

RIVERWALK CENTER

FORT LAUDERDALE, FL



SONNENBLICK
DEVELOPMENT

Sonnenblick Fort Lauderdale, LLC

Robert Sonnenblick

Manager

+1 310 230 1200

www.SonnDev.com

November 15, 2018

Lee Feldman, City Manager
City of Fort Lauderdale
100 N. Andrews Avenue
Fort Lauderdale, FL 33301

RE: LOI - Riverwalk Center; 5042 10 23 0150 & 5042 10 33 0150 155 SE 2nd Street & 100 SE 1 Street

Dear Mr. Feldman:

This bid is presented on behalf of Sonnenblick Fort Lauderdale, LLC (Sonnenblick) for Riverwalk Center. We are presenting two options, 1) a long term ground lease of the first floor of the garage and 2) purchase of the entire 500,000+ square foot parking garage. These terms are presented for your review and consideration:

PREMISE: The land and improvements defined by the Broward County Property Appraiser as: 5042 10 23 0150 & 5042 10 33 0150-155 SE 2nd Street & 100 SE 1 Street

USE: Sonnenblick Fort Lauderdale, LLC intends to reposition the ground floor as workable income producing retail space. Our vision is for the garage to be repainted and have exterior of the entire garage covered in landscaping. The ground floor will be redeveloped with:

- +/- 13,000 SF Food Hall- i.e.: Grand Central Market -NYC & LA, Eataly - NYC & LA, La Centrale – Brickell, The Lab- City of Riverside, CA
- +/- 28,600 SF Bowling Alley- i.e.: Bolero
- +/- 17,000 SF High End Gym – i.e.: Equinox, David Bartons, Lifetime Fitness
- +/- 61,200 SF retail and restaurants around the perimeter of garage.

Colliers International will assist Sonnenblick to secure tenants for the new retail spaces.

OPTION 1: Long Term Ground Lease

RENTAL RATE:

Rent shall be \$400,000 for the first five (5) years of the lease. Thereafter rent shall increase at a fixed rate of 10% every ten (10) years. This rate will also apply to the renewal term.

During Lease Term City shall represent that Lessee will only be responsible for property taxes on current and new retail space created.

LEASE TERM:

Tenant shall have a period of up to two (2) years for construction. Once construction is completed, the Initial lease term will begin. Tenant will be paying rent during this period.

Initial lease term of twenty (20) years with a twenty (20) year renewal option. This is the tenants option. If allowable, an additional ten (10) year renewal option is requested.

OPTION 2: Purchase of the Garage

PURCHASE PRICE:

- *Option 1-* to be exercisable at the end of Year 20. The purchase price shall be set at today's 2018 market value per BCPA of \$41,934,000, less all ground rent actually paid over the first 20 years (\$8.4 million), or a depreciated acquisition strike price of \$33,534,000.
- *Option 2-* at the end of the 20-year renewal option period (Year 40 of the lease), lessee will have a 1-time option to purchase the project at a depreciated strike price of \$ 25 million.

A sale of the parking garage will provide the City with income as well as put the entire garage on the tax rolls. Currently, they are only receiving property tax on the portion of the retail that is rented, about 8,200 SF.

**DEVELOPMENT
TIMELINE:**

Construction of ground floor retail shall take approximately 1 year. We will be spending approximately \$150 PSF (this includes \$30 PSF to tenant improvements for new tenants) for shell and core renovations of the garage.

DUE DILIGENCE:

Due diligence period shall consist of 60 days. This will allow time for Sonnenblick to complete structural, environmental and civil testing as well as meet with planning and zoning to start entitlement process for additional retail.

CLOSING: Closing shall occur 60 days after Due Diligence period (only in the event of a sale).

DEPOSIT Once selected, Sonnenblick will submit a deposit of either: 1) for long term ground lease: 10% of first years rental 2) for sale: 2% of purchase price, or \$838,680.

BROKERAGE DISCLOSURE: It is understood and agreed that Colliers ("Broker") exclusively represents Seller and no other broker has been involved in the contemplated transaction.

For a Lease: Colliers shall receive a fee equal to four percent (4%) of the Net Present Value (NPV) at a six percent (6%) discount rate of gross rents paid to the City of Fort Lauderdale over the initial term of the lease, which commission shall be paid by the Master Tenant in full out of first construction loan draw following master lease closing.

