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## COMMITTEE MEMORANDUM

TO: Finance and Economic Resiliency Committee Members

FROM: Alina T. Hudak, City Manager

CC: Rafael Paz, City Attorney

DATE: April 19, 2022

DocuSigned by:

*Eric Carpenter*

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SUBJECT: **NEGOTIATED TERM SHEETS PURSUANT TO RFP 2021-173-KB FOR MIXED-USE DEVELOPMENTS INCORPORATING CLASS A OFFICE SPACE WITH RESPECT TO CITY-OWNED PARKING LOTS P25, P26, AND P27**

### History:

The City Commission has expressed an interest in diversifying the City's economy and its revenue sources by capitalizing on economic growth opportunities presented by the current and projected business growth in the region, particularly by making a concerted effort to increase Class A office space inventory throughout the City to attract targeted industries.

At its December 11, 2019 meeting, the City Commission discussed the possibility of making available surface parking lots along Lincoln Lane North to promote the development of Class A office space in the city center/Lincoln Road area. To gauge interest from the development community, the City Commission directed staff to issue a request for letters of interest (RFLI) for the development of Class A office space on surface parking lots immediately north of Lincoln Lane.

On October 9, 2020, the Administration issued RFLI 2021-029-KB seeking expression of interest from developers interested in building Class A office developments on surface parking lots P25, P26, and P27. The RFLI yielded expression of interest from eighteen (18) respondents.

Based on the results of the RFLI, on February 19, 2021, the Finance and Economic Resiliency Committee (FERC or the Committee) recommended the Administration seek City Commission authorization to prepare a Request for Proposals (RFP) for ground leases and development agreements for the development of Class A office space on three Lincoln Lane surface parking lots (P25, P26, and P27). On February 24, 2021, the City Commission discussed the results of the RFLI, accepted the FERC's recommendation, and directed the Administration to include all three surface parking lots as well as the 17<sup>th</sup> Street parking garage (parking garage G5) in a forthcoming RFP.

On March 17, 2021, the City Commission adopted Resolution No. 2021-31617, authorizing the preparation of a RFP for mixed-use development incorporating Class A office space at three City-owned sites along Lincoln Lane North as well as the 17<sup>th</sup> Street parking garage (G5).

On June 23, 2021, the Mayor and City Commission approved the issuance of Request for Proposals (RFP) 2021-173-KB for mixed-use developments incorporating Class A office space on City-owned parking lots P25, P26, P27, and parking garage G5. The RFP included multiple site options for proposed development.

The goals of the RFP included:

- (1) encouraging development of Class A office space to meet growing demand;
- (2) maintaining parking capacity while providing alternative and sustainable transportation and mobility options;
- (3) transforming and activating North Lincoln Lane from a service alley to a vibrant and pedestrian-friendly street with amenities that will enhance the urban experience; and
- (4) connecting the Convention Center District with Lincoln Road.

Key RFP Terms	
Required Class A Office and Retail Space	<ul style="list-style-type: none"> <li>50% of floor area ratio (FAR) available at each site must be Class A office space.</li> <li>Ground floor portions of the project facing a street, sidewalk, or Lincoln Lane North must include an activated liner of retail, restaurant, personal service, or similar active uses.</li> </ul>
Replacement Parking	<ul style="list-style-type: none"> <li>Projects must provide in-kind replacement of existing public parking spaces displaced by the development, in addition to satisfying City Code off-street parking requirements applicable to proposed uses.</li> <li>Project must be staged to minimize the number of parking spaces temporarily displaced during development.</li> </ul>
Lease Term	<ul style="list-style-type: none"> <li>99-year maximum lease term with a 51-year initial term and two (2) 24-year renewal options.</li> <li>Each ground lease structured as a "triple net" lease, with lessee solely responsible for all real estate taxes, utilities, assessments or other public charges, insurance, maintenance, and all other costs and expenses associated with the operation of the Project.</li> </ul>
Voter Referendum for Lease Approval	<ul style="list-style-type: none"> <li>Lease of all three lots would require approval by a majority of voters (i.e., greater than 50%) in a citywide referendum (Referendum).</li> <li>Development agreement and ground lease between City and one or both Developers must be in final form and approved by City Commission prior to placement of Referendum question on the ballot. To qualify for November 8, 2022 General Election, ballot items due to Supervisor of Elections by July 29, 2022.</li> <li>At City Commission's sole discretion, the Referendum could be scheduled for a special election on a different date if: (1) the development agreement and lease for the applicable Option(s) are finalized and approved by City Commission and (2) the Developer pays its pro-rated share (based on total number of ballot questions) of the cost of a special election (approximately \$400,000).</li> </ul>

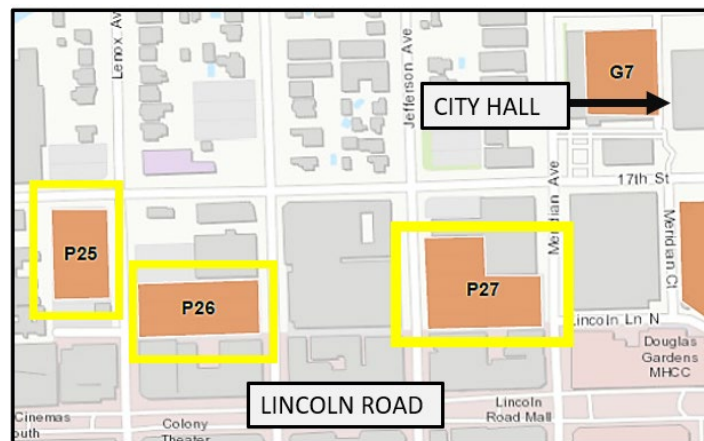
### Award & Authorization to Negotiate

RFP responses were due and received on January 12, 2022. The City received proposals from three (3) firms: Infinity Collective LLC, Lincoln Road Holdings LLC, and Lincoln Road Property Owners, L.P. On February 1, 2022, the Evaluation Committee reviewed and evaluated all proposals. Upon review of the results of the Evaluation Committee and an assessment of the proposals, the City Manager recommended that the Mayor and City Commission authorize the City Administration to:

- Negotiate with Lincoln Road Property Owner, L.P., (a joint venture among Integra Investments, Starwood Capital Group, and The Comras Company (“Integra”) with regards to P25 and P26 (Option 5), and, if the Administration is not successful in negotiating an agreement with Integra, authorizing the Administration to negotiate with TPC; and
- Negotiate with Lincoln Road Holdings LLC (a joint venture among The Peebles Corporation, Scott Robins Companies, Inc., and the Baron Corporation) (“TPC”) with regards to P27 (Option 3). Additionally, if the Administration is not successful in negotiating an agreement with TPC, authorizing the Administration to negotiate with Integra in regard to this option.

