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
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