For a Sale: Colliers shall receive a brokerage commission of 4.0% of the purchase price which shall be added to the purchase price as a Buyer expense at the time of the closing.

Agreed and Accepted by Tenant:

Name: Robert Sonnenblick Date: 11-14-18

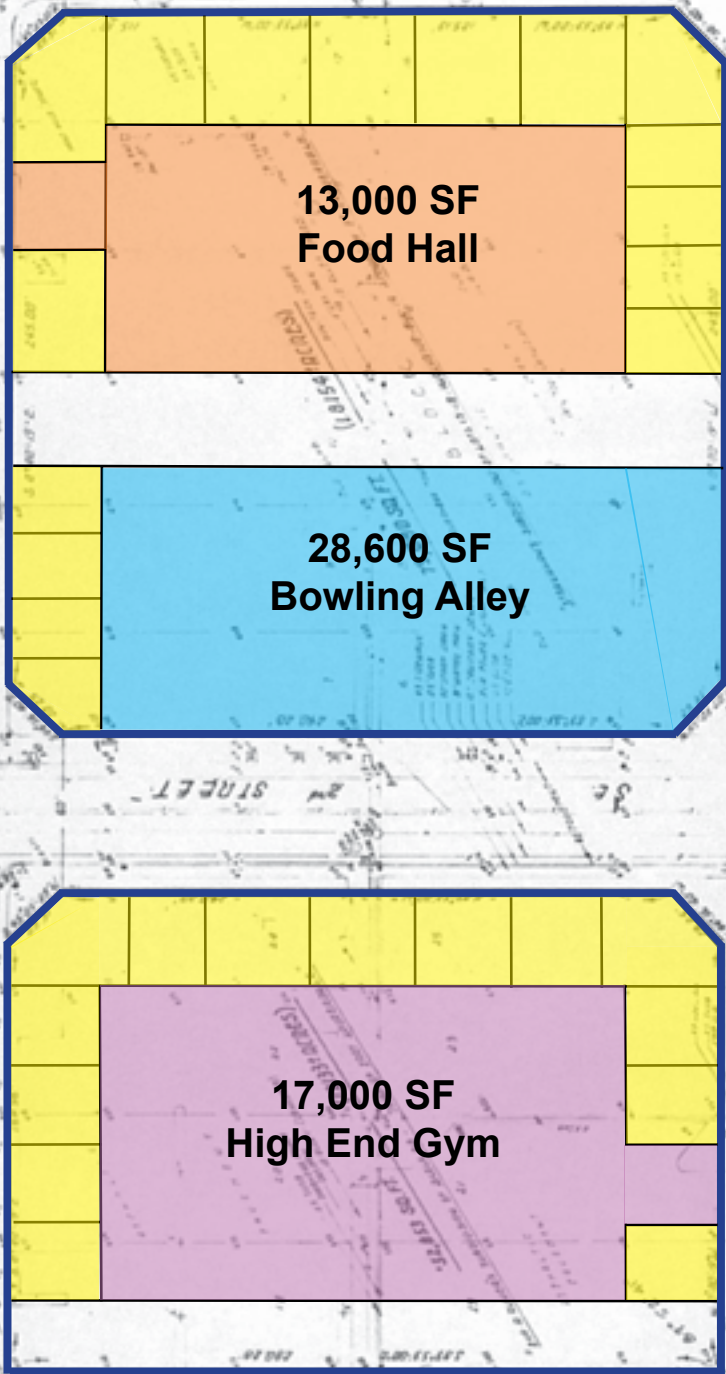
Title: LLC Manager
Sonnenblick Fort Lauderdale LLC





VISION





CONCEPTUAL PLAN



-  - Retail/Restaurant Shops
-  - Food Hall
-  - Bowling Alley
-  - High End Gym

SURVEY FOR:
DOWNTOWN DEVELOPMENT AUTHORITY
FORT LAUDERDALE, FLORIDA

Prepared by
M'LAUGHLIN ENGINEERING CO.
Surveyors & Engineers
400 W. FIVE FORT LAUDERDALE, FLORIDA
ALC Number: 1978

ABOUT SONNENBLICK DEVELOPMENT, LLC



The Los Angeles-based real estate development firm, Sonnenblick Development LLC, is a highly recognized developer of office facilities for state, county and municipal public agencies throughout the nation. In addition, the firm has developed Major Retail, Residential and Hotel Resort projects.