On February 23, 2022, via Resolution No. 2022-32054, the Mayor and City Commission accepted the recommendation of the City Manager and authorized the Administration to negotiate with the proposers. In addition to referring any potential amendments to the City Code (or otherwise) to appropriate land use boards, the Resolution also referred an item to this Committee to discuss the negotiations as a means of providing the Administration with direction during the negotiation phase.

Even though the RFP invited proposals to develop four sites (P25, P26, P27, and G5, or a combination thereof), at present, negotiations concern only three sites: P25 and P26 combined, and P27.



P25	
Address	1680 Lenox Avenue
Size	37,116 sq. ft. (0.85 acres)
Parking Spaces	86 spaces
Adjacent Zoning	CD-2 / CD-3
Height allowed by Code	70 feet
FAR allowed by Code	1.87
RFP Proposer	Integra

<b>P26</b>	
Address	1080 Lincoln Lane North
Size	48,863 sq. ft. (1.12 acres)
Parking Spaces	106 spaces
Adjacent Zoning	CD-3
Height allowed by Code	80 feet
FAR allowed by Code	2.75
RFP Proposer	Integra

<b>P27</b>	
Address	1664 Meridian Avenue
Size	60,972 sq. ft. (1.39 acres)
Parking Spaces	154 spaces
Adjacent Zoning	CD-3
Height allowed by Code	80 feet
FAR allowed by Code	2.75
RFP Proposer	TPC

<b>Annual Revenue by Parking Lot</b>				
	FY 18	FY19	FY20	FY 21
P25	\$ 420,478.12	\$ 383,700.87	\$ 228,078.08	\$ 323,489.85
P26	\$ 541,637.19	\$ 477,463.64	\$ 276,164.83	\$ 385,291.19
SUM P25+P26	\$ 962,115.31	\$ 861,164.51	\$ 504,242.91	\$ 708,781.04
P27	\$ 674,658.86	\$ 654,961.62	\$ 378,562.31	\$ 488,165.11
<i>Source: Miami Beach Parking Department</i>				

On March 30, 2022, the FERC received an update on the negotiations, during which the Committee posed questions to the Administration regarding the preparation of the ballot referendum questions and requested that subsequent agenda items present the proposed projects' terms in tandem side-by-side to facilitate the Committee's comparison of both projects.

#### Proposed Land Use Amendments

In accordance with the City Code's provision allowing for zoning criteria to be determined by a development agreement, the RFP stated that "Proposals shall be guided by the Land Development Regulations, however, proposed changes to the Land Development Regulations will be considered." On April 8, 2022, the Land Use and Sustainability Committee ("LUSC") provided feedback on three legislative amendments requested and proposed in support of the two projects, which would serve to enhance the project design and provide for more optimal use of the City-owned land:

1. An amendment to Policy RLU 1.1.17 of the 2040 Comprehensive Plan, to allow for all types of residential uses (both market and affordable), as well as mixed-use developments, as an allowable use in the Public Facility Government Uses (PF) future land use category.



2. An amendment to Chapter 130 of the Land Development Regulations (LDRs) of the City Code to create a minimum off-street public parking requirement for certain developments on City-owned land in parking district No. 2. Additionally, the proposal creates the ability for developments in parking districts No. 2 and No. 3 to provide additional parking spaces in accordance with the minimum requirements set forth in parking district No. 1.
3. An amendment to Chapter 142 of the LDRs to allow for a maximum building height of 100 feet for GU properties developed by the private sector that incorporate public parking spaces owned by and/or operated for the City within the structure. The applicable area for the proposed height increase is bounded by 17th Street on the north, North Lincoln Lane on the south, Alton Road on the west, and Washington Avenue on the east.

By acclamation, the LUSC transmitted the proposed parking ordinance and the Comprehensive Plan amendment with a favorable recommendation, with the caveat that the LUSC recommended limiting the applicability of the Comprehensive Plan amendment to only those developments within the City Center area. The LUSC also voted 2-1 to transmit the height ordinance to the City without any recommendation. Following LUSC, the proposed ordinances are scheduled to be reviewed and transmitted by the Planning Board on April 26, 2022. Assuming the three ordinances are transmitted by the Planning Board on April 26, 2022, First Reading by the City Commission will be scheduled for its May 4, 2022 meeting.

The Administration is supportive of the subject ordinances as they would enhance the leasable spaces within each project, thereby attracting higher quality tenants and, ultimately, offering a better financial return to the City.

### **Analysis**

Conducting development and lease negotiations with separate proposers on two complex development projects is ambitious given the July 29, 2022 deadline for placing these items on the November 2022 ballot. With a view toward finalizing Development Agreements and Ground Leases with both Proposer teams by such date, the Administration and City Attorney's Office have dedicated considerable staff resources and participate in regularly scheduled meetings with both Proposer teams at least twice per week to establish and refine the deal terms. The proposed Term Sheets for both Projects are attached as Exhibit A.

<b>Key Project Terms</b>		
	<b>P25 + P26 (Integra)</b>	<b>P27 (TPC)</b>
<b>Developer Team</b>	Lincoln Road Property Owner, L.P., a joint venture among Integra Investments, Starwood Capital Group, and The Comras Company, referred to herein as "Integra"	Lincoln Road Holdings LLC, a joint venture among The Peebles Corporation, Scott Robins Companies, Inc., and the Baron Corporation, referred to herein as "TPC"
<b>Lease Term</b>	<ul style="list-style-type: none"> <li>99 years: 51 years + two (2) 24-year extensions</li> </ul>	<ul style="list-style-type: none"> <li>99 years: 51 years + two (2) 24-year extensions</li> </ul>

Key Project Terms		
	P25 + P26 (Integra)	P27 (TPC)
	<ul style="list-style-type: none"> <li>This Project concerns two independent but interrelated developments on separate sites. One development agreement will govern and provide for the development of both P25 and P26. However, it is contemplated that upon completion of construction, P25 and P26 will each be governed by a separate Ground Lease.</li> <li>The Parties continue to negotiate how to protect the City's interest in terms of the Development Agreement's cross-default provisions for both sites during the development phase.</li> <li>"Effective Date" for purposes of commencement of each project and, accordingly, for purposes of the milestones set forth below shall mean the date established in the notice to proceed issued by the City, which in any event shall be no earlier than the later to occur of: execution of the definitive project documents and certification of the referendum results.</li> </ul>	<ul style="list-style-type: none"> <li>"Effective Date" for purposes of commencement of each project and, accordingly, for purposes of the milestones set forth below shall mean the date established in the notice to proceed issued by the City, which in any event shall be no earlier than the later to occur of: execution of the definitive project documents and certification of the referendum results.</li> </ul>
<b>Proposed/ Preliminary Site Plan</b>	<p><u>P25:</u></p> <p>6 stories (3 levels of office, 2.5 levels of parking, ground-floor retail)</p> <ul style="list-style-type: none"> <li>Office: 44,951sf (64%)</li> <li>Retail: 12,214sf (17%)</li> </ul> <p><u>P26:</u></p> <p>8 stories (4 levels of office, 4 levels of parking, ground-floor retail; however, one convertible level of office is contingent upon approval of the height amendment)</p>	<p><u>P27:</u></p> <p>6 stories (2 levels of residential, 3 levels of office, ground floor retail, with parking spread across office and retail levels)</p> <ul style="list-style-type: none"> <li>Office: 80,000 sf (50%)</li> <li>Retail: 9,500 sf (6%)</li> <li>Residential: 69,500 sf (44%) (Approximately 46 units: 37 market-rate rental units, contingent upon amendment of the Comprehensive Plan, and 9 workforce housing units at 140% AMI)</li> </ul>

