MIAMIBEACH

Option 1 – Byron Carlyle and P85
Option 2 – Byron Carlyle, P85 and P80

CITY OF MIAMI BEACH BYRON CARLYLE THEATER

500 71st St
Miami Beach, FL 33141

Folio Numbers:
02-3211-002-1070
02-3211-002-1090
02-3211-002-0950

Bids Received: 2

TRANSACTION SUMMARY AS PROPOSED BY RESPONDENT

MENIN HOSPITALITY

- In lieu of a percentage of rent, we will provide workforce housing and deed back the Cultural Center to the City of Miami Beach as well as manage the workforce housing facility for the city
- Total Development Costs: $36,750,802
- Summary Development Program
  - Byron Carlyle & P85 Lot
    - 7-story building
    - 120 Residential Units
    - 9,460 SF Retail
    - 10,410 SF Cultural Component
  - P80 Lot
    - 5-story building
    - 27,470 SF Office
    - 4,530 SF Retail
  - Est. 2 year, 4 month timeline overall development from signed city approvals, 24-month construction timeline

PACIFIC STAR CAPITAL

- Ground lease Theater & P85 Lot - $8,797,088, 99-year term
  - $500K on Possession Date
  - Remainder on Delay Date
- Purchase P80 Lot for $3M with intent to redevelop as retail
- Total Development Costs: $45,839,360
  - Est. $3M hard cost to construct Cultural Center
- Summary Development Program
  - Byron Carlyle & P85 Lot
    - 11-story building
    - 160 Hotel Rooms
    - 11,430 SF Retail
    - 23,220 SF Theater/Cultural Component
  - P80 Lot
    - 2-story building
    - 8,390 SF Retail & Restaurants
  - Est. 2 year, 1 month timeline overall development, 15-month shell construction timeline

CBRE

MIAMIBEACH

CITY OF MIAMI BEACH | BYRON CARLYLE THEATER

500 71st St, Miami Beach, FL 33141

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QUESTIONS FOR CITY

- 13,000 SF difference in Cultural Component size between the two bid responese and the RFP required 10K. Is the City okay with a much larger Cultural Component?
- Does the City have a current appraisal?
- Which use is more compatible with City's goals: hotel or residential?
- Does the City want to see if there is additional interest if this site were broadly marketed & recompeted?

QUESTIONS FOR DEVELOPER

MENIN HOSPITALITY

- The information provided to CBRE does not appear to include the cost of developing the office building on lot 2. Please provide cost to develop/construct office building.
- Please provide income projections for the proposed office building.
- What are the estimated real estate taxes for the office building on lot 2?
- Please confirm that the Indirect Administrative fee quoted in Development pro forma is Development Fee paid to Developer
- Is Developer providing any compensation to City for land on which the office building will be constructed on lot 2?
- What is the anticipated value of the Cultural Space to be deeded to City on lot 1?

PACIFIC STAR CAPITAL

- What is the mechanism by which the City occupies the Cultural Center? Lease? Condo Ownership?
- CBRE needs to determine the FAR value of the Hotel site. Determine by FAR and/or per hotel key.
- What hotel brand? Is there a demand study to support the number of keys proposed?
- Why $3M for the retail site but so little for hotel? Is Cultural Center construction cost considered contribution?
- What is estimated tax benefit to the City?
- Of the total estimated real estate, food & beverage and bed (hospitality) tax – what portion will directly benefit City?

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DEVELOPER MEETING NOTES – MENIN HOSPITALITY

- Target market for tourists and people buying second homes, which would create a year-round economy
- Will be a deed property or $1 lease (no taxes on land, only building)
- Class A office space, will drive better retail on 71st
    - (Tech, bioventure, boutique), rents start at $35NNN, TI: $120-140
- 80-140% AMI, will build for Section 8 and seniors
- Total development cost: $36,750,802 and includes:
    - 114 residential units
    - Almost 13,990 SF retail
    - 27,470 SF Class A office (rents start at $35/SF NNN, TI: $120-$140)
    - 10,410 SF Cultural Center
- Project includes:
    - Provide workforce housing in lieu of rent
    - Deed back Cultural Center
    - Manage workforce housing facility
- Estimated two-year timeline, 28-month construction timeline from signed city approvals
- Proposal focuses on residents, tourists and second-home property owners. Creates year-round economy

