

DATE: **October 14, 2020**

TO: **Pompano Beach City Commission**

FROM: **Greg Harrison, City Manager**

RE: **Pier Development Agreement 6th Amendment & Parcel E 4th Amendment**

Background:

The pandemic caused by the coronavirus known as Covid-19, has had deleterious effects on nearly all businesses and commercial developments. However, through this uncertain time construction has continued on the Pompano Beach Fishing Village, the new commercial development on the City's 6-acre pier site. The pandemic did affect the delivery of materials for buildings under construction and has made finding tenants difficult, but during the last six months Parcel E (Lucky Fish) and Parcel R1 (Alvin's Island) have been completed and Parcel R2 (Burger Fi, Kilwins, and Cannoli Kitchen) has received its Certificate of Completion. The effects that the pandemic would have on the development were unknown at the beginning, but now that the state is in the midst of the reopening plan implementation, the developer can create a more concrete plan for continuation of the development. Also, during this time, the city's plans for the Oceanside Parking Lot have advanced and the City is evaluating whether improvements on NE 2nd Street (West Pier Street) would be better served to be rescheduled and be carried out at the same time, which may affect the timing of some of the city's obligations in the Development Agreement related to the adjacent NE 2nd Street. A Sixth Amendment to the Development Agreement is being presented to address the impacts of the pandemic and the city's plans for NE 2nd Street.

The Sixth Amendment to the Development Agreement includes the following provisions:

- Updates the development timeline for Parcels R1 (now complete), R2, R3, R4, R5, and E (now complete)
- Square footage wording cleanup, height restriction, and clarification of authorized use for Parcel R3
- Clarification of signal conversion at the Pier St. & A1A intersection and providing a commencement date for conversion (January 1, 2022)
- Clarification that NE 2nd Street (Pier Street West) Streetscape Improvements may be done in coordination with City's Oceanside Garage project. Staff is considering commencement of streetscape improvements to be rescheduled and/or phased to prevent damages to new assets, however the NE 2nd Street (Pier Street West) streetscape improvements shall commence by no later than December 31, 2023
- NE 2nd Street Renaming dependent on Pier Street West Streetscape Improvements instead of completed new Pier Street
- Addition of remedies for developer's default for Parcels R3 and R4

- Correction for numbering of sections 2.30 and 2.31 of the Form of Parcel Ground Lease

In addition to the Sixth Amendment to the Development Agreement, a Fourth Amendment to the Parcel E Ground Lease is being presented to clarify the increase to minimum rent for expanded deck space as specified in the Development Agreement. This item was presented to the East CRA Advisory Committee at their meeting held October 1, 2020, and was approved unanimously, however they requested remedies for developer's default for Parcels R3 and R4, which have since been added to the Sixth Amendment.

The developer has found top-tier tenants and produced high-end projects that have put Pompano's beachfront on the map. Approval of the Sixth Amendment to the Development Agreement and Parcel E Fourth Amendment demonstrates the city's and developer's commitment to protect the assets at the pier development site and keep the Pompano Fishing Village as a world class destination.