

MEMORANDUM

TO: David Hebert, City Manager, City of Oakland Park

FROM: Renee Miller, President, R. Miller Consulting Group

DATE: February 9, 2018

SUBJECT: Recommendation for RFQ #121617 West Dixie Lot Redevelopment Project

CHRONOLOGY OF EVENTS

The City has engaged the services of R. Miller Consulting Group (RMCG) to manage the process of issuance, evaluation, and implementation of the mixed use development for the West Dixie Lots. As a part of this engagement, RMCG was asked to work closely with staff to develop the Request For Qualifications (RFQ) for the selection of a qualified development firm to partner with the City and the Community Redevelopment Agency (CRA) to create a viable and architecturally significant mixed use project that integrates seamlessly into the fabric of the surrounding community.

On October 16, 2017, the City of Oakland Park and the Oakland Park CRA released **RFQ# 121617 West Dixie Lot Redevelopment Project Solicitation**. On December 15, 2017, the City received two responses to this formal solicitation from The New Urban Communities of Delray Beach, Florida and Integra Investments of Miami, Florida. On December 18, 2017, RMCG conducted an initial review of the responses and determined that both firms were responsive to the solicitation and notified the City Procurement Manager of same. On December 19, 2017, the City Manager formally approved the composition of the West Dixie Lot Evaluation Committee. Its members were as follows:

Ana Alvarez, Assistant City Manager
Kathleen Margoles, Community and Economic Development Director
*Jennifer Frastai, Engineering and Community Development Director
Renee Miller, RMCG
Daniel Rosemond, RMCG
Kevin Lawler, Managing Partner, NK Ventures
Julie Medley, Executive Director, ULI Southeast FL/Caribbean

*Due to unforeseen personal circumstances, committee member Jennifer Frastai voluntarily removed herself from the evaluation committee prior to the committee's meeting to discuss and score the responses.

On January 8, 2018, the Evaluation Committee held its first formal meeting to establish the process by which the proposals would be evaluated. During this meeting, the committee discussed the evaluation process and scoring to ensure that all members had a common understanding of the evaluative factors for each of the four criteria set forth in the RFQ.

A key point of agreement during this meeting of all members, was that both firms under consideration had extensive experience in creating quality development projects in the South Florida Area. In addition, the committee members also agreed that both firms submitted strong proposals, provided strong references, and provided positive financials supporting their ability to obtain construction financing.

In light of the quality of the responses, the committee collectively decided that it was appropriate to approach the evaluation of each firm with a more discerning eye and subsequently came to consensus on specific factors that would be considered for each of the evaluation criteria set forth in the RFQ.

The evaluative factors are detailed below:

Firm Qualifications and Team Experience 15%

- Demonstrated past experience developing in a pioneering market.
- Demonstrated experience in the development of mixed use projects similar to the program in the West Dixie RFQ.
- Demonstrated ability to execute and complete development projects in a timely manner.

Project Design/Development Concept 50%

- Quality of the composition of uses (key question: Does it meet the City's objectives)
- Does the development activate the ground floor?
- Does the development create enough activity?
- Is the potential City Hall design accessible to the public and efficient for City services?
- Does the development connect the north and south lots and does it integrate into the fabric of the community?

Financial Capabilities 25%

- Does the developer have sufficient liquid capital on hand to start a development?
- Do they have sufficient relationships to obtain financing?
- Do the financials show improvement year to year (general trend upward)?

References 10%

- All references should be weighted equally.

During this meeting, the committee also determined that both development teams would advance to oral presentations and agreed that it would be prudent to conduct a site visit to a development completed by each of the proposers. As such, the proposers were asked to suggest a development similar in size, scope, and composition to the West Dixie Lot Development. At the conclusion of this meeting, the committee was released to once again to individually review the proposals taking into consideration the agreed upon evaluation factors noted above.

On January 16, 2018, the committee held their second meeting to discuss the proposals and complete their scoring sheets. At the conclusion of meeting two, the City's Procurement Division arranged for the committee to tour the developments selected by each proposer. New Urban Communities highlighted their Atlantic Grove mixed use development located in the City of Delray Beach. Integra Investments highlighted their Park Square mixed use project located in the City of Aventura. During tours with both of the proposers, the committee was able to get a better understanding of each firm's approach to development, their quality of construction, their philosophies on what works for their developments as well as lessons they have learned.

The third and final meeting of the evaluation committee was held on January 23, 2018. The meeting began with oral presentations from the two firms. The firms were asked to follow the format outlined below:

Oral Presentation Format

Each proposer will be given 1 hour to present and discuss their proposal with the Evaluation Committee, the timing will be as follows:

Proposer presentation:	30 minutes
Committee Questions:	30 minutes

The proposers will be asked to address the following in their presentations:

Firm Qualifications and Team Experience

1. Please provide information regarding your relationship to the City on the projects that you included in your portfolio.
2. Please detail the catalytic impact of the projects that you included in your portfolio by sharing any information you may have on the impact of the development on the surrounding market.

