

EXHIBIT A

CITY OF CORAL GABLES - MEMORANDUM -

TO: Honorable Mayor and Members of
The City Commission

DATE: January 24, 2017

VIA: Cathy Swanson-Rivenbark
City Manager

FROM: Javier A. Betancourt
Economic Development Director

SUBJECT: Parking Garage 1 & 4
RFP, Stage II

This memorandum shall serve as a final report and recommendation to the City Commission with respect to Request for Proposals (RFP) No. 2014.10.23 -- Redevelopment of Municipal Parking Garages 1 and 4.

BACKGROUND

For several years, the City of Coral Gables has been interested in pursuing the redevelopment of Municipal Parking Garages 1 and 4, with a focus on the following key objectives:

- Replace what are currently two obsolete parking garages that have many operational deficiencies with new state-of-the-art parking garages (above and beyond recent cosmetic improvements).
- Add additional public parking spaces to replace the lost parking on Miracle Mile and meet the future needs of Downtown businesses.
- Introduce appropriately scaled mixed uses, especially ground floor retail and residential, onto Andalusia Avenue to support the City's goals for a vibrant, walkable Downtown.
- Pursue a holistic approach to these objectives that balances parking, planning, design, economic development, community and financial considerations.

In furtherance of these objectives, on May 28, 2013, the City Commission approved Resolution No. 2013-91 authorizing a Request for Proposals (RFP) for the redevelopment of Municipal Parking Garages 1 and 4. The RFP was structured in two stages: a first stage to pre-qualify interested developers and concepts, and then a second stage to solicit more in-depth proposals from selected proposers.

More recently, on January 26, 2016, the City Commission approved Resolution No. 2016-32 approving Stage II of the RFP, and Resolution No. 2016-30 inviting all five proposers that responded to Stage I of the RFP to participate in Stage II of the RFP. On February 18, 2016, the Procurement Division formally issued and distributed the RFP to the relevant proposers.

On March 3, 2016, a Pre-Proposal Conference was held to review Stage II of the RFP with interested proposers. On May 11, 2016 -- the extended deadline for receipt of proposals in response to the RFP -- the City received proposals from two of the five original proposers (the other 3 proposers from Stage I decided not to participate in Stage II).

TC Gables, LLC submitted one proposal, while Coral Gables City Center, LLC submitted three versions of

its proposal. The proposals were subsequently reviewed and evaluated by the Economic Development, Parking, Development Services, and Finance Departments, as well as the City’s consultant, Abramson & Associates, Inc (“Consultant”).

PROPOSAL SUMMARIES

The following provides a snapshot of the proposals provided in response to Stage II of the RFP. A full and detailed summary of the proposals is provided as Attachment 1 to this memorandum, and the full proposals as submitted by the Proposers are available upon request.

PROPOSER / DEVELOPMENT TEAM	DEVELOPMENT PROGRAM SNAPSHOT (detailed summaries provided in Attachment 1)
Coral Gables City Center, LLC The Allen Morris Company The Related Group Associated Consultants, Inc. (ACi)	(Version 1 proposal, recommended as basis for negotiation) Total FAR: 4.06 (365k SF) Ground floor retail: 28,749 SF Residential: 244 units (Garage 4) Public parking garage: 722 spaces (Garage 1) 280 spaces (Garage 4) Private parking: 48 spaces (Garage 1) Height: 9 floors, 126 ft (Garage 1) 16 floors, 208 ft (Garage 4) Street encroachment: 5 ft (both sites) Alley encroachment: 10 ft (both sites)
TC Gables, LLC Terranova Corporation Gibson Realty Group ZOM LIVING Arquitectonica ArquitectonicaGEO Kimley-Horn	(Includes developer’s Miracle Mile property) Total FAR: 4.04 (460k SF) Ground floor retail: 89,485 SF Residential: 187 units (G.1/Miracle Tower) 148 units (Garage 4) Public parking garage: 500 spaces (Garage 1) 523 spaces (Garage 4) Private parking: 452 spaces (Garage 1) 400 spaces (Garage 4) Height: 10 floors, 122 ft (Garage 1) 16 floors, 184 ft (Miracle Tower) 16 floors, 174 ft (Garage 4) Street encroachment: 12 ft (both sites) Alley encroachment: 10 ft (both sites)

EVALUATION COMMITTEE

The Evaluation Committee which considered Stage I of the RFP – composed of various City advisory boards – was reconvened to evaluate Stage II proposals, with the addition of a newly appointed member of the Board of Architects (the Economic Development Board was removed from the Committee due to their inability to appoint a member that could attend the scheduled meeting). The following members were appointed by each of their respective Boards to serve on the Committee:

Parking Garage RFP Stage II Evaluation Committee

Jeffrey M. Flanagan Planning & Zoning Board
JC Magdaleno Parking Advisory Board
Erin Knight Budget & Audit Advisory Board
Andrew Nadal Property Advisory Board
Peter Kiliddjian Board of Architects

On August 4, 2016, the Evaluation Committee convened to evaluate the proposals submitted by the two proposers, at which time the Committee heard presentations from the development teams and conducted interviews with the proposers after each presentation. During the interviews, questions were also asked by Staff and the Consultant. In accordance with the Florida Sunshine law, presentations/interviews of the proposers were a closed session, while the organization and deliberation parts of the Evaluation Committee Meeting were open to the Public. The Evaluation Committee Meeting was recorded.