Key Project Terms		
	P25 + P26 (Integra)	P27 (TPC)
	<ul style="list-style-type: none"> <li>Office: 84,329 sf (71%)</li> <li>Retail: 12,670 sf (10%)</li> </ul> <p><u>Total (P25 + P26):</u></p> <ul style="list-style-type: none"> <li>Total Floor Area: 188,299 sf</li> <li>Total Office: 129,280 sf (68%)</li> <li>Total Retail: 24,884 sf (13%)</li> </ul> <p>*Note: Percentages refer to the approximate percentage of floor area attributable to total FAR.            ** Assumes Land Use Amendments move forward. If Land Use amendments do not move forward, the available square footage would be reduced by approximately 21,000 sf.</p>	<ul style="list-style-type: none"> <li>Total SF: 159,000 sf</li> </ul> <p>*Note: Percentages refer to the approximate percentage of floor area attributable to total FAR            ** Assumes Land Use amendments move forward. If Land Use amendments do not move forward, the available square footage would be reduced by approximately 60,000 sf.</p>
<b>Proposed Land Use Amendments</b>	<ul style="list-style-type: none"> <li><u>Comprehensive Plan amendment:</u> Proposed program is not impacted by this proposed ordinance.</li> <li><u>Off-street parking amendment:</u> Initial proposal would not be impacted by this proposed ordinance.</li> <li><u>Height amendment:</u> On P25, the height amendment would allow for an additional 11', resulting in a height of 86'-2" instead of 75'-0" at the southern end of P25 closest to Lincoln Road, and providing for greater floor-to-ceiling heights of the office and retail levels. On P26, the additional height would allow for (i) greater floor-to-ceiling heights of the office and retail levels; (ii) the top level of parking would include mechanical parking lifts and be convertible into habitable space in the event that parking demand decreased at a future date in time; and (iii) if the Off-Street Parking amendment is</li> </ul>	<ul style="list-style-type: none"> <li><u>Comprehensive Plan Amendment:</u> At present, workforce and affordable housing are the only residential uses permitted in land uses designated as Public Facilities. Therefore, this amendment is necessary to permit TPC to include market-rate residential units in its Project.</li> <li><u>Off-street parking amendment:</u> The City Code does not count required off-street parking towards FAR limitations. At present, City parking facilities are not considered Required Parking for GU properties. Therefore, TPC could not provide the Replacement Parking and sufficient off-street parking for its office, commercial, and residential uses, without exceeding maximum allowed FAR. With the amendment, the Replacement Parking that will be owned by the City and is a required component of the RFP, will not count towards limiting</li> </ul>

Key Project Terms		
	P25 + P26 (Integra)	P27 (TPC)
	approved, an additional floor of Class-A office space.	development of other project components. <ul style="list-style-type: none"> <li><u>Height amendment</u>: Initial proposal would not be impacted by this proposed ordinance.</li> </ul>
<b>Construction Timeline</b>	<ul style="list-style-type: none"> <li>Required outside dates to achieve Project milestones remain under negotiation, however, to date, Temporary Certificate of Occupancy (TCO) is required to be achieved at 63 months from Effective Date for P25 and 82 months for P26.</li> <li>Integra is phasing construction of the two lots in a manner that will not require the use of other parking facilities in the City to handle displaced parking. All spaces Integra is required to provide during construction will be kept within P25 and P26 throughout the duration of construction.</li> </ul>	<ul style="list-style-type: none"> <li>Required outside dates to achieve Project milestones remain under negotiation however, to date, Temporary Certificate of Occupancy (TCO) is required to be achieved at 61 months from the Effective Date.</li> </ul>
<b>Rent</b>	<p><b>Below are Key Financial Terms, for full financial terms and annual rent payments, please refer to Financial Proposals Table in Exhibit B. Financial terms remain subject to negotiation.</b></p> <ul style="list-style-type: none"> <li>Initial Lump Sum Payment, immediately upon Effective Date: \$2.5M</li> <li>Guaranteed Annual Rent, beginning one (1) year after Effective Date:               <ul style="list-style-type: none"> <li>Year 2: \$650,000</li> <li>Years 3-4: \$725,000</li> <li>Years 5-6: \$750,000</li> </ul> </li> <li>Additional Lump Sum Payment, at TCO: \$500,000 per building (\$1M total)</li> <li>Rent Escalations (Guaranteed Rent), commencing at 73 months after Effective Date: the</li> </ul>	<p><b>Below are Key Financial Terms, for full financial terms and annual rent payments, please refer to Financial Proposals Table in Exhibit B. Financial terms remain subject to negotiation.</b></p> <ul style="list-style-type: none"> <li>Initial Lump Sum Payment, at Construction Commencement: \$2M</li> <li>Guaranteed Annual Rent, beginning at Construction Commencement (but no later than 34 months after Effective Date): \$250,000</li> <li>Guaranteed Annual Rent, beginning at Construction Completion (but no later than 61 months after Effective Date): \$550,000</li> <li>Rent Escalations (Guaranteed Rent), commencing at Project Stabilization (estimated for 85</li> </ul>

