



20 N. Swinton Avenue
Delray Beach, FL 3444

9A
Agenda Item #
February 8, 2018

~ CRA BOARD SUMMARY ~

DISCUSSION – PROCESS FOR REDEVELOPMENT OF CRA-OWNED COMMERCIAL PROPERTIES IN THE SET – RFQ/RFP

BACKGROUND:

The following is the most recent activities related to the CRA-owned properties in the SW 600-700-800 Blocks of West Atlantic Avenue. At its meeting of June 8, 2017, the CRA Board approved the Agreement for Purchase and Sale between the CRA and Pasadena Capital for the CRA-owned properties in the SW 600 Block on W. Atlantic Avenue, between SW 6th and 7th Avenues for the development of a full-service grocery store. On November 7, 2017, Pasadena Capital, Inc. notified the CRA that the Publix Real Estate Committee denied the approval of the proposed project. On November 9, 2017, Pasadena Capital terminated the Purchase and Sale Agreement. Subsequently, on November 27, 2017, the Publix Real Estate Committee reconsidered the project and conditionally approved it with a projected commencement of construction date of December 31, 2022. At its meeting of December 14, 2017, the CRA Board authorized staff and counsel to negotiate the sale and purchase with Pasadena and have the Executive Director publish notice as required by the Florida Statutes.

Pursuant to Chapter 163.380(3)(a) of the Florida Statute, a thirty (30) day notification of the CRA's intent to accept the proposal for purchase of the property was published. In response to the Notice, Letters of Interest were received from three (3) development firms for the CRA-owned properties within the SW 600-700-800 Blocks of West Atlantic Avenue (approximately 7.5 acres). The three (3) development firms are:

- a) BH3 Management LLC; and
- b) New Urban Communities; and
- c) NR Investments, Inc.

Since there exists interest in a broader scope of development along the West Atlantic corridor as evidenced by the submittal of the three (3) Letters of Interest, staff sought direction from the CRA Board at its meeting of January 25, 2018. At the meeting, the Board tabled any action on the Letters of Interest until the February 8th Board Meeting. The Board also directed staff to provide a preliminary Request for Qualifications/Proposals (RFQ/P) for the SW 600-800 Blocks to the February 8th CRA Board for discussion. Negotiations with Pasadena Capital have been finalized for approximately 3 acres of CRA-owned property in the SW 600 Block of West Atlantic Avenue and the Agreement for Purchase and Sale is before the CRA Board for consideration on February 8th.

SOLICITATION/PROCUREMENT PROCESS & METHODS - RFQ/P:

The CRA has typically utilized the Request for Proposal (RFP) process for the redevelopment of CRA-owned properties. However, based on the prioritized needs and Community Redevelopment Plan objectives, the CRA Board may want to consider alternative solicitation and procurement methods for the redevelopment of its properties such as a Recruitment & Marketing Strategy coupled with a two step process, of Request for Qualifications (RFQ) and Request for Proposals (RFP) process, or Invitation to Negotiate (ITN).

Additionally, staff is recommending new components be added to the final solicitation package highlighted in the solicitation methods section below. As such, this discussion is designed as the first of a two-part conversation with the CRA Board which will conclude at the CRA Board's February 22, 2018 workshop meeting. This is necessary so additional input by the Board, developer community, and West Atlantic Redevelopment Coalition (WARC) can be gathered based the Board's direction and prior to finalizing the document for issuance by late March.

Solicitation Methods

The various methods involved in consideration of redevelopment of properties include unsolicited letter of interest, Request for Proposals, Requests for Qualifications/ Proposals, and Invitations to Negotiate. Given the interest in the CRA's properties, it is staff's recommendation to proceed with the RFQ/P, to ensure the CRA's and community's interest and expectations are clearly communicated to the development community and there is no ambiguity in the evaluation process based on the specific criteria outlined in the documents.

With this new recommended solicitation method, staff anticipates this method may actually expedite the overall timeframe from inception to construction, by ensuring the qualifications of the developers are vetted prior to entertaining any proposals. In order to better understand the use of this solicitation method, attached is an outline of a typical RFQ/P process (Exhibit "B").