Project Design/Development Concept

1. Please walk the committee through your thought process regarding your proposed programmatic composition of the West Dixie Lot development.
2. Please provide the committee with a conceptual development timeline; please be sure to include major decision points and or milestones. The conceptual timeline should be broken into the following major categories, note that the committee is only seeking the estimated number of months that you will take in each of these categories, we prefer that you not commit to dates at this time:
 - A. Negotiation
 - B. Entitlements
 - C. Pre-Construction
 - D. Construction
3. Please provide the committee with information on what will you require from the City in order to successfully develop this project?
4. Please explain to the committee who will represent your firm during negotiations for this development?
5. Please advise the committee if the party that the City will be negotiating with will in fact be the decision making entity?
6. Please provide details on how you will approach the Green Reuse designation on this site (i.e. Brownfields)

Financial Capabilities

1. Please provide a listing of the projects that you currently have in the pipeline for development and what is the level of potential capital commitment for said projects?

At the conclusion of the deliberations, the City's Procurement Manager provided each committee member with their previous scores for each of the firms. Members were asked to take into consideration any additional information obtained through site visits and the oral presentations to affirm or revise the previous score given during the January 16, 2018, committee meeting.

The final scores of the committee were as follows:

- A. Firm's Qualifications and Team Experience (15 points available)
- B. Project Design / Development Concept (50 points available)
- C. Financial Capability (25 points available)
- D. Client / Partner References and Past Performance (10 points available)

A total of 100 points were available and the final scores were as follows:

Firm	Experience	Design	Financials	References	Total
Integra Investments	14	47	23	9	93
New Urban Communities	14	32	23	10	79

**Scoring is the combined average of the Selection Committee Members*

COMMITTEE OBSERVATIONS BY EVALUATION CRITERIA

Criteria A - Firm's Qualifications and Team Experience:

INTEGRA	NEW URBAN
Founded in 2009	Founded in 1999
<u>3 Principals:</u> Nelson Stabile (34%) Paulo Melo (33%) Victor Ballestas (33%)	<u>2 Principals:</u> Timothy Hernandez (50%) Kevin Rickard (50%)
Significant staff complement	Lean staffing
Varied Product/Asset Development (Miami Dade, Broward, Palm Beach)	Mostly for sale infill developments; 50% in CRA; strong residential developer with some mixed use projects.

Overall the committee believed that both firms had a proven track record of success in developing projects in the South Florida Market. While New Urban communities has been in business longer than Integra Investments, the committee felt that Integra Investment's varied product /asset development experience and mixed use portfolio leveled the playing field between the two companies in terms of relevant experience to the West Dixie project. Furthermore, the committee determined that both firms held distinct strengths. The New Urban Communities exhibited strength in the market as a low-rise infill residential development firm, while Integra Investments strengths lie in the development of more complex urban mixed use developments.

New Urban Communities had an advantage in demonstrating their ability to successfully develop in pioneering markets, as 50% of their 19 highlighted projects have occurred in CRA's. However, Integra Investments prior experience in developing mixed use projects was more aligned with the City's objectives.

Both companies have principals with strong backgrounds in urban planning, real estate development, and or construction. The committee generally came to consensus that with regard to experience, both firms are equally qualified to complete the West Dixie Lot Development.

Criteria B: - Project Design / Development Concept:

INTEGRA	NEW URBAN
Firm Architect: Zyscovich Architects	Firm Architect: Martin Architectural
Site Plan: Maximizes the site	Site Plan: Has some breathing room to site
Program: 5 Stories City Hall - 39,537 sf. located on 1 st and 5 th floor of the development Retail – 32,537 sf. Located on both blocks Residential – 90 rental units, Live/Work - 11 live works units (rear liner for parking garage) Parking – 343 spaces (all structured)	Program: 5 Stories City Hall – 30,000 Sq. ft. located on 1 st and 2 nd floor of the development Retail – 4,000 sf. end cap units on north and south blocks Residential – 124 (studio, 1 and 2bdrm) rental units Parking – 284 spaces (195 structured, 71 on street, 18 surface) <i>*pedestrian bridge connects the site</i>
Strong vernacular design statement, activates the ground floor, design connectivity to the east not shown	Limited ground floor activation, efficient parking garage solution, no design connectivity to the east shown.

In this evaluation area the committee came to firm consensus in its preference for the Design/Development Concept proposed by Integra Investments. The committee felt that overall, Integra's program provided an exciting mix of uses that would work to address the City's desire to activate the ground floor of this development and generate more foot traffic to support the downtown. Furthermore, the committee looked favorably upon the residential component of this development and the way in which the units are distributed throughout the project. The committee acknowledged the benefit of the unique market offering of live work units that are used to line the parking structure and obscure it from the surrounding residential neighborhood.

