2022

**RE:** **Purchase of 1045 SW 11<sup>th</sup> Way Parcel, ITN #22-41-PC**

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The Purchasing and Contract Administration Division issued an Invitation to Negotiate for the Purchase of 1045 SW 11<sup>th</sup> Way Parcel, ITN #22-41-PC. This formal competitive solicitation process complies with the City of Deerfield Beach procurement requirements. Details of the competitive solicitation process are as follows:

- On September 16, 2022 the ITN was advertised in the legal notices section of the Sun-Sentinel. The notice was sent to five hundred and eighty (580) prospective Offerors via the e-Procurement Marketplace.
- Elevens (11) vendors viewed the documents of the ITN.
- On September 27, 2022 at 2:00 p.m., a Non-Mandatory Pre-Proposal Conference was held in person and virtual via Zoom.
- Two (2) Addendums were issued to make additions, deletions and changes to the ITN documents.
- The ITN closing date was extended to allow Offerors additional time to submit their responses due to the Addendum changes made to the ITN documents.
- On October 25, 2022 at 11:00 a.m. EST, the Purchasing and Contract Administration Division closed and unsealed six (6) responses. The responses were reviewed by the Purchasing and Contract Administration Division to ensure the response met the ITN requirements.
- Subsequently, each member of the Evaluation Committee assigned by the City Manager received their evaluation packages that consisted of: evaluation committee policies and procedures and the evaluation sheets.
- Each Evaluation Committee Member independently reviewed and scored the six (6) responsive proposals in accordance with the weighted criteria stated in the ITN prior to the initial public Evaluation Committee meeting held on October 28, 2022 at 2:00 p.m. EST.
- The Evaluation Committee consisted of: Kris Mory, Director of Economic Development; Horace McHugh, Assistant City Manager; Eric Power, Director of Planning & Development Services.

- The proposal was evaluated based on the following weighted criteria:

<u>Criteria</u>	<u>Weight</u>
Qualifications, Experience, References, and Comparable Projects	20
Project Description and Development	30
Financial Capability	15
Deal Structure	25
Community and Public Benefit	10
<b>Total Points</b>	<b>100</b>

- The proposals were scored and ranked (After Evaluation Committee Members Independent Review) as follows:

<b>Ranking:</b>	<b>Kris Mory</b>	<b>Horace McHugh</b>	<b>Eric Power</b>	<b>Total</b>	<b>Ranking</b>
<b>Falcone Group LLC</b>	90 / <sup>1</sup>	88 / <sup>3</sup>	88 / <sup>1</sup>	5	1
<b>JBL Development</b>	81 / <sup>4</sup>	95 / <sup>1</sup>	82 / <sup>2</sup>	7	2
<b>MBA Development Partners of Florida</b>	83 / <sup>3</sup>	90 / <sup>2</sup>	78 / <sup>4</sup>	9	3
<b>Related Urban Development Group LLC</b>	89 / <sup>2</sup>	85 / <sup>4</sup>	79 / <sup>3</sup>	9	3
<b>Park Silver Development</b>	33 / <sup>5</sup>	75 / <sup>5</sup>	72 / <sup>6</sup>	16	4
<b>Gold Coast Premier Management LLC</b>	30 / <sup>6</sup>	70 / <sup>6</sup>	75 / <sup>5</sup>	17	5

- MBA Development Partners of Florida and Related Urban Development Group LLC were both tied (Ranked 3rd with 9 Total Points).
- After Evaluation Committee Discussion, Horace McHugh made a motion to recommend Oral Presentations with the top (4) ranked Proposers (Falcone Group LLC; JBL Development; MBA Development Partners of Florida; Related Urban Development Group LLC). The motion was 2<sup>nd</sup> by Kris Mory. The Evaluation Committee was unanimous in their decision.
- Eric Power discussed the questions to be addressed by the Proposers at the Presentations.
- Eric Power made a motion to adjourn the meeting, the motion was 2<sup>nd</sup> by Horace McHugh.
- On November 16, 2022, Oral Presentations were scheduled as follows:

<b>PROPOSER</b>	<b>TIME</b>
Falcone Group LLC	8:30 AM
JBL Development	9:15 AM
MBA Development Partners of Florida	10:00 AM
Related Urban Development Group	10:45 AM

- On November 16, 2022 at 8:30 a.m. EST to 11:30 a.m. EST the Oral Presentations were held with the top (4) ranked Proposers, followed by Public Comment Session at 11:30 a.m. EST and the Evaluation Committee meeting at 12:30 p.m. EST.
- After the Oral Presentations and Public Comments Session, the Evaluation Committee Meeting was held at 12:30 p.m. EST to discuss the Oral Presentations, score and rank the Proposers and make a recommendation to the City Commission or other recommendations, if necessary.
- The Evaluation Committee were provided with their initial Evaluation Sheets (from the initial Evaluation Committee meeting) and the Final Evaluation Sheets (after Oral Presentations) which was independently filled-out after their discussions.
- The proposals were evaluated based on the same weighted criteria as the initial Evaluation Committee meeting.
- The results of the final ranking (After Oral Presentations) are as follows:

