

RESOLUTION NO. 46-2024 OF THE CITY OF LAKE WORTH BEACH, FLORIDA, DETERMINING PURSUANT TO SECTION 255.065, FLORIDA STATUTES, THAT THE UNSOLICITED PROPOSAL FROM SUNSHINE LAKE WORTH DEVELOPMENT, LLC, FOR THE DESIGN AND CONSTRUCTION OF THE K STREET PARKING GARAGE IS IN THE PUBLIC'S INTEREST; PROVIDING DIRECTIONS TO THE CITY CLERK TO ADVERTISE THE SAME IN THE FLORIDA REGISTRY AS REQUIRED BY STATUTE; AND, PROVIDING FOR REPEAL OF CONFLICTS AND AN EFFECTIVE DATE

WHEREAS, at the October 15, 2024 City Commission meeting, pursuant to section 255.065, Florida Statutes (entitled, "Public-Private Partnerships") (P3), the City presented and heard public comment regarding Sunshine Lake Worth Development, LLC's (SLWD), unsolicited proposal to construct a parking garage on property at K Street in downtown Lake Worth Beach; and

WHEREAS, the unsolicited proposal was presented as a companion item to the Development Agreement with the Lake Worth Beach Community Redevelopment Agency (CRA) and SLWD for the Wiener Museum of Decorative Arts (WMODA) Project ("WMODA Development Agreement"); and

WHEREAS, the City Commission approved the WMODA Development Agreement; however, said approval is contingent upon the City Commission determining that the SLWD unsolicited proposal is in the public's interest and moving to the next step in the P3 process; and

WHEREAS, if the City Commission determines that SLWD's unsolicited proposal is in the public's interest, the City, CRA, and SLWD will then commence preparing the agreements necessary to implement the actual design and construction of the K Street Parking Garage along with the other components of the WMODA Project; and

WHEREAS, specifically, under section 255.065, Florida Statutes, the City and SLWD will commence preparing a comprehensive agreement for the design and construction of the K Street Parking Garage, which will include, but not be limited to, the rights and responsibilities of SLWD and the City; requirements for insurance and bonding; design preparation and reviews standards; financing; fees to be charged; and cost savings; and

WHEREAS, under section 255.065, Florida Statutes, the determination as to whether SLWD's unsolicited proposal for the K Street Parking Garage is in the public's interest, is based on the City Commission's consideration of the following five (5) factors:

1. The benefits to the public.
2. The financial structure of and the economic efficiencies achieved by the proposal.
3. The qualifications and experience of the private entity that submitted the proposal and such entity's ability to perform the project.
4. The project's compatibility with regional infrastructure plans.
5. Public comments submitted at the meeting.

WHEREAS, the real property at issue under the SLWD unsolicited proposal for construction of the K Street Parking Garage is owned by the City (with a small parcel owned by the CRA) and is generally located at 13 South K Street, 19 South K Street, and 25 South K Street (with PCNs: 38-

43-44-21-15-019-0220, 38-43-44-21-15-019-0230, and 38-43-44-21-15-019-0290); and

WHEREAS, the City Commission voted 4 – 1 at the first publicly noticed meeting on October 15, 2024 to move the unsolicited proposal to its second publicly noticed meeting; and

WHEREAS, the City Commission determines that based on the findings stated herein and the findings stated on the record at the City Commission’s October 29, 2024 publicly noticed meeting, SLWD’s unsolicited proposal is in the public’s interest and the City should move forward with preparing a comprehensive agreement for the design and construction of the K Street Parking Garage with SLWD.

NOW THEREFORE BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF LAKE WORTH BEACH, FLORIDA, that:

Section 1. The foregoing recitals are adopted by reference as true and correct findings of the City Commission.

Section 2. SLWD’s unsolicited proposal (consisting of 20 pages and dated September 30, 2024) and the WMODA Development Agreement are incorporated into this Resolution by reference.

Section 3. The City Commission hereby makes the following findings based on its review of SLWD’s unsolicited proposal for the K Street Parking Garage and after having heard public comment on the same at the City Commission’s October 15, 2024 and October 29, 2024 publicly noticed meetings:

1. The benefit to the public. As stated in SLWD’s proposal and the WMODA Development Agreement, the WMODA Project will provide the City with a mixed-use cultural arts campus including a 33,000 square foot museum, 102 market rate residential apartment units, eight (8) artist lofts with artist workspace dedicated at 80%-120% of adjusted median income for 15 years, 117 parking space subterranean parking structure to support residential uses, the K Street Parking Garage, an arts alley between L and M Street, relocation of four (4) contributing structures, together with related amenities and utilities. The development proposed in the WMODA Project will remove sixty-five centrally located public parking spaces which are heavily utilized for downtown parking. The K Street parking garage is proposed as a multi-story, structured parking garage in accordance with the City’s 2024 *WGI Lake Worth Beach Parking Study Update* to not only replace the removed parking spaces but to also add further public parking for the downtown and in support of the WMODA museum component. The WMODA Project improvements are estimated to provide the City of Lake Worth Beach with \$56M in economic output during construction (first two (2) years), increase visitors to the City of Lake Worth Beach and its downtown, increase jobs, increase downtown business revenues, provide an increase in property taxes over 10 years, and provide additional residential units and eight (8) affordable live/work artist units. All of these public benefits flowing from the WMODA Project will also cause an increase in public parking needs downtown, which parking needs are currently over 100% at peak times (with a well-documented need for at least an additional 250 parking spaces). Accordingly, the proposed K Street Parking Garage is a crucial component of WMODA Project and is therefore in the public’s interest.

2. The financial structure of and the economic efficiencies achieved by the proposal. As stated in the SLWD proposal and the WMODA Development Agreement, the estimated cost of the parking garage is \$8.5M based on City’s 2024 *WGI Lake Worth Beach Parking Study*

Update. The financial structure to cover this cost includes the initial contributions as follow: \$1M from SLWD; \$1.5M from the CRA; and, \$2.5M from the City. SLWD will provide a low interest loan of \$3.5M for the remainder of the cost to be financed. The low interest loan will be repaid with revenue from the City's new parking system (including the K Street Parking Garage) and as further stated in the 2024 *WGI Lake Worth Beach Parking Study Update*. As can be seen from SLWD's unsolicited proposal, this financial structure should result in the City saving over \$2M in constructing the K Street Parking Garage compared to the City designing, financing, and constructing the parking garage on its own.

3. The qualifications and experience of the private entity that submitted the proposal and such entity's ability to perform the project. As stated in SLWD's proposal and shown through successful past developments, SLWD (and its president Arthur Weiner) has the qualifications and experience to timely and efficiently complete the K Street Parking Garage. United Management Corporation is a renowned family-owned business with over 80 years of expertise in multifamily real estate holdings, whose key principal is Arthur Weiner. United Management has engaged HE2PD, Inc., a full-service owner's representative firm specializing in construction to develop the WMODA Project including the K Street Parking Garage. SLWD proposes to utilize the Construction Manager at Risk contract methodology to have the parking garage constructed. This methodology helps to ensure the project is completed on time and within budget.

4. The project's compatibility with regional infrastructure plans. The WMODA Project is compatible with the regional infrastructure and the City's comprehensive plan. The K Street Parking Garage will address the City's long-standing and well-documented need for more public parking downtown. As stated in SLWD's proposal, the K Street Parking Garage also satisfies several key policies of the City's comprehensive plan including, but not limited to, pursuing proactive development strategies and redevelopment opportunities. The overall improvements to be made by the WMODA Project, including the K Street Parking Garage, will also assist the City in making some necessary and sustainable improvements to its downtown area.

5. Public comments submitted at the meeting. At the October 15, 2024 first publicly noticed meeting on SLWD's unsolicited proposal, a majority of the public comments were in favor of pursuing the K Street Parking Garage via SLWD's unsolicited proposal. Other comments addressed some issues that may arise as the City, CRA, and SLWD commence preparing the agreements for the K Street Parking Garage and the other components of the WMODA Project. It is anticipated that the public comments at the October 29, 2024 (second publicly noticed meeting) will be similar in nature. Since the City Commission and the public will have further opportunities to review, consider, and comment upon the comprehensive agreement for the K Street Parking Garage and the other components of the WMODA Project, the City believes the comments made will be sufficiently addressed in the forthcoming agreements.

Section 4. The City Clerk is directed to publish in the Florida Administrative Register a report that includes this Resolution and makes publicly available the WMODA Development Agreement and SLWD's unsolicited proposal.

Section 5. All resolutions or parts of resolutions are hereby amended to the extent that they are in conflict with this Resolution.

Section 6. This Resolution shall become effective immediately upon adoption.

The passage of this resolution was moved by Commissioner _____,

seconded by Commissioner _____, and upon being put to a vote, the vote was as follows:

Mayor Betty Resch
Vice Mayor Sarah Malega
Commissioner Christopher McVoy
Commissioner Reinaldo Diaz
Commissioner Mimi May

The Mayor thereupon declared this resolution duly passed and adopted on the 29th day of October 2024.

LAKE WORTH BEACH CITY COMMISSION

By: _____
Betty Resch, Mayor

ATTEST:

Melissa Ann Coyne, MMC, City Clerk