In addition, Integra exhibited through their site visit and oral presentation an alignment with the overall objectives of the City for the downtown. The firm displayed a commitment and understanding of the importance of carefully curated commercial tenants being an integrated part of the development. This philosophical alignment along with the integrated site plan that

buffers the impact of the development and creates a sense of place within the downtown worked together to advance their proposal as the preferred approach for the committee.

This was a difficult evaluation, and the committee felt that the New Urban Communities proposal would also add value to the downtown. The committee noted that this firm embraced some of the ideas that the City would like to see in the downtown. However, the committee was concerned that the site plan did not create connectivity to the surrounding community nor would it encourage residents of this development to connect to the downtown. Furthermore, the lack of commercial square footage outside of the 30,000 sf. dedicated to a potential City Hall would bring limited foot traffic to the development and would not work to activate the downtown overall or the West Dixie site in particular. In summary, the committee believed that with the New Urban proposal the City would receive a strong residential product, but questioned their ability to deliver an activated mixed use project that is in line with the objectives of the City and the CRA for its downtown.

Criteria C - Financial Capability:

The committee came to consensus that both firms were capable of obtaining capital to construct projects. In addition, it was noted that both firms demonstrated adequate working capital to complete the West Dixie Project and exhibited financial growth year over year per the documents provided. The committee generally felt that in this area, both firms exhibited the capacity to obtain financing for the West Dixie Lot Development.

Criteria D - Client / Partner References and Past Performance:

Both New Urban Communities and Integra Investments provided multiple references that show their positive relationships with local government leaders, banking institutions, and commercial tenants.

BACKGROUND INVESTIGATIVE FINDINGS

Integra Investments

Integra Investments was created on August 6, 2009, and is an active Limited Liability Company in Florida. Paulo H. De Melo, Nelson C. Stabile and Victor M. Ballestas, are listed as the managers. There was no derogatory information that was discovered in regards to Integra Investments, LLC.

Nelson Stabile:

Summary: Nelson Stabile has no liens or judgements on record against him. A background search detailed many real estate and corporate related interests associated with his name. The investigator did not observe any negative publicity associated with Mr. Stabile. No criminal concerns were observed.

Paulo Melo

Summary: Paulo Melo has no liens or judgements on record against him. A background search detailed many real estate and corporate related interests associated with his name. The investigator did not observe any negative publicity associated with Mr. Melo. No criminal concerns observed.

Victor Ballestas

Summary: Victor Ballestas holds a current Florida Real Estate Sales License and has no outstanding liens or judgements against him. A background search detailed that Mr. Ballestas had and still has many real estate and corporate related interests. The investigator uncovered four (4) instances in Miami-Dade County where liens were placed against Mr. Ballestas; all four (4) of these appear to be resolved (Date range of 1990-2010). There are eleven (11) instances in Miami- Dade County where Mr. Ballestas was named in a Lis Pendens for a foreclosure action. Many of these eleven (11) instances are related to the same properties and are duplicate (Date range of 1984-2009). All of these instances appear to be resolved.

The investigator did not observe any negative publicity associated with Mr. Ballestas. No criminal concerns were observed, however Mr. Ballestas had several miscellaneous traffic and boating related infractions, the most recent was 2010, however, no concerns were noted with these infractions.

New Urban Communities

New Urban Communities was created on June 26, 2001, and is an active Limited Liability Company in Florida. Kevin E. Rickard is listed as the principal. There was no derogatory information that was discovered in regards to New Urban Communities, LLC. Timothy L. Hernandez is also represented as a principal of this company in **RFQ #121617**.

Timothy Hernandez

Summary: Timothy Hernandez has no liens or judgements on record against him. A background search detailed many real estate and corporate interests associated with his name. The investigator did not observe any negative publicity associated with Mr. Hernandez. No criminal concerns observed, however minor traffic infractions were identified, the most recent was in 2011, no concerns are noted with these infractions.

Kevin Rickard

Summary: Kevin Rickard has no **outstanding** liens or judgments against him, the records reflect a 1994 tax lien that has been resolved. A background search detailed many real estate and corporate interests associated with his name. Mr. Rickard is a licensed contractor in the State of Florida. The investigator did not observe any negative publicity

associated with Mr. Rickard. No criminal concerns were observed, however minor traffic infractions were identified, the most recent was in 2006, no concerns are noted with these infractions.

FINAL RECOMMENDATION

Based on the information provided above, the evaluation committee is advancing Integra Investments for City Manager consideration as the recommended development proposal for the West Dixie Lots Redevelopment Project. While it is evident in the information provided above, that both firms possess the ability to complete this project, the deciding factor for the committee came down to the quality of the development proposal and which firm's vision most closely aligned with the City's objectives.

As stated above, the committee felt that the philosophy, approach, content, quality and composition of the Integra Investment Proposal was most representative of the City's objectives. In light of the fact that background investigations into Integra Investments of Miami, Florida uncovered no items of concern, the committee recommends that Integra Investments be considered as the West Dixie Lot Redevelopment Project Development Firm.