For governmental/public agencies, our goal has always been to provide high quality, state of the art facilities at long-term, flat rental rates that are often significantly below prevailing market rates. To accomplish this, we have developed unique and innovative lease and financing structures.



EXPERIENCE SONNENBLICK DEVELOPMENT, LLC



CLOCKWISE FROM TOP:

- › L.A. County Building Dept. of Social Services - El Monte, California
- › L.A. County Building - Phase 2 Dept of Children's Services - El Monte, California
- › Department of Homeland Security L.A. Headquarters Building - Norwalk, California
- › L.A. County Building Department of Social Services - West L.A., California



BIOGRAPHY

MR. ROBERT SONNENBLICK

SONNENBLICK DEVELOPMENT, LLC



Mr. Robert Sonnenblick, Principal of Sonnenblick, LLC, is a graduate of the Wharton School of Finance of the University of Pennsylvania with more than 30 years of experience in various aspects of real estate and real estate finance. From 1981 to 1991 Mr. Sonnenblick was the driving force and power behind Sonnenblick-Goldman Corporation of California. Mr. Sonnenblick completed over \$1.5 Billion of commercial real estate transactions on the West Coast and as a result is regarded as one of the West Coast's leaders in the field of commercial real estate. Among the more notable projects for which Mr. Sonnenblick personally structured the financing for are The Beaudry Center, Los Angeles, California (\$197 million), the Ritz Carlton Hotel, Pasadena, California (\$97 million), One Waterfront Plaza, Honolulu, Hawaii (\$100 million), and the Los Angeles World Trade Center, Los Angeles, California (\$55 million).

In 1991 Mr. Sonnenblick was appointed Director of Development for the New Jersey and L.A. MetroMalls, with the responsibility for oversight and direction of the design, financing and leasing programs for two proposed \$250 million enclosed regional malls totaling 1.2 million Sq. Ft. each. Mr. Sonnenblick personally oversaw more than 1 million Sq. Ft. of leases in connection with this position as well as arranging the necessary debt and equity financing. The New Jersey project opened to one of the strongest starts in the history of the United States mall industry. In addition, Mr. Sonnenblick was an original development partner of the Loews Santa Monica Beach Hotel. This 360-room, \$90 million hotel was recently sold for \$125 million.

Prior to forming Sonnenblick Development, LLC, Mr. Sonnenblick was the senior partner in a Los Angeles-based real estate development firm (Sonnenblick Del Rio Development) which specialized in public-private partnerships, specifically the development of four major government-leased office buildings throughout the Los Angeles basin. During this tenure, Mr. Sonnenblick successfully developed nearly 1 million square feet of government leased buildings, occupied by such tenants as U.S. Department of Homeland Security, Federal Bureau of Investigation (FBI), Los Angeles County Sheriff's Department, Los Angeles County Department of Public Social Services and Los Angeles County Department of Children and Family Services.

Mr. Sonnenblick is a frequent speaker at various real estate-related functions, such as those hosted by Deloitte Touche, ICSC, Value Retail News, Crittenden, USC, UCLA Real Estate Program, IMN Real Estate Conferences and the Institute for International Research, The Opal Group, iGlobal Forum Group, Globe Street/Realshare Conferences and Bloomberg Conferences.

Mr. Sonnenblick is a member of the Advisory Board of the Golf Development Institute, a member of the Board of Real Estate Council of the Century City Chamber of Commerce and is a published author on subjects ranging from architecture to general real estate market conditions. In addition to Mr. Sonnenblick's expertise in development, finance, joint ventures and equity structuring, Mr. Sonnenblick has also been certified as an expert in the area of real estate bankruptcy/foreclosure. Mr. Sonnenblick is a qualified expert witness in the area of Commercial Real Estate Finance and Interest Rates for the United States Federal Court System in numerous jurisdictions.