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DEVELOPER MEETING NOTES – PACIFIC STAR CAPITAL

- Multi-functional space on 2nd floor
- Cultural & Community Center to include a pool and hotel
- P80 lot will only be 2 stories with an 11-story building behind it to preserve views
- Land exchange for North Annex City Hall
- Total redevelopment cost $45,839,360 and includes:
    - Byron Carlyle & P85 Lot:
        - 160 hotel rooms (Moxy-Marriott brand, upscale, limited service, 3rd party F&B)
        - 22,350 SF retail (part of this will include space for a restaurant)
        - 23,220 SF Cultural Center
    - P80 Lot:
        - 10,920 SF retail and restaurants
- Estimated 2-year timeline, 1-month overall development, 15-month construction
- Proposal focuses on views of Miami Beach and would bring value to the City

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CBRE RECOMMENDATIONS FOR NEXT STEPS

- Ask / receive answers to outstanding questions
- Based on those answers update the financial analysis
- Negotiate with each respondent to improve the deal terms
- City to make policy decision on preferred use type (hotel vs housing) and revenue generation

CBRE

Byron Carlyle

Site Disposition & Property Tax Analysis

4/6/20

Executive Summary

CBRE's Finacial Consulting Group completed the following analysis with information provided in the bid responses. If answers to the above questions and / or clarifications are received, the financial analysis should be updated accordingly.

Analysis Start: 1/1/2023
Analysis End: 12/31/2121

Scenario	Menin Hospitality	Pacific Star Capital
Rentable SF - Multifamily / Hotel	63,954 RSF	53,861 RSF
Rentable SF - Retail	14,098 RSF	19,820 RSF
Rentable SF - Total	78,052 RSF	73,681 RSF
Total MF Units / Hotel Rooms	120 Units	160 Units
Total Parking	0 Spaces	0 Spaces
Real Estate Tax Projections		
Annual Year 1 Tax Projection (Develper Quoted)	$390,000	$538,003
Annual Tax Growth Rate	2.00%	2.00%
Abatement Percentage	0.00%	0.00%
Land Disposition Up-front Proceeds	**$0**	**$11,797,088**
Rental Rate Assumptions (PRSF)		
Multifamily Average Rent per Month	$3.99	$103.36
Retail Average Rent per Year	$57.00	$44.54
DEVELOPMENT BUDGET		
Land Acquistion	$0	$11,797,088
Soft Costs / Financing Costs	$10,482,265	$7,070,783
Hard Costs + Contingency	$26,268,537	$26,971,490
Total	**$36,750,802**	**$45,839,361**
ESTIMATED DEVELOPER RESIDUAL SALE PROCEEDS		
Estimated Stabilzed NOI	$2,391,699	$2,989,291
Residual Cap Rate Assumption	5.50%	5.50%
Gross Devloper Proceeds	**$43,485,436**	**$54,350,745**
PROJECTED DEVELOPER PROFIT	**$6,734,634**	**$8,511,384**

FUTURE TAX REVENUES + DISPOSITION NPV @ 5.00%

Net Present Value	**$12,262,742**	**$28,713,477**

TOTAL FUTURE TAX REVENUES + DISPOSITION (NON-DISCOUNTED)

Total Proceeds	**$119,000,588**	**$175,957,788**

Notes		-- Land Acquisition breakdown as follows: BCT & PBS = $8,797,088, Lot P80 = $3,000,000.
Notes (Continued)		

