

MEMORANDUM

Date: July 11, 2019

To: Pompano Beach City Commission

From: Adriane Esteban, Consultant

Thru: Gregory P. Harrison, City Manager

Re: Fifth Amendment to the Amended and Restated Development Agreement between the City of Pompano Beach and Pompano Pier Associates, LLC

Background

In July 2014, the Pompano Beach City Commission approved the Amended and Restated Development Agreement between the City of Pompano Beach (City) and Pompano Pier Associates, LLC (PPA) relating to the City owned parcel near the pier known as the pier development site or as the new development will be called, the Pompano Beach Fishing Village. This agreement is for the development of approximately 6 acres between A1A, the Atlantic Ocean, Atlantic Boulevard, and NE 5th St. that used to be a parking lot just west of the Pier, bringing a higher and better use of this prime beachfront land. There are eight parcels that are part of the development referred to by letter and number: C1, C2, E, R1, R2, R3, R4, and R5. Below is a plan view of each of these parcels.





P. O. Drawer 1300
Pompano Beach, FL 33061

Phone: (954) 786-5535
Fax: (954) 786-7836

A First Amendment to the Amended and Restated Development Agreement was approved in March 2015, which addressed revisions to the Development Timeline, construction of the Arch, payment terms for the utilities in the Existing Concession Building restrooms, demolition of existing buildings and coordination with the Pier Parking Garage construction. Then in April 2016, a Second Amendment to the Restated Development Agreement was also approved. This amendment approved the Phase R4 Space Lease, extended the Development Timeline dates for the parcels to better reflect the actual amount of time necessary to get through the development review process, identified the reimbursement process for infrastructure improvements by the City, and clarified other miscellaneous items. When construction was underway for both the first new restaurant and the Pier Structure, it is necessary to enact a Third Amendment that revised the development timeline for Parcels E and R4, and revise sections affecting Parcel E and R5 as well as the parking sections along with other minor changes. Then after the first restaurant opened and many of the other parcels were in the permitting process, a Fourth Amendment was presented to change some of the development timeline dates to reflect the time necessary to go through the permit and construction process. Now that a majority of the parcels are under construction, a Fifth Amendment is being presented.

Agenda Item

A majority of the parcels are under construction, have been completed, or are close to completion, and the developer has requested extensions to the development timeline for certain parcels to make sure expectations are accurately reflected (see the Fifth Amendment Development Timeline). Each of the parcel developments has had its own unique challenges, but the developer has been able to bring one-of-a-kind, high quality projects to the site. Beach House (Parcel C1), which was completed last year, has become a top dining destination in the tri-county area, while Oceanic (Parcel C2) will soon be joining this upper echelon. Construction on this new, breathtaking restaurant is almost done, but an extension to the substantial completion date is being requested to give the tenant a bit more time to finish the high-end details of this beachfront restaurant. Parcel R2 (BurgerFi, Kilwins, Cannoli Kitchen) was affected by higher than expected construction prices, but the developer was able to move the project along with the requested extensions giving the developer the time needed to address those challenges. This Parcel R2 is now under construction. Parcel E (Lucky Fish) has already started construction as well, but has been affected by additional permitting requirements and the developer is requesting an extension to the substantial completion date for this reason. Parcel R4, the commercial liner of the Pier Garage, will be greatly impacted by the construction of the hotel on Parcel R5. The developer has requested extensions to the Obtain Permits and Commence Construction dates for R4, but the substantial completion date will remain the same. Finally, the developer had been working for a while on finding a tenant for Parcel R3 that will match the caliber of the two anchor beachfront restaurants. The developer was ultimately able to find a high-end event space operator. This will be a truly unique space for Pompano Beach that will be a major asset for the city. Because of the time it took to find this tenant and go through lease negotiations, the



P. O. Drawer 1300
Pompano Beach, FL 33061

Phone: (954) 786-5535
Fax: (954) 786-7836

developer is requesting an extension to all dates for Parcel R3. Acknowledgements of the tasks that have already been completed is also noted in the amended development timeline.

This pier development project is moving along, as evidenced by all the construction taking place right now. This is a unique project that has already brought top-tier tenants to Pompano Beach, and will continue to do so. Approval of this Fifth Amendment demonstrates the City and developer's commitment to create a world class destination and successful new development in the City of Pompano Beach.