



City of Pensacola

222 West Main Street
Pensacola, FL 32502

Memorandum

File #: 21-00349

City Council

4/22/2021

LEGISLATIVE ACTION ITEM

SPONSOR: Grover C. Robinson, IV, Mayor

SUBJECT:

DISPOSITION OF REAL PROPERTY REDEVELOPMENT - LOTS 4 AND 5 AT VINCE WHIBBS SR. COMMUNITY MARITIME PARK, 300 BLOCK WEST MAIN STREET

RECOMMENDATION:

That City Council approve publication of the notice of intention to dispose of real property known as Lots 4 and 5 (Parcel Ref. Nos. 000S009400000040 and 000S009400000050) located at Vince Whibbs Sr. Community Maritime Park in the 300 Block of West Main Street via a lease with acceptance of redevelopment proposals during the statutory-required notice period for projects of City-owned parcels located in a designated community redevelopment area (CRA).

HEARING REQUIRED: No Hearing Required

SUMMARY:

The Vince Whibbs Sr. Community Maritime Park (CMP) is a 31-acre waterfront park bound by Main Street on the north, Port Royal Way on the east, Pensacola Bay on the south, and privately-owned property on the west. Lot 4 is approximately 3.01 acres and is currently developed as a surface parking lot. Lot 5 is approximately 1.71 acres and is currently developed as a green space with sidewalks. A recent attempt at finalizing the redevelopment of these parcels was unsuccessful.

Pursuant to Florida Statute section 163.380(3)(a), the City is required to provide public notice by advertising for at least 30 days prior to the disposition of any City-owned property in a CRA, stating the intent of the disposition and inviting proposals. The public notice of the intention to dispose of this property with all pertinent information is attached.

Proposals for redevelopment of the parcels must further the purposes and objective of the community redevelopment plan for the CMP, specifically including the Urban Core Community Redevelopment Plan (2010), and the West Main Master Plan (2019). These plans will be available for view on the City website at www.cityofpensacola.com/cra.

Below is the historical timeline:

June 29, 2005: The City of Pensacola issued a Notice of Intent to Dispose of Property and

Request for Proposals (RFP) in compliance with FL Statutes Ch 163.

July 29, 2005: Two proposals were received for the Maritime Park project.

September 15, 2005: The City Council accepted the proposal from Community Maritime Park Associates (CMPA) and authorized City staff to negotiate a Master Lease and Master Development Agreement.

March 27, 2006: City Council approved the Master Lease, Master Development Agreement and Interlocal Agreement between the City and City's Community Redevelopment Agency (CRA) and authorized the City Manager to execute the documents.

September 26, 2006: The CMPA held the first Board of Trustees meeting and commenced planning and oversight of the project.

February 2007: The CMPA issued two Requests for Qualifications (RFQ) that signaled the beginning of the development of the project. The first was for a team to develop a set of design criteria that would set the architectural look and feel and site plan for the Maritime Park project, advance the design created during the concept phase and to begin the environmental permitting process critical to the project's success. The second RFQ was for a Master Developer to oversee the public and private development.

August 22, 2008: The CMPA selected Land Capital Group and their associated partners' proposal and began negotiations for a development agreement.

December 12, 2008: The CMPA forwarded a draft Development Agreement with Maritime Park Development Partners (MPDP) (LLC formed by Land Capital Group and partners) to the City of Pensacola for review and comment.

April 21, 2009: The CMPA approved the Development Agreement with MPDP as amended by the City subject to two conditions - the CMPA must complete the Conditions Precedent and MPDP must complete process to be licensed as a "design-build" firm in Florida.

April 23, 2009: The City of Pensacola approved the Development Agreement with the same conditions.

April 24, 2009: The CMPA issued a RFQ for a "Construction Owners Representative" a team of design, engineering and construction experts that provide independent, third party review and approval of all design, bidding, construction and payments on behalf of the CMPA.

May 28, 2009: The City Council deemed the Conditions Precedent to the Master Lease and Master Development Agreement as having been met.