Finally, and as previously mentioned, it is staff's recommendation to add new components to fulfill the goals and objectives specified in the various redevelopment plans/documents pertaining to The Set, including the Community Redevelopment Plan and The Set Transformation Plan (pending adoption).

It is noted that the intent is to incorporate the key elements into the proposed RFQ/P. The items include Workforce Housing, Desired vs Priority uses, Tenant Space for Local Businesses, Local Inclusion and Participation, Incentives, Purchase Price/Public Benefits. As indicated in the diagram below, how each element is structured has an impact on the overall success of this redevelopment initiative.



REDEVELOPMENT OF CRA-OWNED COMMERCIAL PROPERTIES IN THE SET – RFQ/RFP
INTERRELATIONSHIPS OF PROJECT COMPONENTS

Board Direction is requested at this time.

Submitted By: Jeff Costello, Executive Director

Attachments: Exhibit A – Property/Location Map; Exhibit B RFQ/P Process Overview

EXHIBIT "A"

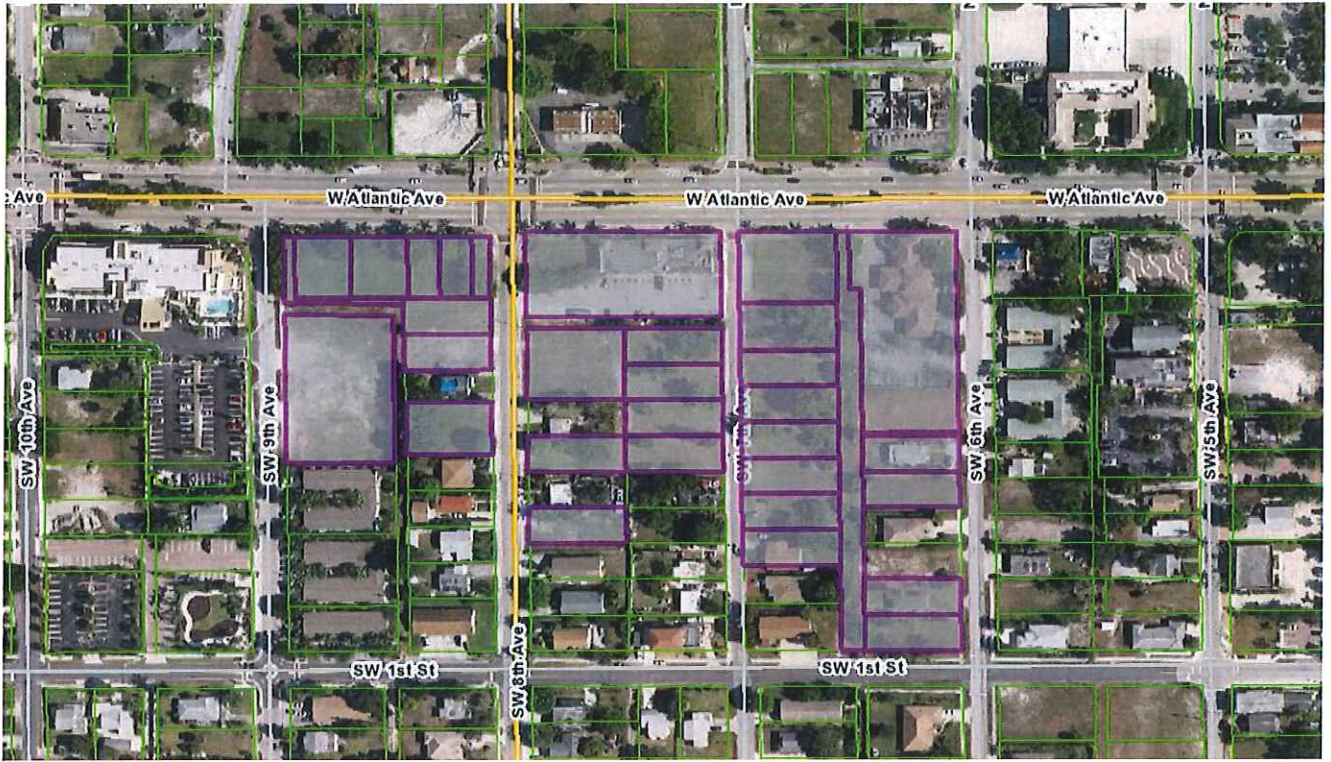


EXHIBIT "B"