Analysis Start: 1/1/2023
Analysis End: 12/31/2121

Scenario	Menin Hospitality	Pacific Star Capital
Rentable SF - Multifamily / Hotel	63,954 RSF	53,861 RSF
Rentable SF - Retail	14,098 RSF	19,820 RSF
Rentable SF - Total	78,052 RSF	73,681 RSF
Total MF Units	120 Units	160 Units
Total Parking	0 Spaces	0 Spaces
DEVELOPMENT BUDGET		
Land Acquistion	$0	$11,797,088
Soft Costs / Financing Costs	$10,482,265	$7,070,783
Hard Costs + Contingency	$26,268,537	$26,971,490
Total	**$36,750,802**	**$45,839,361**
Developer Fee (Within Soft Costs)	$960,000	$833,595
% of Total Cost	2.6%	1.8%
ESTIMATED DEV. RESIDUAL SALE PROCEEDS		
Estimated Stabilzed NOI	$2,391,699	$2,989,291
Residual Cap Rate Assumption	5.50%	5.50%
Gross Devloper Proceeds	**$43,485,436**	**$54,350,745**
PROJECTED DEVELOPER PROFIT	**$6,734,634**	**$8,511,384**
DEVELOPMENT BUDGET PER UNIT		
Land Acquistion		
Soft Costs + Contingency		
Hard Costs		
Total	MIXED USE | NOT APPLICABLE	MIXED USE | NOT APPLICABLE
Developer Fee (Within Soft Costs)		
ESTIMATED DEV. RESIDUAL SALE PROCEEDS PER UNIT		
Estimated Stabilzed NOI		
Residual Cap Rate Assumption		
Gross Devloper Proceeds		
PROJECTED DEVELOPER PROFIT		
DEVELOPMENT BUDGET PER TOTAL SF		
Land Acquistion	$0 PSF	$160 PSF
Soft Costs + Contingency	$134 PSF	$96 PSF
Hard Costs	$337 PSF	$366 PSF
Total	**$471 PSF**	**$622 PSF**
Developer Fee (Within Soft Costs)	See Above	$11 PSF
ESTIMATED DEV. RESIDUAL SALE PROCEEDS PER TOTAL SF		
Estimated Stabilzed NOI	$31 PSF	$41 PSF
Residual Cap Rate Assumption	5.50%	5.50%
Gross Devloper Proceeds	**$557 PSF**	**$738 PSF**
PROJECTED DEVELOPER PROFIT	**$86 PSF**	**$116 PSF**

Menin Hospitality: *4/6/2020*

GENERAL INFO	
Rentable SF - Multifamily	63,954 RSF
Rentable SF - Retail	14,098 RSF
Total Rentable SF	78,052 RSF
Total MF Units	120 Units
Analysis Start	1/1/2023
Analysis End	12/31/2121
Analysis Period	99 Years

PARKING	
Structured Parking	0 Spaces
Surface Parking	0 Spaces
Total Parking	0 Spaces

TAX PROJECTIONS	
Annual Year 1 Tax Projection (Develper Quoted)	$390,000
Annual Tax Growth Rate	2.00%
Abatement Percentage	0.00%

LAND DISPOSITION PROCEEDS	
Land Sale	$0

DEVELOPMENT BUDGET	$ Amount
Land Acquistion	$0
Soft Costs / Financing Costs	$10,482,265
Hard Costs + Contingency	$26,268,537
Total	**$36,750,802**

RENTAL RATE ASSUMPTIONS	
Multifamily Average Rent per Month	$3.99
Retail Average Rent per Year	$57.00

ESTIMATED DEVELOPER RESIDUAL SALE PROCEEDS	
Estimated Stabilzed NOI	$2,391,699
Residual Cap Rate Assumption	5.50%
Gross Devloper Proceeds	**$43,485,436**

NOTES

NOTES (Continued)

CASH FLOWS (Discounted Annually)	NPV @ 5.00%	Initial	1/1/2023 Year 1	1/1/2024 Year 2	1/1/2025 Year 3	1/1/2026 Year 4	1/1/2027 Year 5	1/1/2028 Year 6	1/1/2029 Year 7	1/1/2030 Year 8	1/1/2031 Year 9	1/1/2032 Year 10
Years 1-10												
Tax Revenue	$12,262,742	$0	$390,000	$397,800	$405,756	$413,871	$422,149	$430,592	$439,203	$447,987	$456,947	$466,086
Tax Abatement	$0	0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Disposition Proceeds	$0	0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total	**$12,262,742**											