February 26, 2010: CMPA approved MPDP as the General Contractor for all elements of the construction pending receipt of the financial report for MPDP and receipt of a payment and performance bond for the full amount of the Maritime Park project.

May 10, 2010: Omnibus Amendments to Master Lease and Master Development agreement between CMPA and City approved by the City Council

May 17, 2010: Design Build Contract with Magi Construction executed with a guaranteed completion date of December 31, 2011.

December 10, 2010: The CMPA Board voted to terminate for convenience MPDP as the project coordinator as was provided for in the Development Agreement. It was shown that the roles MPDP was performing were duplicative with roles of Magi Construction, the COR and CMPA staff.

January 14, 2011: CMPA voted to terminate MPDP

August 30, 2012: The first lease for private development was approved by the CMPA and City of Pensacola. Construction of the private development, Maritime Place, LLC was scheduled to commence in May 2013. A second project was in negotiations.

February 9, 2017: Amendment to City Policy for disposition of City-owned real property.

October 11, 2018: City Council authorized the Mayor to execute an option agreement with Studer Properties, LLP through the Direct Negotiation Option for lots 3, 4, 5, 6, 7, 8, and 9 of the CMP for eighteen (18) month option agreement through the City's Direct Negotiation Option. In consideration, the City received a \$271,659 Option Payment, which was 20% of the post-development base rent. The purpose of the Agreement was to provide for the development of the parcels in a manner consistent with the 2010 CRA Plan and provide for the development of the western side of the downtown in a cohesive manner.

March 26, 2020: City Council authorized the Mayor to execute an addendum to the Agreement between the City of Pensacola and Studer Properties extending the Option Term twelve (12) months to March 31, 2021. In consideration for the addendum, the City was to receive a \$90,553.20 Addendum Option Payment payable in installments of \$7,546.10 per month.

June 13, 2020: Andrew Rothfeder, with Studer Properties, LLP, provided City Council with a presentation on the West Main Master Plan project, which included the development of the seven (7) vacant CMP parcels.

October 8, 2020: City Council authorized the Mayor to execute the partial assignments of the Option Agreement between the City of Pensacola and Studer Properties, LLP to Inspired Communities of Florida, LLC and EJ Smith Enterprises, LLC (as a joint venture), Silver Hills Development and Edwards Companies, Inc. (as a joint venture), and Valencia Development Corporation. Furthermore, the City Council authorized the Mayor to enter into direct negotiations with Inspired/Smith, Edwards/Silver Hills, and Valencia for lots 3, 4, 5, 6, 7, 8, and 9 of the Community Maritime Park in order to renegotiate the terms of the option agreement, including the ground lease template, subject to City Council approval.

March 31, 2021: The Partial Assignment of the Option Agreement between the City of Pensacola and Silver Hill expired on March 31, 2021 without a newly negotiated option agreement and ground lease.

The Mayor has determined this item to be time sensitive.

PRIOR ACTION:

June 29, 2005: City Council approved the issuance of a Notice of Intent to Dispose of Property and request for proposals for the development of the Community Maritime Park.

October 11, 2018: City Council authorized an option agreement to be entered between Studer Properties, LLP and the City for the development of the remaining parcels at the Community Maritime Park.

March 26, 2020: City Council authorized an extension of the option agreement with Studer Properties, LLP, to expire on March 31, 2021.

October 8, 2021: City Council authorized the partial assignments of Studer Properties' option agreement to three developers, including Silver Hills Development for development of parcels 4 and 5. That partial assignment was set to expire on March 31, 2021.

FUNDING:

N/A

FINANCIAL IMPACT:

Lease fees will be received in the Community Maritime Park Management Services Fund upon acceptance of proposals for redevelopment of the parcels and execution of the lease(s).

CITY ATTORNEY REVIEW: Yes

4/13/2021

STAFF CONTACT:

Keith Wilkins, City Administrator
Kerrith Fiddler, Deputy City Administrator - Community Development

ATTACHMENTS:

- 1) Notice of Intention to Dispose of Real Property

PRESENTATION: No