



FINANCE DEPARTMENT

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Real Property Manager #21-020
May 24, 2021

To: Gregory P. Harrison, City Manager
Through: Suzette Sibble, Assistant City Manager
From: Cassandra LeMasurier, Real Property Manager *CL*
Subject: Award of Bid for Surplus Real Property Invitation for Bids 21-01 for 1207 E Atlantic Boulevard, Pompano Beach, FL 33060 (Folio 4842 36 00 0360)

Pursuant to Section 253 Article XXV of the City's Charter the City Commission declared the real property located at 1207 E Atlantic Boulevard, Pompano Beach, FL 33060, Pompano Beach, FL 33060 also identified as Broward County Property Appraiser (BCPA) folio 4842 36 00 0360 as surplus, on February 23, 2021 with Resolution 2021-71.

Invitation for Bids 21-01 was issued February 24, 2021 to surplus the property with bids due April 22, 2021. The Invitation for Bids was advertised in Sun Sentinel as required by Section 253 Article XXV of the City's Charter, posted on the Real Property webpage, advertised on commercial real estate website LoopNet and notices were emailed to all bidders registered to receive surplus real property bid notices.

Two (2) bids were received in response to the Invitation for Bids. 7th Avenue Properties, LLC submitted a bid of \$750,000. Timothy Hernandez submitted a bid for \$1,000,000 on behalf of himself and W. Todd Jensen as the principals of the Pompano Library Partners, LLC, a limited liability corporation which has not yet been formed.

Development Services has reviewed both bids and provided a memo for each bid, included in the agenda item backup, noting elements of the conceptual plans submitted with both bids which do not meet the requirements of the Zoning code. A brief summary of the key elements of each bid is included below.

Bidder 7th Avenue Properties, LLC is proposing a mixed-use project with 5,580 square feet of retail, 48 residential units and 83 parking spaces. The parking is a mix of on-street parking and a parking garage. The residential units consist of 17 efficiency/studio units, 20 one-bedroom/one bathroom units and 11 two-bedroom/two bathroom units with an estimated capital requirement cost of \$18,000,000 to develop the project. Revisions of some elements of the building configuration and design and parking will be required for site plan approval or relief must be granted from the Zoning code. 7th Avenue Properties, LLC has not proposed any exceptions to the bid specifications.

The other bidder Timothy Hernandez is proposing a mixed-use project with 2,210 square feet of retail, 54 residential units and 93 parking spaces, on behalf of his proposed limited liability corporation. The parking is a mix of on-street parking, a parking garage, surface parking and 28 satellite parking spaces to be located on the City's property at 100 NE 13th Avenue, the parking lot for the former library, through a lease negotiated with the City, as allowed for in the bid specifications. Mr. Hernandez has proposed a lease payment of \$1 per year of this 13,986 square foot City-owned parcel. The residential units consist of 29 one-bedroom units and 25 two-bedroom units. Revisions of several elements of the proposed building configuration in order to meet setback, landscape and parking requirements will be required for site plan approval or relief must be granted from the Zoning code.

Mr. Hernandez submitted Exhibit A – Terms and Conditions of Proposal with six (6) exceptions to the Purchase Contract section of the bid specifications. Notable exceptions are listed below.

Mr. Hernandez proposed a period of twelve (12) months following the inspection period to obtain site plan approval for not less than 54 dwelling units and not less than 2,000 square feet commercial space and County plat approval or a No platting determination letter from the Broward County Planning Council before closing on the purchase of the property within thirty (30) days of receiving the approvals. The bid specifications state the City is selling the property as-is with a deed restriction requiring the purchaser apply for necessary development permits within two (2) years of date of sale. The bid specifications do not allow any contingencies, such as the requested development approvals prior to closing, or closing beyond 90 days after the contract effective date, as a condition of the as-is purchase of the property. Thus based upon the requested contingencies as stated above, the City cannot guarantee, as a condition of the sale of the property, that Mr. Hernandez can develop the project with the proposed 54 dwelling units and not less than 2,000 square feet commercial space while still meeting code requirements. Thus at the conclusion of the requested 12 month period to obtain the required approvals there is no certainty the project would be developed.

Mr. Hernandez proposed the Seller (City) pay for title insurance and documentary stamps on the purchase price and Mr. Hernandez's legal fees. The Purchase Contract section of the bid specifications allow for the successful bidder to obtain a title commitment, title insurance and survey at the Purchaser's expense and state the Purchaser shall pay the cost of the documentary stamps on the deed, cost of recording the deed and the cost of its own attorney fees.

Granting of any of these requested exceptions would materially change the bid specifications and provide Mr. Hernandez with an unfair advantage in contrast to the other bidder 7th Avenue Properties, LLC who submitted no exceptions to the bid specifications.

After reviewing the bids submitted with the City Manager and Assistant City Manager Suzette Sible it is recommended the award for Invitation for Bids 21-01 be made to 7th Avenue Properties, LLC for a purchase price of \$750,000.00 as that bid appears to be the highest and best bid as it more closely conforms to the bid specifications and has more certainty of being developed in substantial conformance with the conceptual site plan and in a more timely fashion.