

Margaritaville Update: the process, the project and the progress



Redevelopment Goals

- Catalytic and Appropriate
- Sensitive to Environment
- Green Building
- Year Round Uses
- Street Level Energy
- Quality Architecture
- Replacement Parking
- Broadwalk Connection
- Viable, Buildable, Achievable
- New Revenues and Community Benefits
- Job Creation
- Open Process



The Process



Two Roles for the City

- City as Landlord
 - Selection of Developer (Two Stage Process)
 - Lease and Development Agreement
 - Role of CRA
- City as Regulatory
 - Permit Approvals
 - Design Review



Conditions Precedent

- Formation of CDD
- Final Plans
- Construction Contract
- Performance Bond
- Loan Commitment
- Public Approvals
- Demo/Bldg. Permits
- 3rd Party Fees



The Project







The Progress



Budgets and Bottom Lines

- \$20,000 per month as prepossession pay
- Developer has spent \$6.5 million to date
- \$1.2 million in permits
- State-of-the-art turtle solutions
- 500 construction jobs
- 350 permanent jobs
- 3000 indirect & direct
- Margaritaville Effect
- Activation of Intracoastal
- \$33 million NPV*



Timelines and Time Frames

- Economic Roundtable
- 6 Technical Project Review Meetings
- Development Review Board/Planning & Zoning Board
- 2 Commission/site plan, # of hotel rooms, amended plan
- 11/2011 Submitted
- Electrical, Fire, Plumbing, Mechanical, Structural, Planning, CRA, Engineering, Water & Sewer, Utilities Water and Drainage
- Other agencies



The Publics

- City Commission/CRA
- Broward County
- FDEP (coastal), FWC (turtles), FDOT
- The public at large, the neighborhood, the business community
- Those who want it
- Those who want a responsible deal
- Those that don't
 - Keep it as it is
 - Turn it into a pool
 - Let me do it
 - Half empties



The Problems

Money, Platting, and Time



Solutions

- Fair and doable
- Still allows project to be viable
- Limits City/CRA risk
- Still has parking revenues/transaction fees pay for public spaces



Original Deal

- Project Cost = approx. \$133 million
- \$10 million in Developer Equity
- \$75 million in EB-5 Contributions
- \$38 million in CDD (with Cap Interest)
- \$10 million loan from CRA (5%, 10 year)



Original Financial Terms

- Reimbursement of 3rd Party (up to \$300K)
- Prepossession/Construction \$20K/month
- Operating Rent \$500K, 3% increase
- Participation Rent beginning Year 11
- Transaction Rent 7% of net proceeds
- \$10 million CRA loan at 5% for 10 years
- NPV \$33 million, including taxes



Proposed Deal

- Project Cost= \$138 million
- \$10 million in Developer Equity
- \$72 million in new equity/debt financing
- \$33 million in CDD (with Cap Interest)
- \$10 million FFE + \$13 million from CRA
- New NPV for City is \$62.5 million
- CRA dollars “doubles the deal” for City



Proposed Changes

- Developer will secure \$80 million in traditional financing (debt and equity)
- Developer will pay 3rd Party Fees at possession
- "CRA pays/General Fund receives"
CRA's compensated funding increases by \$13 million, spread over two years
City receives \$1 million (+) annual rent adding an additional \$25.7 million NPV for City
- Original NPV \$33 million, new NPV \$62.5 million
-- the CRA contribution "Doubles the Deal"



Platting

- Developer will apply for re-plat
- Developer will pay impact fees
- City Attorney will approach County
- Time-line will need to be revised



To be Continued. . .

- Present item at next Commission meeting re timelines
- Continue to pursue re-plat
- Begin Drafting Amendment
- Meet with Interested Public
- Present Amendment to Commission



Margaritaville Update: the process, the project and the progress