<b>Key Project Terms</b>		
	<b>P25 + P26 (Integra)</b>	<b>P27 (TPC)</b>
	<p>greater of 2% or CPI, but no more than 3%</p> <ul style="list-style-type: none"> <li>Percentage Rent Participation: 5% of Effective Gross Income (or Guaranteed Annual Rent, whichever is greater)</li> <li>Base Rent Reset for each of the P25 Project and the P26 Project: At time of rent reset, hypothetical rent would be calculated based on year 6 (\$750,000) (based on the allocated Base Rent for P25 and P26 escalated through the rent reset date by the higher of 2% or CPI (uncapped). This would occur at years 51 (for years 52-75) and year 75 (for years 76-99). This formula is in lieu of an appraisal.</li> </ul>	<p>months after Effective Date): the greater of 2% or CPI, but no more than 3%</p> <ul style="list-style-type: none"> <li>Percentage Rent Participation: 4% of Effective Gross Income (or Guaranteed Annual Rent, whichever is greater)</li> <li>Base Rent Reset: At time of rent reset, hypothetical rent would be calculated based on year when full rent (i.e. \$550,000) commences escalated through the rent reset date by the higher of 2% or CPI (uncapped). This would occur at years 51 (for years 52-75) and year 75 (for years 76-99). This formula is in lieu of an appraisal.</li> </ul>
<b>City Parking Revenue</b>	<ul style="list-style-type: none"> <li>100% of net revenues collected from the 192 replacement parking spaces provided back to the City. (Definition of “net” to be negotiated.)</li> </ul>	<ul style="list-style-type: none"> <li>100% of net revenues collected from the 154 replacement parking spaces provided back to the City. (Definition of “net” to be negotiated.)</li> </ul>
<b>Insurance, Taxes, Utilities</b>	<ul style="list-style-type: none"> <li>Both leases are “triple net” however, if the City elects to operate the Replacement Parking Component, the City would be responsible for costs and expenses attributable to the Replacement Parking Component</li> </ul>	<ul style="list-style-type: none"> <li>Same</li> </ul>
<b>Project Financing</b>	<ul style="list-style-type: none"> <li>Developer permitted to use multiple lenders including a mezzanine loan, provided that, in each case, an Institutional Lender shall be used and loan-to-cost ratio for construction financing or loan-to-value ratio for permanent financing) shall not exceed ninety percent (90%)</li> <li>In no event shall the City's fee interest in the Property be subordinate to any mortgage or</li> </ul>	<ul style="list-style-type: none"> <li>Same</li> </ul>

Key Project Terms		
	P25 + P26 (Integra)	P27 (TPC)
	<p>liens and the City shall have first priority right of payment of rent at all times</p> <ul style="list-style-type: none"> <li>Developer shall at all times maintain not less than ten percent (10%) equity in the Project, including Developer's initial equity contribution to the Project.</li> <li>The City is not and shall not be required to provide any funding or financing for the Project, including without limitation, any tax credits and/or subsidies.</li> </ul>	
<b>Termination for Convenience</b>	<ul style="list-style-type: none"> <li>Developer may terminate the Development Agreement at any time <i>prior to issuance of the building permit</i> in the event:               <ol style="list-style-type: none"> <li>any of the Required Approvals render the Project economically unfeasible in the reasonable business judgment of Developer;</li> <li>the Project cannot meet concurrency requirements under Section 163.3180, Florida Statutes, or the costs of concurrency mitigation are, in the reasonable business judgment of Developer, economically unfeasible;</li> <li>Developer, after diligent, good faith efforts, has been unable to obtain a full building permit for the Project pursuant to the Approved Plans;</li> <li>Developer, after diligent, good faith efforts, is unable to secure adequate financing on financial terms that are commercially reasonable; or</li> </ol> </li> </ul>	<ul style="list-style-type: none"> <li>Same</li> </ul>

Key Project Terms		
	P25 + P26 (Integra)	P27 (TPC)
	<p>(5) there shall exist any material adverse change in national or global economic conditions that in the Developer's reasonable and good faith judgment would materially, adversely affect the financial viability of the Project.</p> <ul style="list-style-type: none"> <li>The City has no termination for convenience right once the agreements are signed.</li> </ul>	
<p><b>Termination for Cause</b>   <b>(Development Agreement)</b></p>	<ul style="list-style-type: none"> <li>City may terminate the Development Agreement for cause, as a result of any default by Developer, which continues beyond the expiration of any applicable notice and cure period, in the Development Agreement and the Ground Lease.</li> <li>In any event of termination by Developer or by the City as a result of a default by Developer, (i) the Developer shall assign to the City all right, title, and interest the Developer has in and to the Plans and any other materials pertaining to the Project and (ii) the City shall have no further obligation to the Developer following such termination, financial or otherwise other than those obligations, if any, which expressly survive such termination.</li> </ul>	<ul style="list-style-type: none"> <li>Same</li> </ul>
<p><b>Reimbursement</b></p>	<ul style="list-style-type: none"> <li>Developer has executed an agreement pledging to reimburse the City for the City's out of pocket transactional and professional costs and expenses associated with the due diligence, negotiation, and</li> </ul>	<ul style="list-style-type: none"> <li>Same</li> </ul>

Key Project Terms		
	P25 + P26 (Integra)	P27 (TPC)
	<p>drafting of the Development Agreement and Ground Lease and development of the Project, up to \$150,000.00, including without limitation fees for the City's parking bond covenant analysis, real estate and transaction appraisals and other required reports; the City's outside counsel and paralegal fees; and any surveys, environmental assessments (if any), title searches, and other reviews engaged by the City</p>	
<p><b>Proposed/ Preliminary Public Benefits</b></p>	<p>Integra's RFP response proposed:</p> <ul style="list-style-type: none"> <li>• creation of new employment opportunities for residents of the City and neighboring communities;</li> <li>• diversification of the City's economy by attracting new employers from various industries to the City;</li> <li>• enhancing public parking around Lincoln Road;</li> <li>• an approximately 0.11-acre pocket park on the ground floor of Lot P26 (the "Public Park Component");</li> <li>• additional public meeting space as well as new health, recreational, entertainment, and cultural opportunities;</li> <li>• achieving LEED Gold designation; and</li> <li>• addressing the issue of sea level rise by providing onsite stormwater retention.</li> </ul>	<p>TPC's RFP response proposed a Project that will:</p> <ul style="list-style-type: none"> <li>• Activate, revitalize, enhance and bring new life and energy to this part of the City;</li> <li>• Serve as a benefit to the City by improving and replacing the City Spaces with covered, secure and structured parking.</li> <li>• Create new rental housing for City residents</li> <li>• Create new Class-A office space;</li> <li>• Further the City's sustainability and resiliency efforts for new development;</li> <li>• Improve lighting, providing increased safety for area;</li> <li>• Create temporary and construction jobs and long-term permanent jobs;</li> <li>• Increase the tax base and increase the tax revenue to the City;</li> <li>• Provide landscaping and overall beautification of the area surrounding the Project;</li> <li>• Create a live, work, and play environment within the Project;</li> <li>• Provide economic stimulus to the City;</li> </ul>



Key Project Terms		
	P25 + P26 (Integra)	P27 (TPC)
		<ul style="list-style-type: none"> <li>Encourage future development of areas surrounding the Project; and</li> <li>Create a pedestrian walkway connecting the Lincoln Lane neighborhood with landscaping, lighting, benches and storefronts.</li> </ul>
<b>Non-Disparagement Clause</b>	None of the Developer, any person authorized to speak on behalf of Developer, or any director or officer or member of senior management of Developer, shall engage in a deliberate campaign intended to cause voters in the Referendum to vote against the other project, including by publicly disparaging, impugning, or making derogatory statements regarding the other Project or the other developer.	<ul style="list-style-type: none"> <li>Same</li> </ul>
<b>Referendum Requirement</b>	The effectiveness of the Ground Leases and the Development Agreement shall be contingent upon voter approval of the Ground Lease at the November 8, 2022 general election in accordance with the City of Miami Beach Charter. In the event the Referendum is not successful or if the ballot question(s) are not approved, for whatever reason, the Ground Lease and Development Agreement shall be null and void.	<ul style="list-style-type: none"> <li>Same</li> </ul>

