

**CITY COMMISSION AGENDA ITEM REPORT**

**DATE:** February 14, 2024

**SUBMITTED BY:** Lori Funderwhite

**ITEM TYPE:** Resolution

**TEMP. RESOLUTION NUMBER:**

**AGENDA SECTION:** CONSENT AGENDA

**TITLE:** TR14078 - A Resolution of the City Commission of the City of Tamarac, Florida, awarding RFP 23-37R to EU International LLC; and approving an Agreement of Purchase and Sale of Real Property to EU International LLC to sell ±3.47-acres of Tamarac Village city-owned vacant land located at Commercial Boulevard and NW 91st Avenue for \$5.2 Million to construct a mixed-use restaurant, retail, and multi-family project with structured parking; and authorizing the City Manager and City Attorney to take all necessary action to effectuate the disposition; providing for conflicts; providing for severability; and providing for an effective date.

**RECOMMENDATION:** Staff recommend approval at the February 14, 2024 City Commission meeting to award RFP 23-37R and to approve a Purchase and Sale Agreement with developer EU International LLC to sell ±3.47-acres of city-owned real surplus property of the Tamarac Village vacant parcels and final phase of commercial development at NW 91st Avenue and Commercial Boulevard (Folios: 494108270040 and 494108270030) for \$5.2 Million in order to construct a mixed-use project containing restaurant, retail and multifamily uses with structured parking directly adjacent to the newly built Tamarac Village public park and amphitheater.

**BACKGROUND:** Upon City Commission approval of the commercial ground lease termination last Summer, City staff moved forward with plans to find a new commercial development partner, issuing a Request for Proposals (Exhibit 1; RFP 23-37R) and Offering Memorandum (Exhibit 2) to solicit commercial development proposals and purchase bids in a sealed bid process in order to select a development partner to sell and construct the final phase (Phase III) of development envisioned for Tamarac Village, which is the construction of

the ±3.47-acre site for commercial development.

At its June 28, 2023 City Commission meeting, the City Commission approved (R-2023-073) the Termination of Ground Lease for the Tamarac Village Commercial Parcel between Howard Steinholz, as Co-Trustee under the Declaration of Appointment of Co-Trustee dated April 13, 2016, of the Tamarac Land Trust Agreement dated July 10, 2013, and JKM TV C, LLC.

Last year, Phase II construction of the public-private partnership Tamarac Village project was substantially completed which included opening six (6) new multi-family apartment buildings with 190-units, plus nearing completion of the new .75-acre public park with splash pad, public art installations and the new amphitheater that will be programmed by the City for community events/performances. Along with Phase I, that brings the total for the completed phases, Phase I and Phase II, of Tamarac Village to 13-apartment buildings with 401-units and the clubhouse, all now complete, along with the nearly finished new public park and public amenities.

With City Commission approval to terminate the Commercial Parcel ground lease with developer JKM last Summer, staff proceeded to issue a Request for Proposals/RFP 23-37R, issued along with the marketing brochure/ Offering Memorandum (in partnership with the City's real estate consultant, Colliers International, piggyback agreement RFP#12630-225 City of Fort Lauderdale) to seek qualified and experienced developers to submit development proposals and proposed purchase bids in order to develop the final ±3.47-acre commercial phase construction of the Tamarac Village project.

Commonly referred to as the Tamarac Village-Commercial Parcel (Phase III), the vision for this final phase of Tamarac Village development is to include restaurants and retail adjacent to the public park. In the RFP/Offering Memorandum (OM), the City encouraged developer proposals that would also incorporate structured parking in order to not only successfully support the retail/restaurant uses (uses that were required to be included for a successful bid), but also to help provide parking for the future community events envisioned to draw crowds for the new public park and amphitheater. In order to help offset the expensive cost to construct structured parking, the City outlined in the OM that a well-designed vertical mixed-use project including multifamily use would be considered by the City to help make the community events and the restaurant

and retail businesses successful.

The RFP/OM also stipulated that the selected developer would be required as a co-permittee with the City to construct and finance the already permitted off-site stormwater retention pond, making any adjustments to the existing permit as may be needed, in order to meet the stormwater/drainage requirement for the project.

RFP 23-37R was issued on August 17, 2023 with sealed bid responses due in November 16, 2023 and was marketed to the South Florida commercial development community.

The RFP/OM issuance resulted in two RFP developer responses with conceptual proposals and bids/offers: 1) Boca Raton-based EU International LLC (Exhibit 3); and 2) Miami-based PIII Real Estate LLC (Exhibit 4). An overview of each proposal/bid is as follows:

#### EU International LLC Proposal Overview (Recommended)

- Development Concept (to be finalized in Development Agreement and Site Plan review process): ±10-story Mixed-Use Restaurant/Retail (±38,000-45,000 SF); Multifamily (±302-334 units) and Structured Parking (±643 spaces)
- \$5,200,000 Purchase Price

Site Plan Preliminary Development Concept (EU International LLC). Subject to Site Plan/Development Agreement Approval. Restaurants (Red/Pink); Retail (Blue).

South Elevation Preliminary Development Concept (EU International LLC). Subject to Site Plan/Development Agreement Approval.

