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Mayor and Commissioners of the City of Miami Beach
1700 Convention Center Drive
Miami Beach, Florida 33139

**RE: Proposed Pedestrian Bridge Over Ocean Court Connecting Essex House and
Clevelander Hotels**

Dear Mayor and Commissioners:

We represent The Jesta Group, whose affiliates are the owners of the Essex House and Clevelander Hotels, located at 1001 Collins Avenue and 1020 Ocean Drive, respectively. The hotels are separated by the Ocean Court alley. We are hereby applying for an air rights easement from the City so that we can construct a pedestrian bridge over Ocean Court at approximately a fourth-story level connecting the Essex House with the Clevelander. This application is very similar to and follows the same procedure that led to the construction of pedestrian bridges over Ocean Court for the Betsy and Tides hotels.

Description of the Project

In October 2018, the Jesta Group purchased the Essex House and Clevelander Hotels, both prominent hotels and food and beverage destinations for many years in Miami Beach. As a further indication of the Jesta Group's confidence in the South Beach hotel economy, it is now proposing a multi-million dollar development project at the Essex House, which will lead to the restoration and renovation of the Essex Annex building on the north part of the lot and the construction of an addition to the project to increase the number of hotel rooms. Other plans are in place to invest in and enhance the Clevelander to the east.

In evaluating the proposed project relating to the Essex House and Clevelander Hotels, our client and architect determined that constructing a pedestrian bridge over Ocean Court, connecting the Essex House to the Clevelander, would provide multiple benefits, including greater operating functionality, circulation and efficiency, and enhanced branding opportunities. Once the two hotels are connected, they will be branded together under the world famous Clevelander Hotel brand. Our client also has been encouraged by seeing the Betsy, Tides and Trader Joe's bridge connectors, each of which are or will be benefiting from pedestrian connectors over City alleys.

In our case, the bridge connector will be built at approximately a fourth-story level to ensure unimpeded vehicular traffic in the alley, including for emergency vehicles. The dimensions of the connector are modest and are as follows: 6 feet wide x 15 feet high x 20 feet long (the width of the

alley). The bridge connector is intended solely as a pedestrian corridor between the two properties. The design of the bridge connector will be reviewed by the Historic Preservation Board.

Public Purpose

The City's grant of an air rights easement to our client will benefit the City's very important tourism industry and, thus, will provide public benefits. Similar to the Betsy and Tides bridge connectors, the Essex House – Cleavelander connector will enhance the ability of these hotels to attract tourists and to make their visits to these properties more enjoyable. The connector will also provide various advantages in terms of operating efficiency and functionality for these two properties.

In keeping with the City's past procedure regarding these bridge connectors, our client will be paying the appraised value of the air rights it proposes to acquire via easement from the City. The copy of the appraisal will be provided to you by the City Administration. Therefore, in accordance with Section 82-39 of the City's Code, our client will be paying fair market value for the easement as determined by an appraiser.

Bid Waiver

Section 82-39 of the City's Code requires public bids in connection with transfers of City real estate, unless bids are waived by the City Commission by a 5/7 vote. Here, a bid waiver is appropriate because the only parties that could make use of the subject air rights are the two hotels themselves (i.e., the Essex House and Cleavelander). Therefore, it would be a waste of City resources to go through a bid process when no one other than our clients could make realistic use of these air rights.

Planning Analysis

The proposed bridge connector is also consistent with the criteria in Section 82-38 of the City's Code, as outlined below.

(1) Whether or not the proposed use is in keeping with city goals and objectives and conforms to the city's comprehensive plan.

The use of the connector to serve the adjacent properties is consistent with the future land use category description applicable to such properties contained in the City's Comprehensive Plan.

(2) The impact on adjacent properties (if any), including the potential positive or negative impacts such as diminution of open space, increased traffic, noise level, enhanced property values, improved development patterns and provision of necessary services. Based on the proposed use of the property, the city shall determine the potential impact of the project on city utilities and other infrastructure needs and the magnitude of costs associated with needed infrastructure improvements. Should it become apparent that further evaluation of traffic impact is needed, the

purchaser/lessee shall be responsible for obtaining and paying for a traffic impact analysis from a reputable traffic engineer.

The applicant owns the properties on either side of the proposed easement, and such properties will benefit from the proposed bridge connector for the reasons outlined herein. There will be no negative impacts, including no impact on City utilities. Finally, access to the alley will not be impeded due to the height of the bridge connector, and therefore, traffic will not be impacted.

(3) A determination as to whether or not the proposed use involves a public purpose, or is in keeping with the community's needs, such as expanding the city's revenue base, reducing city costs, creating jobs, creating a significant revenue stream, and/or improving the community's overall quality of life.

In addition to the public purpose stated above concerning the City's tourism industry, the bridge connector will also move pedestrian foot traffic and luggage handling between the hotels internal to the site and avoid congestion on the City's sidewalks.

(4) A determination as to whether or not the proposed use is in keeping with the surrounding neighborhood, will block views or create other environmental intrusions, and evaluation of the design and aesthetic considerations of the proposed development or project.

As evidenced by the City's prior approval of bridge connectors for the Betsy and Tides hotels within Ocean Court for the same purpose requested here, the proposed use is in keeping with the surrounding neighborhood. The proposed bridge connector will not block views or create environmental intrusions, and its design will be subject to approval of the City's Historic Preservation Board.

(5) The impact on adjacent properties, whether or not there is adequate parking, street and infrastructure needs.

There will be no adverse impacts to adjacent properties.

(6) Such other issues as the city manager or his authorized designee, who shall be the city's planning director, may deem appropriate in analysis of the proposed disposition.

Consistent with the City's prior approval of bridge connectors within Ocean Court and other areas of the City, the applicant will be paying the fair market value for the easement as determined by the appraisal obtained by the City.

Conclusion

For all of the above reasons, we respectfully request that the City Commission grant an air rights easement in favor of our client for a bridge connector and waive the bidding process. Thank you.

Sincerely,

Shutts & Bowen LLP

A handwritten signature in blue ink, appearing to read "Alexander I. Tachmes", with a long horizontal flourish extending to the right.

Alexander I. Tachmes, Esq.

AIT/sm

cc: Jimmy L. Morales, City Manager
Raul J. Aguila, City Attorney
Eric Carpenter, Assistant City Manager
Nicholas E. Kallergis, First Assistant City Attorney
Jay Fink, Assistant Public Works Director
Thomas Mooney, Planning Director