



## Legislation Text

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### **SUBJECT/RECOMMENDATION:**

Approve the recommendation of the Bluff RFP selection committee and authorize city staff to engage in negotiation with City Center Development Group LLC, for the purpose of establishing a development agreement for the development of the Harborview, City Hall, and Pierce Street sites.

### **SUMMARY:**

On May 24, the Bluff RFP Selection Committee met and rank scored SROA Capital and City Center Development Group LLC proposals for development of the bluff properties. Based on the outcome of that ranking, the committee selected City Center Development Group LLC to recommend to City Council for the purpose of entering into negotiation of a development agreement for the redevelopment of the bluff properties adjacent the Coachman Park. While not unanimous, the selection committee shared a number of consistent observations about the advantages and disadvantages of each proposal.

The committee shared positives of the SROA project with regard to density and intensity, mix of uses, creative design and space utilization, and park connectivity. Concerns included the same density and intensity in terms of whether or not the market could absorb the extensive number of units and floor area proposed. Scale and density at the Harborview site were of concern along with proximity of residential relative to the proposed amphitheater. However, the committee expressed concerns with the financial feasibility and level of public investment that would be needed from the City to achieve market viability. The proposed rent structure and needed returns are approximately 400% of current market rent levels. In addition, insufficient financial information was available to determine full extent of what financial return would be to the city with regard to real estate value as well as the subsidy needed to make the project work. While the overall value of the project would be substantial, the financial ask and impact to the City was not determinable.

The City Center Development Group LLC proposal on the other hand was thought by the committee to materially underutilize the bluff property development potential. While the committee liked the urban market proposal, some concerns were expressed about the larger size of the market proposed. In addition, with 600 parking spaces, the committee expressed reservation about the extent of parking on Osceola immediately adjacent to the park. Parking as a land use adjacent to the park on the bluff is viewed as an undesirable use in such a signature location. Sufficient parking to accommodate residential use, the library, and a limited number of extra spaces incorporated into the development would not be considered in and of itself as a land use and could be successfully incorporated. A 400-space parking garage is not conducive the active edge development for the park. However, overall, the City Center Development Group LLC provided the requested financial information for review and analysis. Rent structures presented were higher than current market rates in downtown Clearwater but were generally considered viable numbers given the opportunity for new space in an activated location along the bluff. Overall, City Center Development Group LLC proposal was considered economically viable, appropriate to market if not somewhat less density and intensity than ideal and would seem to suggest a level of public participation that could be successfully negotiated. The committee also believes that in some instances, some enhancement to the City Center Development Group LLC proposal

could be negotiated and still retain viability. In addition, the committee members believe the development could generate with the food hall and market components, a potentially supportable public referendum.

Therefore, it is the committee's recommendation to be allowed to enter negotiations with City Center Development Group LLC. For that purpose, the committee recommends that in addition to all finance incentives, financial return to the City, and final development scenario proposals, the committee be allowed to negotiate further on the following points:

1. Tenant mix and space allocation
2. Location and number of parking spaces and structures
3. Whether or not viable option exists to incorporate residential or overnight use in the Harborview area (City Center Development Group LLC proposed an alternative plan with a residential use in this area).
4. Cultural/Civic space use