

April 24, 2019

Commissioner Ricky Arriola
City of Miami Beach
1700 Convention Center Drive
Miami Beach, FL 33139

RE: North Beach Town Center Redevelopment Proposal, involving a City-Owned Parking Lot, and Request for Referrals to City of Miami Beach Sub-Committees and the Planning Board

Dear Commissioner Arriola,

North Beach Town Center Development, LLC, an affiliate of Pacific Star Capital, LLC (both hereinafter referred to as "Owner"). The Owner is proposing a comprehensive redevelopment of a significant stretch of the North Beach Town Center south of 71st Street, to implement the vision of Plan NoBe and to transform the area from an underutilized collection of single-use buildings and surface parking lots into a vibrant pedestrian-oriented town center with new retail, while also providing much needed parking, for the surrounding community.

Background

Since the inception of Pacific Star Capital in June 2003, the Owner has developed and acquired a real estate portfolio totaling in excess of \$700 million. Recent major projects the Owner has successfully completed nationwide include: rehabilitation of an 1,100 unit apartment complex in Houston, Texas; renovation of a 265,000 square foot regional shopping center in Chicago, Illinois; development of an urban site for Whole Foods in Los Angeles; and renovation of a 116,000 square foot community shopping center in southern California.

Locally, Pacific Star developed a 44,000 square foot Whole Foods-anchored shopping center at 123rd Street and Biscayne Boulevard in North Miami. Dr. Mehrabi, principal of Pacific Star, is a thoughtful leader in innovative development who serves as a Governor of the Urban Land Institute and is on the advisory board of the Lusk Center at the University of Southern California, one of the country's premier graduate real estate development programs.

In April 2017, the Owner acquired the properties owned by City National Bank on the south side of 71st Street within the North Beach Town Center area.

The Project

The Owner purchased these parcels to develop a cohesive and transformative project for the North Beach community. This one-block swath of land in the heart of the Town Center represents a golden opportunity to inject new investment into the area and create a vibrant activity node. The Plan NoBe North Beach Master Plan ("NoBe Master Plan")¹ states that "***the Town Center is intended to be the center of activity for North Beach,***" and the Owner is committed to delivering a lively retail project that can fulfill the directives of the NoBe Master Plan.

The Owner is proposing the following elements to realize this vision (collectively referred to as the "Project"):

- Redevelopment of Owner's properties between Abbott and Byron Avenues, along with City-owned parking lot P-80,² into a thriving retail center. The Owner is proposing ground floor shops, alike the tenant's at Sunset Harbour, with a Target Store to serve as an anchor on the second level. The Shop space on the ground level will be approximately 30,000 square feet and the Target Store will be approximately 33,000 square feet with an additional 9,000 square foot junior anchor on the second level, for a total of approximately 72,000 square feet of retail space. The balance of the FAR may be used for offices or additional, complementary uses.
- Development will include small "incubator" retail along 71st Street to foster a pedestrian-friendly environment and promote local businesses, and maintaining the store-front presence such as provided by Prima Pasta.
- Redevelopment of properties between Abbott and Byron Avenues would also include a parking garage with approximately 237 spaces, to serve retail tenants.

The Project will expand off the local Art Deco architectural heritage and create a surrounding atmosphere similar to Purdy Avenue in Sunset Harbour, where retail activity is driven by smaller, human-scale spaces. North Beach needs additional retail options and is lacking national credit retailers. The combination of these large and small businesses will generate a lively shopping and gathering space in the Town Center.

Incorporation of the City-owned parking lot on 71st Street & Byron Avenue provides sufficient room to fully realize this vision of a retail center anchored by a Target store. Failure to include the unsightly and underutilized surface lot in the Project would disrupt the continuity of pedestrian-oriented commercial activity along 71st Street and retail redevelopment that the NoBe Master Plan encourages for this area.³

Proposed Terms and Requests for Referral

The Owner is requesting the City to sell the P-80 surface parking lot at the corner of 71st Street & Byron Avenue to be redeveloped as part of the Project. In consideration for conveyance of this property to the Owner, the Owner will: (i) pay to the City the price of \$4,200,000 based on the City's appraised value for this lot; (ii) use the currently tax-exempt City-owned lot to create tax revenue for the City.

In order to accomplish the Project as outlined above, the Owner is respectfully requesting that you sponsor the following actions to be taken at the May 8th City of Miami Beach Commission meeting:

- The Commission will direct the City Manager to negotiate a Purchase and Sale Agreement with the Owner regarding the terms of disposition of the City-owned property.

¹ See Page 1.5 of the NoBe Master Plan, adopted by the City Commission on October 19, 2016.

² The Project lying between Abbott and Byron Avenues contains the following properties: 02-3211-002-1050, 02-3211-002-1040, 02-3211-002-1030, 02-3211-002-1020, 02-3211-002-1010, 02-3211-002-0990, 02-3211-002-0970, City Parking Lot P-80: 02-3211-002-0950.

- The Commission will make the following referrals:
 - o Sale of the City-owned surface parking lot—to the Finance and Citywide Projects Committee ("Finance Committee");
 - o Rezoning and change in future land use designation of the City-owned surface parking lot (from GU to TC-C)—to the LUDC, Finance Committee, and straight through to the Planning Board; and

Conclusion

In sum, this is an exciting and unique opportunity for the Owner to comprehensively redevelop a significant stretch of 71st Street in the North Beach Town Center area under one cohesive plan. The Project will address and follow many of the recommendations in the NoBe Master Plan, to make the Town Center a true center of activity for North Beach. In addition to removing underutilized and economically stagnant parking lot for better quality development, the Project will celebrate the architectural heritage of the area and create new opportunities for the entire neighborhood to enjoy.

For all of the aforementioned reasons, we look forward to working with the City to bring the Project to the North Beach community.

Sincerely,

Aria Mehrabi

³ See Page 2.5 of the NoBe Master Plan.

⁴ See Pages 2.5, 2.12 and 2.66 of the NoBe Master Plan.