Outstanding items in continued negotiation are set forth more fully below.

i. Amendments to Land Development Regulations and Comprehensive Plan

As previously detailed, both Projects will benefit from one or more of three proposed amendments: two LDR amendments and one text amendment to the Comprehensive Plan. All three items must be approved by the City Commission, with anticipated first reading at the May 4, 2022 City Commission meeting, and the Comprehensive Plan amendment is to be reviewed and approved by the State of Florida. The Integra Project does not require any amendment for financial terms to remain as currently reflected. If the required parking and/or Comprehensive Plan amendments do not succeed, the TPC Project will need to be adjusted by decreasing office and/or residential square footage (or by eliminating the residential component altogether) with corresponding decreases to the rental payments (to be negotiated) to remain viable.

ii. Rent and Financial Terms

Although the financial and other terms in the RFP responses served as a starting point for negotiations between the City and Developer, such initial terms were not accepted by the City. Each developer has improved the financial terms from the offers included in the RFP responses and each has indicated that its present offer is its best and final. As required by the City Code, an independent consultant is preparing a real estate appraisal report for review by the City Commission. A detailed comparison of anticipated financial payments to the City from each Developer is contained in Exhibit B.

Both Developers have agreed to similar rent structures: a Lump Sum Payment early in the Lease Term (described below), with Guaranteed Annual Rent commencing, in the case of Integra, 12 months from the Effective Date and in the case of TPC, at commencement of construction which is required to occur no later than 34 months from the Effective Date. Integra's Guaranteed Minimum Rent increases by 15% between years 2 and 6, followed by escalations (greater of 2% or CPI, capped at 3%) commencing in year 7. TPC's Guaranteed Minimum Rent is substantially lower and remains constant during construction, but then doubles upon construction completion, with annual escalations (greater of 2% or CPI, capped at 3%) occurring when the project stabilizes (but not later than 84 months from the Effective Date). In both proposals, the Developer is to pay the higher of the Guaranteed Annual Rent or Percentage Rent. Integra has agreed to pay Percentage Rent of 5% of Effective Gross Income (EGI), TPC has agreed to pay 4% of EGI.

Both Developers have agreed to an Initial Lump Sum Payment: \$2.5M for Integra on the Effective Date and \$2M for TPC at Commencement of Construction which will be not later than 34 months after the Effective Date. Integra has agreed to two (2) additional Lump-Sum Payments upon issuance of Certificate of Occupancy: (\$500,000 for each the P25 and P26 buildings, not later than 63 months and 82 months, respectively). TPC does not propose any additional Lump Sum Payments.

iii. Residential Housing Component

During negotiations, TPC offered to devote approximately 20% of its 46 residential units as workforce housing for income-eligible households earning 140% of area median income (AMI). In light of the fact that 140% AMI is the income ceiling before workforce housing transitions to market rate, as defined by the City Code and the Miami-Dade County Code, the Administration seeks further confirmation of TPC's design and operational plans in order to ensure that the proposed unit mix and rental rates proposed for these units meet the City's expectations for workforce housing. TPC's most recent financial proposal juxtaposes potential Rent to the City for two potential leasing programs: (1) mixed market rate and workforce housing units (TPC's preferred option) and (2) all market rate units without any workforce units. There is not a significant difference between the two scenarios, so although the Project includes only a modest number of workforce units (i.e. 9), the Administration recommends proceeding with the model that includes the workforce housing units. Additional information regarding the financial impact to the City of including or not including the workforce housing units can be provided upon request. Nevertheless, the Administration would like more information regarding TPC's proposed rental rates and unit sizes for both the workforce and market rate units. TPC's Financial Proposal Comparison of Market-rate vs. Mixed Market-rate and Workforce Housing dated April 13, 2022 is attached as Exhibit C.

iv. Project Construction Phasing and Implications for Project Development

The Administration notes that if both Projects are approved by the City Commission and by a majority of the City's voters in the Referendum, construction of the two Projects will likely be phased. Project sequencing will take into account all appropriate factors, including impacts on parking availability in the area and other area impacts such as the construction of the Miami Beach Convention Center Hotel, provided that the City may also make a determination, in its sole, reasonable discretion, that both Projects can reasonably be constructed in tandem or otherwise simultaneously without having an adverse impact on the City's residents, businesses, and visitors. The uncertainty at the present time as to the sequencing of the two Projects may adversely affect development and construction costs for the Projects, and both TPC and Integra have expressed concern with the possibility that their respective Projects will not be first noticed to proceed. The City's determination as to phasing and order of commencement (i) shall be made in the City's sole, reasonable discretion no later than sixty (60) days following official certification of the Referendum results and (ii) shall be final and binding on the Developers with no right of appeal.

v. Preliminary Analysis of Development Impacts

Upon authorizing negotiations, the City Commission requested the preparation of preliminary and independent analysis regarding the potential impacts upon traffic, parking, and existing infrastructure for each Project, both during construction and upon development, including proposed plans to mitigate these impacts. Not only will development of the sites have lasting effects on City Center, but the construction process must be properly planned for and managed considering that existing City parking facilities will be taken offline during the process and development is accelerating for the Convention Center Hotel.

Initial findings of various consultants related to civil, traffic, and parking were provided to the City on April 13, 2022 and remain under initial review by the City Administration. Excerpts of these reports are included as Exhibit D. TPC's and Integra's traffic analysis indicates that all three proposed developments will have a significant impact to Alton Road, the major roadway that will be used to access the proposed developments; however, the report does not anticipate that the current roadway configurations will necessitate the construction of exclusive traffic lanes at the proposed driveway connections to public roadways. TPC's parking analysis indicates that there are approximately 6,538 parking spaces in parking garages within the vicinity of P27 which will facilitate and provide sufficient ability for the Project to mitigate any temporary loss of parking. In its proposed Parking Mitigation Strategy for P25 and P26, Integra maximizes use of both properties in a phased manner to ensure continued availability of existing City parking capacity throughout construction of its two sites, without the need to displace existing parking to offsite parking facilities.

vi. Operation of the City's Public Parking Replacement Component

As negotiated, the City shall operate all Public Parking Replacement Components for each Project, provided that, the City shall have the right, in its sole discretion, to decide that the Developer shall operate the Public Parking Replacement Components if notice is provided to the Developer by or before sixty (60) days following official certification of the Referendum results. If the City elects to operate the Public Parking Replacement Component, applicable terms will be incorporated into a separate operating agreement. If the City requires Developer to operate the Public Parking Replacement Component, the

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Developer and the City will negotiate terms such as standards of operation, responsibility for costs and expenses, etc. In all circumstances, the City and Developer stipulate that parking rates for Public Parking Components shall not be higher than the City's then-applicable rates for similar parking facilities.