<b>Ranking:</b>	<b>Kris Mory</b>	<b>Horace McHugh</b>	<b>Eric Power</b>	<b>Total</b>	<b>Ranking</b>
<b>MBA Development Partners of Florida</b>	92 / <sup>1</sup>	100 / <sup>1</sup>	89 / <sup>1</sup>	3	1
<b>Falcone Group LLC</b>	86 / <sup>2</sup>	89 / <sup>2</sup>	82 / <sup>2</sup>	6	2
<b>JBL Development</b>	78 / <sup>3</sup>	80 / <sup>3</sup>	82 / <sup>3</sup>	9	3
<b>Related Urban Development Group LLC</b>	71 / <sup>4</sup>	57 / <sup>4</sup>	79 / <sup>4</sup>	12	4

- After the discussions on the Oral Presentations and final ranking of the Proposers, Horace McHugh made a motion to recommend to the City Commission to approve the ranking, award and negotiate a contract to the first ranked proposer MBA Development Partners of Florida. This motion was seconded by Kris Mory. The Evaluation Committee was unanimous in their decision.
- Horace McHugh made a motion to adjourn the meeting, the motion was 2<sup>nd</sup> by Kris Mory.
- Documentation related to this solicitation may be obtained by e-mailing [sfrancis@deerfield-beach.com](mailto:sfrancis@deerfield-beach.com). You may contact the Purchasing and Contract Administration Division at 954-480-4381 with any questions.

In summary, the Evaluation Committee is recommending to the City Commission, to approve the ranking and award, and negotiate a contract with the first ranked proposer MBA Development Partners of Florida.

Please use this memorandum and all attachments as your backup to the City Manager for the next available City Commission Meeting.

Att. Recommended Proposer’s Deal Structure

c: Horace McHugh, Assistant City Manager

# MBA DEVELOPMENT PARTNERS OF FLORIDA - SECTION FIVE Deal Structure



- The development team will provide 100% funding
- The purchase price of the land is established at \$6.5M per the city recent appraisal to subject to obtaining all project approvals
  - We believe it would be in the cities best interest to consider leasing the land based on a calculation using the purchase price of \$6.5M at a 6% or \$390,000 per year land lease amount for 99 years with periodic escalations to be negotiated in the comprehensive agreement.
- We plan for 3% annual increases in master lease rents to be determined based on market conditions at time of closing
- The Master Lease payments are based on todays market rate and are subject to change prior to closing
- This \$178 M will generate a 30 year tax revenue of \$183,187,759 and \$83 Million in Broward County School Tax Benefits for 30 Years
- The LeaseOwnership™ program can provide a strategic advantage of up to 30% below market rate to accelerate absorption and increase the chances of success for all occupants
- The synergy created by the tenant mix will insure well balanced activity as an economic engine and a destination
- The secondary benefits of this project is the job creation component.
  - During construction: 1,224 jobs
  - Recurring: 77 jobs
- Economic impact: \$261M during construction and \$10M recurring yearly
- The cash flow projections for the city of Deerfield Beach from the land lease and shared income from master leases could generate \$433,749 per year
  - This represents a future value calculation of **\$21,204,917\* for the city**
  - The future value of the properties at the time of inversion if the city elects to undertake the master lease option and discounted by 25% over 30 years at **\$328,108,206\***

*\* These calculations use a 3% factor*

## Fiscal Implications & Benefits

### 30 Year Average Tax Revenue

Total incremental revenue :\$183,187,759

- City Tax Benefits: \$83,743,901
- County Tax Benefits: \$77,169,186
- Hospital Tax Benefits: \$22,365,473

### Broward County School Tax Benefits for 30 Years

**\$83 Million**

#### Notes:

Construction Completion in 2027

Assessed Value resets January 1, 2028

Taxable Value estimated at 80% of Project Cost

Assessed Value reset for income approach at stabilized 5th year

Base Value currently \$898,970 estimated to be \$1.04 million at time of C.O.

Estimates are operating ad valorem and do not include debt service

#### Source:

*BusinessFlare's Input-Output analysis utilizes Emsi's Type II methodology, which shows industry to industry transactions plus household spending. The multiplier impacts calculated by the model are based on input-output methodology, which considers the inter-industry linkages that exist within an economy. Each industry needs labor and inputs from other industries in order to produce economic output.*