



**CITY OF FORT LAUDERDALE
City Commission Agenda Memo
REGULAR MEETING**

#17-1024

TO: Honorable Mayor & Members of the
Fort Lauderdale City Commission

FROM: Lee R. Feldman, ICMA-CM, City Manager

DATE: August 22, 2017

TITLE: Motion to Reject all Bids for the Development and Improvement of Parcel
C in the Airport Industrial Park

Recommendation

It is recommended that the City Commission reject all proposals received in response to Request for Proposals (RFP) # 275-11844 for the development and improvement of Parcel C in the Airport Industrial Park and find that the public interest will be served thereby.

Background

The Fort Lauderdale Executive Airport (FXE) has several vacant non-aeronautical properties available for development. In accordance with the City Charter, advertising or solicitation for public bid is not required of Airport properties. However, in an effort to maximize the number of proposals submitted for a project that best suits the City, Airport, and surrounding communities, FXE staff coordinated with the City's Procurement Services Division to prepare a solicitation for bid on Parcel C (Exhibit 1).

The Parcel C site is located in the Airport Industrial Park on FXE non-aeronautical property at 6499 NW 12th Avenue and zoned Airport Industrial Park. The undeveloped site is approximately 10.29 acres (448,218 square feet), and rectangular in shape with a north and south boundary approximately 1,248 feet in length, and an east and west boundary approximately 328 feet in width.

The City's Procurement Division advertised the RFP on March 15, 2017, and the solicitation period closed on April 11, 2017 with three proposals submitted:

Drive Shack Inc. (Drive Shack) of New York, NY
East Group Properties, L.P. (East Group) of Fort Lauderdale, FL
Midgard Group Inc. (Midgard) of Fort Lauderdale, FL

Drive Shack is an entertainment company that combines golf competition, dining and event venue with the intent to develop the next generation of entertainment golf venues across the U.S. and internationally. The proposed facility will feature three stories of hitting suites where friends, family, and co-workers can gather to compete in a

technologically-enhanced golf game. The facility will also include a restaurant, lounge areas, conference rooms, and adequate parking to accommodate guests.

East Group is a real estate investment trust focused on the development, acquisition, and operation of industrial properties. As an existing long term tenant at the Airport, East Group has developed industrial facilities in the Airport Industrial Park. East Group had planned to construct two distribution buildings but requested to remove their proposal from the selection process.

Midgard is a real estate development and management company specializing in office, residential, industrial, and hotel projects. As a long term tenant along the Cypress Creek corridor, Midgard has continuously made significant improvements to their Airport leasehold property by promoting sustainable practices that reduce environmental impacts using green building techniques for efficient use of natural resources. Midgard is proposing to develop Parcel C with two buildings that will include high end office space with flex warehouse, distribution space, and adequate parking.

The background of the solicitation process includes the following:

- March, 2017– RFP 275-11844 was issued for Ground Lease and Development of Parcel C at City of Fort Lauderdale Executive Airport.
- April, 2017 – The RFP closed with a total of three firms submitting proposals.
- April 2017 – All proposals were given to City Manager for review

After a review of the submitted proposals by the City Manager, the selection of Drive Shack was made based on information contained in the proposal, which was determined to be in the City's best interests. As a result of the selection of Drive Shack, the City received a bid protest from Midgard on June 26, 2017 (Exhibit 4).

At the May 25, 2017 Aviation Advisory Board meeting, a motion was made to defer the vote for 30 days in order to allow the Envision Uptown Board to listen to presentations from the three proposers (Drive Shack, East Group, and Midgard). On Wednesday, June 14, 2017, the Envision Uptown Board held a meeting at the FXE Administration Building to listen to presentations from each proposer to understand how the proposed project aligned with the Uptown Urban Village Vision developed for Uptown Fort Lauderdale. The Envision Uptown Board favored Drive Shack's proposal and the proposer's intended use as being consistent with the vision for uptown Fort Lauderdale. Subsequently, several concerns were raised by the Board regarding the evaluation method, the selection process, the zoning uses, and the need for additional information. At its June 22, 2017 meeting, the Board voted to table this item until additional information could be provided for further review.

At the July 27, 2017 Aviation Advisory Board meeting, a motion was made to commence negotiations with Midgard; however, the motion did not move forward due to a lack of a second. A second motion was made to support staff's recommendation to commence negotiations with Drive Shack for the development and improvement of Parcel C in the Airfield Industrial Park. The second motion failed 5-4 with one recusal. One of the five no votes was based on the City's decision to stay the award process for further investigation.

Upon further review and discussion with the City Attorney's Office, Procurement staff, and Airport staff, it was determined that it would be in the City's best interest to reject all bids. On August 9, 2017 the City issued a bid protest response upholding the protest and recommending rejection of all bids (Exhibit 5).

Resource Impact

There is no fiscal impact to the City associated with this action.

Strategic Connections

This item is a *Press Play Fort Lauderdale Strategic Plan 2018* initiative, included within the Business Development Cylinder of Excellence, specifically advancing:

- Goal 7: Be a well-positioned City within the global economic and tourism markets of the South Florida region, leveraging our airports, port, and rail connections.
- Objective 4: Deliver best-in-class regional general aviation airport amenities and services to domestic and international.
- Initiative 1: Examine the highest and best use of airport property to stimulate economic development and create jobs.

Attachments

Exhibit 1 – Solicitation
Exhibit 2 – Drive Shack Proposal
Exhibit 3 – Midgard Proposal
Exhibit 4 – Bid Protest
Exhibit 5 – Bid Protest Response

Prepared by: Rufus A. James, Transportation and Mobility
James Hemphill, Finance
Linda Blanco, Finance

Department Directors: Diana Alarcon, Transportation and Mobility
Kirk Buffington, Finance