



City of Miami Beach, 1700 Convention Center Drive, Miami Beach, Florida 33139, [www.miamibeachfl.gov](http://www.miamibeachfl.gov)

## COMMITTEE MEMORANDUM

TO: Honorable Chair and Members of the Finance and Economic Resiliency Committee

FROM: Alina T. Hudak, City Manager

DATE: February 25, 2022

SUBJECT: **A DISCUSSION OF A PROPOSED PARKING GARAGE, MIXED-USE OFFICE/RETAIL PROJECT ON THE CITY PARKING LOT AT 1262 COLLINS AVENUE (P16)**

### **Background**

On October 13, 2021, Commissioner Ricky Arriola referred a discussion item to the Finance and Economic Resiliency Committee (FERC) pertaining to a proposal for a mixed-use building at the location of City-owned Parking Lot (P16) located at 1262 Collins Avenue (Item #C4O). The item was deferred to a future FERC meeting for discussion.

Parking Lot P16, located at the southwest corner of Collins Avenue and 13<sup>th</sup> Street is a 21,000 square foot surface parking lot with sixty (60) spaces. The parcel is comprised of Miami-Dade County folio numbers 02-3234-008-1020 and 02-3234-008-1030. Annual parking revenue for P16 averaged \$380,729.50 for the period between FY2016 and FY2019.

Location Ventures, LLC (LV) submitted an unsolicited proposal that would engage the City and LV in a redevelopment Project of P16 with a new mixed-use structure, including ground floor commercial space, office space and a parking garage. The new structure is proposed to consist of 169 parking spaces, 8,167 square feet of ground floor retail, and 8,524 square feet of Class A office space, with an overall maximum height of seventy-five (75) feet. LV is requesting a 99-year lease and, as proposed, would collect 100% of the net cashflow from the operation of the garage after debt service until the payoff of the Project equity, and a ten percent (10%) internal rate of return on the Project equity. Upon payback of the equity, the City and LV have the right to terminate the leasehold interest and LV would turn over management and operation of the project to the City.

### **ANALYSIS**

Considering the size and location of the subject site, the Administration believes that if the parking lot is to be developed through a public-private partnership, there should be a competitive bidding process. If a competitive bid process is recommended by FERC and approved by the City Commission, then a formal Project Scope and Term Sheet would be developed.

## **CONCLUSION**

If the Finance and Economic Resiliency Committee determines that the development of P16 would be beneficial to the City's economic interests, the Administration recommends the formal competitive bidding process set forth in section 82-39(a) of the City Code be followed, finding that it is in the City's best interest to solicit additional bids and concepts in order to affirm the highest and best use for this parcel.

### Exhibits

A – Location Ventures, LLC Term Sheet

B – Location Ventures, LLC Concept Design