## **CONCLUSION**

Subject to the Committee's direction as to the policy and business issues outlined in this Memorandum, the Administration recommends that the Committee approve, in concept, the Term Sheets for each Project, P25 and P26 combined and P27, and authorize the Administration to continue negotiations and incorporate any direction from the Committee, in order to present the Terms Sheets to the City Commission for consideration.

## **Attachments**

- A. Proposed Term Sheets dated April 15, 2022
- B. Comparison of Financial Proposals for both Projects
- C. TPC Financial Proposal and Residential Unit Type Comparison dated April 13, 2022
- D. Preliminary Impacts Analyses
  - i. Public Parking Mitigation Strategy (*P25 and P26*)
  - ii. Parking Mitigation by Desman Design Management (*P27 only*)
  - iii. Traffic Management by Langan Engineering and Environmental Services, Inc. (*P25, P26, P27*)
  - iv. Civil Engineering Due Diligence by Langan Engineering and Environmental Services, Inc. (*P25, P26, P27*)
- E. Project Renderings

DS  
RW

## **Exhibit A.1: Integra Term Sheet**

### **Lincoln Land Class A Office Space and Parking Development Agreement Proposed Term Sheet City Revised Draft - April 15, 2022**

Capitalized terms used in this Term Sheet and not defined shall be defined in the Development Agreement and/or Ground Lease, as applicable.

#### **1. Overview of Transaction Structure and Project:**

- a. The City of Miami Beach, Florida (the “City”) owns those certain surface parking lots referred to as Lots P25 and P26 and consisting of the following eleven (11) tax folios: (1) with respect to Lot P25: 02-3234-004-0870, 02-3234-004-0880, 02-3234-004-0890, 02-3234-004-0900, and 02-3234-004-0910; and (2) with respect to Lot P26: 02-3234-004-0710, 02-3234-004-0720, 02-3234-004-0730, 02-3234-004-0820, 02-3234-004-0830, and 02-3234-004-0840, all located in Miami Beach, Florida (collectively, the “Property”).
- b. Lincoln Road Property Owner, L.P., a Delaware limited partnership (“Developer”), has responded to the City’s Request for Proposals 2021-173-KB (“RFP”) for the redevelopment of the Property and the City Commission authorized the City to commence negotiations with Developer for the redevelopment of the Property based on Developer’s proposal.
- c. Developer, at its sole cost and expense, intends to develop, design, permit, construct, operate and, as applicable, maintain on Lots P25 and P26, respectively, the following (collectively, the “Project”), subject to any changes to the Project that may be approved by the City in its sole discretion in accordance with the Development Agreement and/or Ground Lease (as defined below):

(1) With respect to Lot P25 (the “P25 Project”):

(A) a Class A office component consisting of approximately [44,951] square feet (the “P25 Office Component”) which shall in any event constitute approximately 66% (and not less than 50%) of the approved floor area ratio (FAR);

(B) a ground floor retail component consisting of approximately [12,214] square feet which shall in any event include a fully activated liner of retail, restaurant, personal service or similar active uses, with a minimum depth of 50 feet along the entire ground floor portions of the Project facing a street, sidewalk or Lenox Avenue and 17th Street except for access points for vehicles and pedestrians (the “P25 Retail Component”);

(C) a public parking component to replace the existing public parking spaces on Lot P25 consisting of at least ninety (90) public parking spaces (the “P25 Public Parking Replacement Component”) (for the avoidance of doubt, the City shall operate the P25 Public Parking Replacement Component and it shall be excluded from the Ground Lease pursuant to a condominium regime, as shall be further described in the Development Agreement, provided, the City shall have the right, in its sole discretion, to cause the Developer to operate the P25 Public Parking Replacement Component by written notice to the Developer by or before the date that is sixty (60) days from the date the Referendum (as defined below) results are certified). In the event the City requires Developer to operate the P25 Public Parking Replacement Component, the Developer and the City shall agree to additional terms regarding the Public Parking Replacement Component below; and

(D) additional parking component consisting of ninety-five (95) private parking spaces for use by the occupants of the P25 Office Component and the P25 Retail Component (the “P25 Additional Parking Component”). The P25 Office Component, the P25 Retail Component, and the P25 Additional Parking Component are hereinafter collectively referred to as the “P25 Ground Lease Component”; and

(2) With respect to Lot P26 (the “P26 Project”):

(A) a Class A office component consisting of approximately [63,339] square feet (the “P26 Office Component,” and together with the P25 Office Component, the “Office Component”) which shall in any event constitute approximately 68% (and not less than 50%) of the approved floor area ratio (FAR); <sup>1</sup>

(B) a ground floor retail component consisting of approximately [12,670] square feet which shall in any event include a fully activated liner of retail, restaurant, personal service or similar active uses, with a minimum depth of 50 feet along the entire ground floor portions of the project facing a street, sidewalk or Lincoln Lane North except for access points for vehicles and pedestrians (the “P26 Retail Component,” and together with the P25 Retail Component, the “Retail Component”);

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<sup>1</sup> In the event the proposed amendments to the LDRs are approved, the square footage of the P26 Office Component will be increased to approximately [84,329] square feet. Notwithstanding the foregoing, such increased square footage will not be included for purposes of allocating the aggregate Base Rent between the P25 Project and the P26 Project, as described in Section 3.b. below.

- (C) a public parking component to replace the existing public parking spaces on Lot P26 consisting of at least 106 public parking spaces (the “P26 Public Parking Replacement Component,” and together with the P25 Public Parking Replacement Component, the “Public Parking Replacement Component”) (for the avoidance of doubt, the City shall operate the P26 Public Parking Replacement Component and it shall be excluded from the Ground Lease pursuant to a condominium regime, as shall be further described in the Development Agreement, provided, the City shall have the right, in its sole discretion, to cause the Developer to operate the P26 Public Parking Replacement Component by written notice to the Developer by or before the date that is sixty (60) days from the date the Referendum results are certified ). In the event the City requires the Developer to operate the P26 Public Parking Replacement Component, the Developer and the City shall agree to additional terms regarding the Public Parking Replacement Component below; and
- (D) additional parking component consisting of 126 private parking spaces for use by the occupants of the P26 Office Component and the P26 Retail Component (the “P26 Additional Parking Component” and together with the P25 Additional Parking Component, the “Additional Parking Component”). The P26 Office Component, the P26 Retail Component, and the P26 Additional Parking Component are hereinafter collectively referred to as the “P26 Ground Lease Component”. The P25 Ground Lease Component and the P26 Ground Lease Component are hereinafter collectively referred to as the “Ground Lease Component”.
- (3) The public benefits of the Project (collectively, the “Public Benefits Components”) including, but not limited to, the following:
- (A) the creation of new employment opportunities for residents of the City and neighboring communities;
  - (B) diversification of the City’s economy by attracting new employers from various industries to the City;
  - (C) enhancing public parking available in the Lincoln Road areas of the City;
  - (D) an approximately 0.11-acre pocket park on the ground floor of Lot P26 (the “Public Park Component”);
  - (E) providing the public with additional meeting space as well as new health, recreational, entertainment, and cultural opportunities;

(F) achieving LEED Gold designation; and

(G) addressing the issue of sea level rise by providing onsite stormwater retention.

