



Legislation Text

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TO: Chair and Members of the Board

FROM: Diane Colonna, Executive Director

DATE: July 14, 2015

RESPONSES TO REQUEST FOR PROPOSAL 2015-03-A - MARGATE CITY CENTER PROJECT

BACKGROUND:

On March 11, 2015 the MCRA Board selected two development firms (out of four) that had responded to the Request for Qualifications (RFQ) for the City Center site. The two firms--AHS Development Group and New Urban Communities--were invited to continue on to the next process, which was the Request for Proposals (RFP). The RFP process required the submission of plans, identification of specific uses for the various parcels, phasing plans and construction and operational cost information. The goal for City Center as expressed in the RFP document was *"to create an active and walkable entertainment, recreation and commercial destination...City Center is intended to be an asset to the City of Margate that is well integrated into the fabric of the community with strong relationships to other parts of town, it is also intended to continue as the center of civic activity but also become the community activity center, living room and place that residents feel comfortable going and spending time to shop, live, work and play."*

Both firms submitted the required plans and information by the May 12, 2015 deadline. Both propose purchasing all of the CRA-owned parcels included in the RFP to develop a mix of residential and commercial uses, with the commercial uses primarily clustered at the intersection of State Road 7 and Margate Blvd. The proposals also provide public amenities that are to be funded by the MCRA, and propose the development of the properties in phases.

The following is a brief summary of the proposals-a more detailed breakdown of the uses, square footages, development schedule and economic impacts is included in the backup for this item.

AHS Development Group - Totals approximately 100,000 sq. ft. of commercial uses plus a 120-room hotel. Provides 689 residential units including a mix of apartments, townhouses and independent senior living. Public amenities include a 15,000 sq. ft. community center with parking garage, 5-acre public open space area with amphitheater, and a 1-acre waterfront promenade. These public areas as well as drainage improvements are to be funded by the MCRA (developer estimates \$6 million). Public art elements are also proposed throughout the project. The mixed use buildings on the west side of SR 7 are six and seven stories in height; on the east side they are two and three stories. Development would occur in 5 phases that would be completed in 2023. Estimated project costs (all phases, excluding land costs) is \$126 million. Price offered for CRA property is \$10.9 million (\$11.25 million with proposed 3% price escalation).

New Urban Communities - Totals approximately 96,000 sq. ft. of commercial uses, 956 residential units (combination of townhouses and flats), 85,800 sq. ft. of civic spaces including a signature town square, open space areas, band shell/performance stage and civic building, canal walk and boat launch. The public areas are to be funded by the MCRA along with various right-of-way improvements (developer estimates up to \$3 million). Buildings within the project are two and three stories in height. Development would occur in 3 phases that would be completed in 2022. Estimated

project costs (all phases, excluding land costs) is \$146 million. Price offered for CRA property is \$10,041,750.

Selection Committee Review

A Selection Committee comprised of City Manager Doug Smith, Economic Development Director Ben Ziskal, RMA Economic Development Director (non-voting) and myself reviewed the proposals and met with each development team. The teams presented their projects and addressed questions and concerns from Committee members. The Committee then held a separate meeting to rank the proposals based on criteria established through the RFP process (Experience & Capacity, Conceptual Development Plan, Project Feasibility, and Proposed Business Terms). The results of the review were as follows:

<u>Ranking</u>	<u>Firm</u>	<u>Total Points (out of possible score of 300)</u>
1	New Urban Communities	255
2	AHS Development	242

The Committee's individual ranking sheets are included in the back up. The complete proposals are available on the CRA's web page at <http://www.margatefl.com/cra> (City Center tab).

The Selection Committee members were generally supportive of both proposals but agreed that changes were needed in order to better achieve the MCRA's goals for the project. Positive comments were made about the connectivity of New Urban Communities' road & pedestrian system, their team's extensive experience with mixed use projects, and the flexibility of their building design which allows residential uses to be converted to commercial uses if supported by the market. Concerns expressed about their plans were that there may not be enough commercial uses to attract sufficient visitors, public access to the waterway/canal is limited, and placing the band shell/public square on the west side of SR 7 may be problematic.

The Committee had positive comments about AHS's mixed use buildings, their public art elements and the inclusion of a hotel in a future phase. Some of the less favorably viewed elements included the gated residential community on the swap shop property, insufficient public access to the waterway/canal, and the senior housing component.

The development teams were advised that in their presentations to the MCRA Board, they could propose alternate plans based on the Committee's comments and concerns. While both teams indicated that there is some flexibility in the design of their projects, any changes suggested by the Committee or the MCRA Board will have to be considered in light of the project's overall financial feasibility.

ALTERNATIVE ACTIONS

At this time, the following alternative actions can be taken by the Board:

- 1) Table the item to a future meeting, with direction.
- 2) Select one of the proposals and direct staff to begin negotiating a development agreement with the selected firm.
- 3) Reject both proposals.

FISCAL IMPACT: Information regarding the estimated cost of the public elements of each proposal is included in the RMA Summary Report, however those numbers are extremely preliminary at this point.

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