At the end of the presentations/interviews, the Evaluation Committee discussed the proposals, and voted to continue the meeting to a future date in order to allow Staff/Consultant to revise and update its analysis in light of new information provided at the Committee meeting and via correspondence to the City. The most recently updated analysis of the proposals is provided herein as Attachment 1.

On December 1, 2016, the Evaluation Committee reconvened to continue its deliberations. Subsequent to the Consultant's presentation of his evaluation, which incorporated input from City Staff and other City consultants, the Evaluation Committee discussed and evaluated the proposals based on the following criteria, consistent with the RFP:

- 20 Points: Capability of the Proposer and Development Team
- 20 Points: Likelihood of Feasibility
- 15 Points: Financial Return to the City
- 25 Points: Enhancement of the Public Parking Supply in a Cost-Effective Manner
- 20 Points: Contribution to the Vitality, Amenity & Economic Activity of/in the CBD

The results of the Evaluation Committee scoring based on the above criteria were as follows:

<u>PROPOSER</u>	<u>AVG. SCORE</u>	<u>RANK</u>
Coral Gables City Center, LLC, Version 1	93	1
Coral Gables City Center, LLC, Version 2	87	2
Coral Gables City Center, LLC, Version 3	86.67	3
TC Gables, LLC	70	4

Consistent with the scores noted above, the Evaluation Committee unanimously voted to recommend that the City approve the top-ranked proposer, Coral Gables City Center, LLC for contract negotiations, with preference given to Version 1 of their proposal, followed by Versions 2 and 3 respectively.

EVALUATION & RECOMMENDATION

Based on the evaluation conducted by City Staff/Consultant (provided herein as Attachment 1), Staff supports the RFP Evaluation Committee's recommendation to conduct contract negotiations with the top-ranked proposer, Coral Gables City Center, LLC, but also recommends that should those negotiations fail

after a period of up to six (6) months, the City be authorized to negotiate with the second ranked proposer, TC Gables, LLC, for an additional period of up to six (6) months. The City also reaffirms its right to pursue alternative courses of action.

The evaluation includes some of the following key findings and considerations:

1. Both proposers are experienced and meet the basic qualifications required for the project, however, the proposals contain varying degrees of non-conformity with the stated RFP requirements, preferences and objectives which will need to be addressed during contract negotiations.
2. Each of the proposals include elements that do not comply with the Zoning Code and Comprehensive Plan – the TC Gables proposal with regard to height and setbacks; the Coral Gables City Center proposal versions 2 and 3 with regard to FAR, as well as requiring significant TDR's proposed to be granted by the City from publicly-owned properties, and likely insufficient parking to accommodate demand from private uses without impacting the availability of public spaces. Staff remains concerned with many of these elements, and will work to address them during contract negotiations.
3. The “Base-Case Scenario” (in which the City would finance, build, own, and operate the Garage 1 development, and lease the Garage 4 site to a private developer), formulated by Staff and the Consultant as a financial benchmark for the proposal evaluation indicates significantly higher financial benefits to the City than does the developers' proposals. Staff will work with the developer(s) during contract negotiations to significantly improve the proposed financial terms.
4. With respect to the three versions submitted by Coral Gables City Center, LLC, Version 1 comes the closest to meeting the City's stated objectives and should form the basis of negotiations with that firm; however, elements from Versions 2 and 3, as well as other elements not included in the proposals, may also be considered as the City desires.
5. Staff reaffirms the original expressed intent of having the garages redeveloped in phases to limit the impact of the loss of public parking on the surrounding community, and recommends to the City Commission that this requirement be included as part of contract negotiations.
6. Staff reaffirms the original expressed intent for the public parking to be under the City's ownership (at least on the Garage 1 site if that constitutes the major portion of public parking) and, preferably, management, and strong preference for the Garage 4 site to be (like the Garage 1 site) structured as a land lease rather than a sale. Staff recommends to the City Commission that these issues be addressed during contract negotiations.

Based on the evaluation conducted by Staff/Consultant (provided herein as Attachment 1), Staff supports the Evaluation Committee's recommendation to conduct contract negotiations with the top-ranked proposer, Coral Gables City Center, LLC, but also recommends that should those negotiations fail after a period of up to six (6) months, the City be authorized to negotiate with the second ranked proposer, TC Gables, LLC, for an additional period of up to six (6) months. The City also reaffirms its right to pursue alternative courses of action.

Staff's recommendation was communicated in advance to the City Commission and Proposers, as provided in Attachment 2.

If you have any questions regarding this memo, please do not hesitate to contact me.

Attachments:

1. Memorandum: Evaluation of Stage II Proposals to Garages 1 & 4 RFP
2. Memorandum: Notice of Contract Award