- d. The transaction will be structured as a development agreement for construction of the Project (the “Development Agreement”) and a long-term ground lease for the completed P25 Ground Lease Component (the “P25 Ground Lease”) and the completed P26 Ground Lease Component (the “P26 Ground Lease;” and together with the P25 Ground Lease, collectively, the “Ground Lease”), which shall be cross-defaulted. Based on Developer’s intended phasing plan for construction of the Project in accordance with the milestones set forth below and which shall be further described in the Development Agreement, following Substantial Completion of the P25 Ground Lease Component and the P26 Public Parking Replacement Component and the opening of the Public Parking Replacement Component to the public (the “Public Parking Opening Date”), the City agrees to release the cross-default between the P25 Ground Lease and the P26 Ground Lease and the cross-defaults between the Development Agreement and the P25 Ground Lease; provided, however, in the event that (but only for so long as) Developer has a single lender for the P25 Project and the P26 Project and the financings thereof are cross-defaulted, the City shall have no obligation to release the cross-default between the P25 Ground Lease and P26 Ground Lease or between the Development Agreement and the P25 Ground Lease.
- e. The Ground Lease shall be subject to, and comply with, Chapter 82, Article II, Sections 82-36 through 82-40 of the City Code, and requires approval by a majority of the voters voting in a Citywide referendum pursuant to Section 1.03(b)(2) of the City Charter (the “Referendum”). In the City Commission’s sole discretion, if requested by Developer, the Referendum could be scheduled for a special election on a date different than the scheduled general election (November 8, 2022), provided that the Developer pays its pro rata share (based on total number of questions on the ballot) of the costs of a special election (approximately \$400,000). Whether or not the Ground Lease ballot question is included in a scheduled general election or a special election, the Ground Lease and Development Agreement shall be finalized as to the form and approved by the City Commission prior to the deadline for submission of ballot questions to the Miami-Dade County Elections Department. The effectiveness of the Ground Lease and the Development Agreement shall be contingent upon voter approval of the Ground Lease at the November 8, 2022 general election in accordance with the City of Miami Beach Charter. In the event the Referendum is not successful, or if the ballot question is removed, or the election results are invalidated by a court of competent jurisdiction, the Ground Lease and Development Agreement shall be null and void. [*Developer to propose ballot question(s) addressing two Ground Leases instead of one on or before May 15, 2022 (City to determine whether there can be more than one ballot question for this Option)*]



- f. The rights granted under the Ground Lease shall be exclusive with respect to the Property; provided, however, the City reserves the right to grant similar privileges and similar development agreements and/or ground leases to other lessees or developers on other City-owned or leased property, and to take any and all actions that City is permitted to take under federal, state, and local law. Without limiting the generality of the foregoing, the Developer acknowledges that the City is negotiating the terms of a project for the development of Class-A Office Space, residential and retail space and parking at City-owned lot P27 (the “Option 3 Project”) with The Peebles Corporation (“TPC”). In the event both the Project and the Option 3 Project are approved by the City Commission and by a majority of the City’s voters in the Referendum, Developer acknowledges and agrees that the Project and the Option 3 Project will likely be phased taking into account all appropriate factors, including without limitation, the construction of the Miami Beach Convention Center Hotel, provided that the City may make a determination, in its sole, reasonable discretion, that the Option 3 Project and the Project can reasonably be constructed in tandem or otherwise simultaneously without having an adverse impact on the City’s residents, businesses and visitors. The Developer may submit to the City such information as the Developer deems may be useful to the City in making its determination regarding the commencement order of the Option 3 Project and the Project and, if applicable, any necessary phasing within the Project, including the viability and feasibility of the Project. The City’s determination as to phasing and order of commencement (i) shall be made in the City’s sole, reasonable discretion on or prior to the date that is sixty (60) days from the date the Referendum results are certified and (ii) shall be final and binding on Developer with no right of appeal.
- g. If and to the extent any components of the Project are modified pursuant to entitlements, or the City’s requests or demands, or as mutually agreed by the City and the Developer, such changes shall be addressed and accommodated in the Development Agreement and, as applicable, the Ground Lease and/or any amendments thereto.

## **2. Development Agreement:**

- a. The term of the Development Agreement will be limited to the construction period for the Project.
- b. If the Referendum is successful, the effective date of the Development Agreement shall occur upon the latest to occur of (i) the parties’ execution and delivery of the Development Agreement by the parties, (ii) approval thereof by the City Commission in accordance with the City Code, (iii) adoption by the City Commission of a resolution accepting the certification of the official results of the successful Referendum, and (iv) the parties’ execution and delivery of the Ground Lease. The “Effective Date” for purposes of phasing and commencement of the Project (including milestones) under the Development Agreement shall be

determined in the notice to proceed issued by the City but shall not be earlier than the latest to occur of (i) through (iv) above.

- c. Developer shall not assign or otherwise transfer or permit to be assigned or transferred, directly or indirectly, its right, title or interest in and to the Development Agreement, the P25 Ground Lease and the P26 Ground Lease, without the prior written consent of the City, which may be granted or withheld in the City's sole and absolute discretion. Notwithstanding the foregoing, the following transfers shall be permitted under the Development Agreement, the P25 Ground Lease and the P26 Ground Lease at any time: (i) one mortgage secured by a lien on Developer's leasehold interest in the Property as security for financing of the Project in favor of one "Institutional Lender" (as shall be defined in the Development Agreement)<sup>2</sup>, as mortgagee, (ii) one pledge of direct membership interests of the Developer as security for mezzanine financing of the Project in favor of one Institutional Lender, as pledgee, (iii) involuntary transfers pursuant to a foreclosure or deed or assignment in lieu of foreclosure by an Institutional Lender pursuant to the mortgage financing or mezzanine financing contemplated by clauses (i) and (ii) above, respectively, (iv) transfers of direct or indirect ownership interests in Developer, provided Developer continues to be a Starwood Entity (as defined below) after such transfer, (v) transfers of direct or indirect ownership interests in Developer for estate planning purposes or as the result of death provided the transferor (or the applicable heir) retains control of the transferred interest, and (vi) Exempt Transfers (as defined below) (the transfers described in the foregoing clauses (i) through (vi), collectively, the "Permitted DA Transfers"). The City may agree to permit C-PACE financing for the Project in addition to the mortgage financing and mezzanine financing described above subject to the City's receipt from the Developer of a security deposit or other security as may be acceptable to the City and such other terms as may be mutually agreed in the Ground Lease, and subject at all times to the loan-to-cost ratio and loan-to-value ratio, as applicable, set forth below. The City shall receive prior written notice of any such Permitted DA Transfer in accordance with the foregoing clauses (i), (ii), (iv) (other than Exempt Transfers that are not Substantial Interest Transfers (as defined in the proviso to Exempt Transfers below)), (v) (with respect to transfers of direct ownership interests in Developer) and (vi) (but only for Exempt Transfers that are Substantial Interest Transfers). Any transferee of Developer's direct interest in the Development Agreement pursuant to a Permitted DA Transfer shall assume all remaining obligations of Developer under the Development Agreement in a written instrument reasonably acceptable to the City. [In no event shall any sale or transfer of any interests, rights or obligations of Developer under the Development Agreement or in the Project be permitted to a "Foreign Instrumentality" (as shall be defined in the Development Agreement) other than any of the member countries of the European Union or the Gulf Cooperation Council (each as existing as of the