BIOGRAPHY

MR. ROBERT SONNENBLICK

SONNENBLICK DEVELOPMENT, LLC

1976 to 1980	Wharton Business School at the University of Pennsylvania, B.S. in Economics and Finance
1980 to 1982	Real estate financier, Sonnenblick-Goldman Corp., New York NY
1983 to 1992	Real estate financier, Sonnenblick-Goldman Corp., Los Angeles CA
1993 to 1998	Co-developer and Director of Leasing and Finance, NJ Metromall (now "Jersey Gardens") a 1.2 million square foot factory outlet mall located on the N. Turnpike in Elizabeth NJ
1986 to 1998	Development Partner and Director of Finance, The Loews Santa Monica Beach Hotel, a 360 room luxury oceanfront 4-star hotel
1987 to 1997	Equity Partner, The Boca Raton Resort Hotel, a luxury 4- star, 1000 room resort hotel
1999 to 2001	Developed DPSS El Monte #1 (a \$39 million class-A office building 100% leased to the County of Los Angeles)
2001 to 2003	Developed DPSS West LA (a \$36 million class-A office building 100% leased to the County of Los Angeles)
2003 to 2005	Developed DPSS – El Monte #2 (a \$46 million Class-A office building 100% leased to the County of Los Angeles)
2006 to 2007	Developed Flair Plaza Shopping Center in Los Angeles on the I-10 freeway at the Rosemead Blvd. off-ramp
2007 to present	Redeveloped Norwalk Government Center, a 500,000 sq. ft. Class-A office building on Imperial Highway, anchor tenants are State of California (Board of Equalization, Small Business Administration), the County of Los Angeles (Dept. of Public Social Services, Dept. of Children & Family Services, Mental Health Dept., Sheriffs' Dept.), and the Federal Government (the FBI, Social Security Administration, and Dept. of Homeland Security – Los Angeles County Headquarters)
2011 to present	Established Sonnenblick Development LLC, a multi-faceted real estate development company specializing in 4-star oceanfront resort hotel developments across the United States, with a particular focus on high-end golf resorts. The company also has a secondary focus on development of airport on-property limited service hotels.



SONNENBLICK DEVELOPMENT LLC

*Continuing to be California's Leader in
Government-Tenanted Build-to-Suit Projects*



L.A. County Building
Department of Social Services
El Monte, California



L.A. County Building - Phase 2
Department of Children's Services
El Monte, California



Department of Homeland Security
L.A. Headquarters Building
Norwalk, California



L.A. County Building
Department of Social Services
West L.A., California

Mr. Robert Sonnenblick

SONNENBLICK DEVELOPMENT LLC

1422 Cuesta Linda Drive • Pacific Palisades, California 90272

Tel: (310) 230-1200 • Fax: (310) 230-1263

E-mail: Bob@SonnDev.com • www.SonnDev.com

SONNENBLICK DEVELOPMENT LLC

L.A. County- El Monte Phase #1

\$39,300,000

(Construction Cost)



Mr. Robert Sonnenblick

SONNENBLICK DEVELOPMENT LLC



Tel: (310) 230-1200 • Fax: (310) 230-1263
E-mail: Bob@SonnDev.com
www.SonnDev.com

SONNENBLICK DEVELOPMENT LLC

L.A. County- Rancho Park Bldg.

\$43,000,000

(Construction Cost)



Mr. Robert Sonnenblick

SONNENBLICK DEVELOPMENT LLC



Tel: (310) 230-1200 • Fax: (310) 230-1263
E-mail: Bob@SonnDev.com
www.SonnDev.com

SONNENBLICK DEVELOPMENT LLC

L.A. County- El Monte Phase #2

\$52,700,000

(Construction Cost)



Mr. Robert Sonnenblick

SONNENBLICK DEVELOPMENT LLC



Tel: (310) 230-1200 • Fax: (310) 230-1263
E-mail: Bob@SonnDev.com
www.SonnDev.com

SONNENBLICK INDUSTRIES LLC GOVERNMENT ACQ. FUND I \$49,250,000



**Norwalk Government Center
12440 Imperial Highway
Norwalk, California**

A 7- Story 500,000 sq. ft. Office Complex

Anchored by:

- The County of Los Angeles**
- The State of California**
- The U.S. Govt./GSA/FBI**
- U.S. Dept. of Homeland Security**

Mr. Robert Sonnenblick

SONNENBLICK INDUSTRIES LLC

1422 Cuesta Linda Drive • Pacific Palisades, California 90272

Tel: (310) 230-1200 • Fax: (310) 230-1263

E-mail: Bob@SonnDev.com • www.SonnDev.com

LOEW'S HOTEL – SANTA MONICA, CA

