

September 7, 2020

Michael Delk
Assistant City Manager
City of Clearwater
One Clearwater Tower, 6th Floor
600 Cleveland St.
Clearwater, FL 33756

Dear Michael:

Following the request for expressions of interest (RFEI) issued in April, and expanding our current contract dated July 9, 2019 to support the City of Clearwater on the redevelopment of the three City-owned waterfront sites, HR&A Advisors, Inc. (HR&A) is pleased to submit this letter proposal to produce a request for proposals (RFP) document for the three City-owned sites.

We understand the City is considering to issue an RFP by the end of 2020 and that its goals, structure, and content will be based on the RFEI issued in April, the responses and feedback received on that RFEI, the outcomes of an special City Council session on September 15 to define and confirm a procurement strategy, and greater flexibility with the form of development on some of the public sites, particularly at the Harborview site.

In support of the production and issuance of an RFP document by the end of year, HR&A will:

- 1. Revisit and re-engage the distribution list.** HR&A will revise the distribution list prepared during our initial outreach in the fall of 2019 and the RFEI process earlier this year and identify a path to expand to other potential interested parties and re-engage with developers that decided not to present a response to the RFEI. We will communicate with them prior to the RFP issuance to convey any differences in approach on the RFP, build awareness, and raise interest through a combination of personalized emails and phone calls.
- 2. Drafting key elements of the RFP documents.** HR&A will support development of key business terms and related content for the RFP document. We will develop an outline of these sections for review with City staff, develop an initial draft of key RFP content, including the solicitation's goals, scope and submission requirements, terms, and evaluation criteria, and provide it to the City to be supplemented by the City's required forms, documents, and language, some of which may have already been provided as part of the RFEI process. HR&A will coordinate with City staff to revise and refine this content as needed prior to release.

If exhibits are needed to define the opportunity or provide existing condition information to potential respondents, HR&A will advise on the most compelling and clear presentation of these materials, aimed at eliciting the best response possible from the market, and coordinate with the City and other consultants to produce exhibits for inclusion in the RFP.

We will leverage content from the RFEI issued in April while further developing new and existing components, including, but not limited to:

- A more comprehensive background and context section that describes in detail the latest park plans, design, timing for construction, and total investment approved. It will be critical

to show how the City is committed to the redevelopment of Downtown Clearwater and how the park will create value for the surrounding properties;

- Potential updates to the allowable uses, housing density, and FARs for each site, with emphasis on the Harborview site, further detailing each of the site's development requirements accordingly;
- Specific opportunities for public incentives and subsidies. We will work closely with the City and the CRA to understand the specific tools available, as well as the associated amount and timing of availability of each, and how those may impact the overall project feasibility at each site, to determine how to communicate its availability in the RFP;
- A clear referendum strategy detailing timeline and the minimum information required from respondents to be able to inform the referendum question appropriately;
- A revised list of submission requirements with specificity into the qualifications, project and development approach, financial and financing plan, and references and letters of commitments from debt and equity sources;
- Detailed evaluation criteria for both the technical and financial proposal for each site, which will require coordination with the City and CRA.

3. RFP approval support. As needed, HR&A will support the City in preparing for review by key City staff, including the Mayor, City Councilmembers, and City Manager. HR&A will review consolidated comments from the City team and commit to making up to two rounds of RFP language revisions prior to issuance.

4. RFP issuance support. As needed, HR&A will be available to distribute the RFP document to members in the distribution list.

HR&A can complete the activities described above for a fixed fee of \$22,500. HR&A will invoice on a monthly basis, based on percentage completion with payment due in 45 days. In addition to supporting the production of the RFP document, HR&A will remain available to support the City on the preparation of any pre-bid conference or responding to questions to the RFP, the evaluation of proposals and the negotiation of an agreement with the preferred proposer, either on a time and material basis or as part of subsequent fixed fee agreements.

Additionally, HR&A recommends that the City considers undertaking discrete updates to the market and financial feasibility analyses performed in 2019 to understand, among others, the feasibility of hotel uses, a mid-rise residential product at the Harborview, as proposed by one of the RFEI responders, and to be able to test development plans and financial proposals as part of the RFP in a post-COVID context.

Thank you for the opportunity to continue supporting the City of Clearwater on this project to reinvigorate its downtown. If you agree with this scope of work, please return a signed copy to us. Should you have any questions or comments, please do not hesitate to contact at 212.977.2704 or cary@hraadvisors.com with any questions you may have.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Cary Hirschstein', followed by a long horizontal line.

Cary Hirschstein
Partner
HR&A Advisors, Inc.

AGREED AND ACCEPTED

Signature

Name and Title

Institution/Company

Date