#### PIII Real Estate LLC Proposal Overview

- Development Concept: One story ±43,884 SF Restaurant and Retail Village including ±14 proposed tenant spaces; ±40 parking spaces
- \$1,000,000 Revenue Sharing Model (7% annual revenue share above \$500,000 to City over an est. 13-year payout period)

Site Plan Preliminary Development Concept (PIII Real Estate LLC)

A comparison/review of both proposed RFP 23-37R responses (Exhibit 5) was prepared by the City's real estate consultant, Colliers International, which includes terms and developer company profile and experience summaries.

The City Manager appointed an RFP 23-37R staff

Evaluation Committee whose members included Levent Sucuoglu, City Manager; Maxine Calloway, Assistant City Manager and Director of Community Development; Lori Funderwhite, Economic Development Manager; facilitated by Keith Glatz, Purchasing and Contracts Manager.

On December 12, 2023, the Evaluation Committee met with each proposed development team to review project presentations and ask questions. The Evaluation Committee then opened the meeting publicly to discuss the merits of each development proposal and to rank the proposal responses. The Evaluation Committee voted unanimously to recommend to the City Commission EU International LLC's proposal in order to sell the Tamarac Village commercial parcels for \$5.2 million to construct a mixed-use development project with restaurant, retail, and multifamily uses with structured parking.

The attached Purchase and Sale Agreement (Exhibit 6) is a contract to sell the Tamarac Village vacant commercial city-owned surplus real property to the Evaluation Committee's recommended project and developer, EU International LLC, approving and awarding RFP 23-37R to EU International LLC, as well as authorizing the Purchase and Sale Agreement, in order to construct the proposed mixed-use project concept on this site (subject to future City Commission Site Plan and Development Agreement approval, prior to closing on the land sale).

#### Purchase and Sale Agreement – Terms Summary

- \$5,200,000.00 Purchase Price
- Due Diligence Period (300 days)
  - o 60 Days Inspection Period
  - o 240 Days Approvals Period (e.g. Site Plan, Development Agreement)
- Deposits:
  - o \$50,000 Initial Deposit (contract execution); refundable until Approvals received
  - o \$50,000 Second Deposit (post-inspection); refundable until Approvals received
  - o \$50,000 Extension Deposit (per 90 Day Approval Period extension granted); nonrefundable
- Closing within 30 Days after Approvals received

The current appraised value for the Tamarac Village commercial parcels is \$5,435,000 (appraisals updated January 2024; see Exhibit 7 and Exhibit 8). The Broker Opinion of Value (Exhibit 9) at the time of RFP issuance placed a market value on the property in the range of \$4.4-\$5M. During the RFP development proposal/bid issuance,

the City intentionally chose not to stipulate an asking price, but rather to let the market dictate price in a sealed bid process, and also placing equal importance (if not more importance) than sales price on attracting a desired economic development project for the community that would fulfill the vision for successfully completing the long-awaited Tamarac Village public-partnership project and further revitalizing the Commercial Boulevard corridor, bringing restaurants/retail to the site, as well as activating the public park and amphitheater for community events.

Should the City Commission approve the RFP 23-37R developer selection and award to EU International LLC and authorize the Purchase and Sale Agreement, the next steps in the process are outlined in the Purchase and Sale Agreement. The developer will be required to obtain City Commission approval of their Site Plan and Development Agreement (to be presented concurrently) prior to closing on the city-owned land sale to the developer.

Staff recommend approval at the February 14, 2024 City Commission meeting to award RFP 23-37R to EU International LLC and to approve an Agreement of Purchase and Sale with EU International LLC to sell ±3.47-acres of city-owned surplus real property at NW 91st Avenue and Commercial Boulevard in order to develop the final phase (Phase III) of Tamarac Village's Commercial Parcel constructing a mixed-use project with restaurant/retail, multi-family and structured parking.

## **STRATEGIC GOALS:**

Goal #4: Tamarac is Vibrant

## **ATTACHMENTS:**

1 - MEMO - TR14078\_Tamarac Village Commercial RFP23-37R Developer Award and Agreement for Purchase and Sale.pdf

2-RESO - TR14078 Tamarac Village RFP\_Land Sale\_EU International.docx

Exhibit 1 - TR14078\_Request for Proposals RFP 23-37R.pdf

Exhibit 2 - TR14078\_Offering Memorandum with RFP-Marketing the Development Opportunity.pdf

Exhibit 3 - TR14078\_Proposal - EU International LLC\_RFP 23-37R.pdf

Exhibit 4 - TR14078\_Proposal - PIII Real Estate LLC\_RFP 23-37R.pdf

Exhibit 5 - TR14078\_Colliers Proposals Comparison\_RFP 23-37R.pdf

Exhibit 6 - TR14078\_Agreement for Purchase and Sale\_01.30.24.pdf

Exhibit 7 - TR14078\_Appraisal\_Miller\_Tamarac Village-Commercial\_Jan 2024.pdf

Exhibit 8 - TR14078\_Appraisal\_Gonzalez\_Tamarac Village-Commercial\_Jan 2024.pdf

Exhibit 9 - TR14078\_Broker Opinion of Value\_Tamarac Village-Commercial\_June 2023.pdf