	1/1/2033 Year 11	1/1/2034 Year 12	1/1/2035 Year 13	1/1/2036 Year 14	1/1/2037 Year 15	1/1/2038 Year 16	1/1/2039 Year 17	1/1/2040 Year 18	1/1/2041 Year 19	1/1/2042 Year 20
Years 11-20										
Tax Revenue	$475,408	$484,916	$494,614	$504,507	$514,597	$524,889	$535,386	$546,094	$557,016	$568,156
Tax Abatement	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Disposition Proceeds	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0

	1/1/2043 Year 21	1/1/2044 Year 22	1/1/2045 Year 23	1/1/2046 Year 24	1/1/2047 Year 25	1/1/2048 Year 26	1/1/2049 Year 27	1/1/2050 Year 28	1/1/2051 Year 29	1/1/2052 Years 30-99	Total Proceeds
Years 21-30											
Tax Revenue	$579,519	$591,110	$602,932	$614,991	$627,291	$639,836	$652,633	$665,686	$678,999	$103,871,616	$119,000,588
Tax Abatement	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Disposition Proceeds	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
											$119,000,588

Pacific Star Capital: *4/6/2020*

GENERAL INFO	
Rentable SF - Hotel	53,861 RSF
Rentable SF - Retail	19,820 RSF
Total Rentable SF	73,681 RSF
Total Hotel Rooms	160 Rooms
Analysis Start	1/1/2023
Analysis End	12/31/2121
Analysis Period	99 Years

PARKING	
Structured Parking	0 Spaces
Surface Parking	0 Spaces
Total Parking	0 Spaces

TAX PROJECTIONS	
Annual Year 1 Tax Projection (Develper Quoted)	$538,003
Annual Tax Growth Rate	2.00%
Abatement Percentage	0.00%

LAND DISPOSITION PROCEEDS	
Land Sale	$11,797,088

DEVELOPMENT BUDGET	$ Amount
Land Acquistion	$11,797,088
Soft Costs / Financing Costs	$7,070,783
Hard Costs	$26,971,490
Total	**$45,839,361**

RENTAL RATE ASSUMPTIONS	
RevPAR	$103.36
Retail Average Rent per Year	$44.54

ESTIMATED DEVELOPER RESIDUAL SALE PROCEEDS	
Estimated Stabilzed NOI	$2,989,291
Residual Cap Rate Assumption	5.50%
Gross Devloper Proceeds	**$54,350,745**

NOTES

-- Land Acquisition breakdown as follows: BCT & PBS = $8,797,088, Lot P80 = $3,000,000.

NOTES (Continued)

CASH FLOWS (Discounted Annually)	NPV @ 5.00%	Initial	1/1/2023 Year 1	1/1/2024 Year 2	1/1/2025 Year 3	1/1/2026 Year 4	1/1/2027 Year 5	1/1/2028 Year 6	1/1/2029 Year 7	1/1/2030 Year 8	1/1/2031 Year 9	1/1/2032 Year 10
Years 1-10												
Tax Revenue	$16,916,389	$0	$538,003	$548,763	$559,738	$570,933	$582,352	$593,999	$605,879	$617,996	$630,356	$642,963
Tax Abatement	$0	0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Disposition Proceeds	$11,797,088	11,797,088	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total	**$28,713,477**											

	1/1/2033 Year 11	1/1/2034 Year 12	1/1/2035 Year 13	1/1/2036 Year 14	1/1/2037 Year 15	1/1/2038 Year 16	1/1/2039 Year 17	1/1/2040 Year 18	1/1/2041 Year 19	1/1/2042 Year 20
Years 11-20										
Tax Revenue	$655,823	$668,939	$682,318	$695,964	$709,884	$724,081	$738,563	$753,334	$768,401	$783,769
Tax Abatement	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Disposition Proceeds	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0

	1/1/2043 Year 21	1/1/2044 Year 22	1/1/2045 Year 23	1/1/2046 Year 24	1/1/2047 Year 25	1/1/2048 Year 26	1/1/2049 Year 27	1/1/2050 Year 28	1/1/2051 Year 29	1/1/2052 Years 30-99	Total Proceeds
Years 21-30											
Tax Revenue	$799,444	$815,433	$831,742	$848,377	$865,344	$882,651	$900,304	$918,310	$936,676	$143,290,362	$164,160,700
Tax Abatement	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Disposition Proceeds	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$11,797,088
											$175,957,788