RFQ/P Process Overview

Phase I – Request for Qualifications (RFQ)

1. Prepare a project plan (and a clear statement of the project plan and objectives).
2. Schedule, draft, review and issue the RFQ.
 - Q&A conference for prospective developers (optional).
 - Phase I (RFQ) responses received and reviewed.
 - Selection and notification to developers short-listed for Phase II (RFP).

Phase II – Request for Proposals (RFP)

1. Draft, review and issue the RFP
2. Phase II responses received, reviewed
 - References checked and developer team due diligence performed.
 - Developer presentations (all Phase II respondents).
 - Selection of the preferred developer.

Phase III – Formal negotiations begin on ground lease/sale terms

1. Terms of Agreement are defined and signed in agreement between the CRA and developer setting forth all major business terms; ground lease/sale and negotiations commenced.
2. Project goes to final decision-making Board for approval (once significant business issues are sufficiently confirmed).
3. Detailed ground lease/sale negotiations completed and documents executed.

EXHIBIT "B" (continued)

Example 2-Step RFQ/RFQ Process and Schedule

ACTION	PROPOSED TIMEFRAMES
<u>STEP 1 REQUEST FOR QUALIFICATIONS</u>	
Issue RFQ & Place Ads	Day 1
Registration (if required)	Prior to Pre-Submittal Meeting
Pre-Submittal Meeting (Mandatory/Non-Mandatory)	21-30 Days after RFQ release
Deadline for Questions/Clarifications	5 days after Pre-Submittal Meeting
Deadline for Receipt of Qualifications	45-60 days after RFQ Issuance
Evaluation Meeting	Within 1-2 weeks of Submittals
Short-List of Qualified Firms to CRA Board	Next Available meeting
Notice to Firms to Proceed to RFP Stage	TBD

STEP 2 REQUEST FOR PROPOSALS

Issue RFP to Qualified Firms	Day 1
Pre-Submittal Meeting (Mandatory/Non-Mandatory)	21-30 Days after RFQ release
Deadline for Questions/Clarifications	15 days after Pre-Submittal Meeting
Deadline for Receipt of Proposals	60-90 days after RFP Issuance
Evaluation Meeting	Within 1-2 weeks of Submittals
Presentations of Proposals	Next Available meeting
Selection and Ranking	Same Day as Presentation unless additional information is requested
Notice to Selected Firm	TBD

****RFQ/P Total Estimated Timeline - Approximately 7-9 months from issuance of RFQ to award of RFP.***

STEP 3 - FINAL STEP CONTRACT NEGOTIATIONS TBD

Negotiations timeline may vary – Previous CRA negotiations have ranged from 4 – 7 months.

Prior CRA issued RFP Timeframes – For comparison, provided below are RFP timelines from drafting to award, based on the CRA's two (2) most recent RFPs (prior to submittal of development applications):

2013 West Atlantic RFP (Equity):

- 1 month: Process to prepare RFP for authorization by CRA Board to issue/advertise.
- 2 months: RFP issuance to submittal deadline
- 2.5 months: RFP responses rejected and modified RFP re-issued
- 5 months: From advertising of Reissued RFP to award of RFP.
- 7 months: Negotiations and approval of Purchase and Sale Agreement.
- Total 17.5 months

2013 Fourth & Fifth RFP (iPic):

- 1 month: Process to prepare RFP to authorization by CRA Board to issue/advertise.
- 6 months: From issuance/advertise of RFP to award of RFP.
- 4 months: Negotiations and approval of Purchase and Sale Agreement.
- Total 11 months