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<sup>2</sup> Note to Draft: Definition of "Institutional Lender" to include an entity that qualifies as an Institutional Lender acting in its capacity as administrative agent, collateral agent, trustee or similar function in connection with a syndication or securitization of the applicable loan.

effective date of the Development Agreement), United Kingdom, Norway, Switzerland, Canada, Mexico, countries located in South America (excluding Venezuela), Japan, South Korea, Singapore and Australia or any person or entity controlled by any of the foregoing countries (each, a “Specified Foreign Instrumentality”).<sup>3</sup>] [*Parties continuing to discuss*]

- d. For purposes of the Development Agreement and the Ground Lease, the term “Starwood Entity” shall mean any entity that is directly or indirectly controlled by, or under common control with, Starwood Capital Group Holdings, L.P., a Delaware limited partnership (together with any successor thereto by merger or successor owner of all or substantially all of the assets thereof, “SCG”), [or any publicly traded entity (i) of which Barry S. Sternlicht is (upon such entity becoming, or immediately following such entity becoming, a publicly traded entity) the chief executive officer and/or chairperson and (ii) that (A) directly or indirectly manages or controls SCG or any investment vehicle or fund that is directly or indirectly controlled by, or under common control with, SCG or (B) succeeds, by merger or other transaction, to direct or indirect ownership of all or a substantial portion of the assets directly or indirectly owned by SCG prior to such merger or other transaction (a “Public Successor”; SCG or such Public Successor, the “Starwood Parent”).] [*Parties continuing to discuss*] For purposes hereof and to be further defined in the Development Agreement, Developer will be deemed to be a Starwood Entity so long as the Starwood Parent shall retain the power to direct and control the business and affairs of the persons and/or entities holding the majority of the ownership interests of Developer, other than with respect to certain “major decision” or similar approval rights granted to any other person or entity owning any indirect equity interests in Developer.
- e. For the avoidance of doubt, except as set forth in the proviso below, nothing in the Development Agreement or the Ground Lease shall restrict or prohibit, or require any notification to or consent of the City in respect of (A) any direct or indirect transfer by any non-controlling investor or limited partner in any investment partnership or fund holding a direct or indirect ownership interest in Developer, (B) any transfer of less than 50% of the indirect interests in Developer so long as Developer remains a Starwood Entity, (C) [any transfer by any non-controlling person or entity of its stock or other ownership interests in a public company that holds an indirect ownership interest in Developer,] [*Parties continuing to discuss*] (D) one pledge (other than in connection with a mezzanine financing that is a Permitted DA Transfer) of indirect ownership interests in Developer in favor of one Institutional Lender providing a financing secured by substantial collateral in addition to such indirect ownership interests in Developer and (E) Developer or any of its direct or indirect constituent partners, shareholders or investors (including SCG) from becoming, merging into, consolidating with or being acquired by any Public Successor (the transfers described in the foregoing clauses (A) through (E), collectively, “Exempt Transfers”); provided, however, the City shall receive prior

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<sup>3</sup> Indirect ownership by Foreign Instrumentalities will be subject to the threshold set forth in Exhibit A.

written notice of any transfer (including any Exempt Transfer) to any proposed transferee that will own, in the aggregate (whether in one transaction or a series of transactions), twenty percent (20%) or more of the direct or indirect ownership interests in Developer (and did not own twenty percent (20%) or more of the direct or indirect ownership interests in Developer immediately prior to such transfer or series of transfers) or will have the power to direct and control the business and affairs of the Developer (a “Substantial Interest Transfer”), and for the avoidance of doubt and without limiting the Acceptable Owner Criteria, such proposed transferee of a Substantial Interest Transfer shall satisfy the Acceptable Owner Criteria and comply with the procedures set forth in Exhibit “A”.

### 3. Ground Lease:

- a. Term: Not to exceed 99 years consisting of an initial term of 51 years and two (2) consecutive, dependent extension terms of 24 years each. The effective date of the Ground Lease shall occur upon execution of the Ground Lease by the parties, approval thereof by the City Commission in accordance with City Code and adoption by the City Commission of a resolution accepting the certification of the official results of the successful Referendum and shall be subject to the parties’ execution of the Development Agreement. The term of the Ground Lease will commence upon the Possession Date (as defined below).

b. Rent:

(i) Base Rent\*:

Year 1 (months 1-12)	\$2,500,000	(Referendum certification/Notice to Proceed)
Year 2 (months 13-24)	\$ 650,000	(Year 2 commences on the first anniversary of Referendum certification/Notice to Proceed)
Year 3 (months 25-36)	\$ 725,000	
Year 4 (months 37-48)	\$ 725,000	
Year 5 (months 49-60)	\$ 750,000	
Year 6 (months 61-72)	\$ 1,250,000	\$750,000 Base Rent + \$500,000 one-time payment at TCO for P25 Project (estimated to be between months 51-66)
Year 7 (months 73-84)	\$ 1,272,500	\$772,500 Base Rent + \$500,000 one-time payment at TCO for P26 Project (estimated to be between months 66-82)

Years 8                      Increases over the prior year Base Rent by the greater of 2%  
 (months 85-96)        or CPI (capped at 3.0%)  
 and Beyond:

\*Base Rent will be allocated to the P25 Project and the P26 Project based on the aggregate square footage of the P25 Ground Lease Component and P26 Ground Lease Component, respectively, prior to any increase in square footage that may result from the approval of the proposed amendments to the LDRs (as defined below).

- (ii) Annual Percentage Rent for the P25 Project: 5% of effective gross income from the P25 Project for such lease year.
  - (iii) Annual Percentage Rent for the P26 Project: 5% of effective gross income from the P26 Project for such lease year.
  - (iv) Base Rent Reset for each of the P25 Project and the P26 Project: At time of rent reset, hypothetical rent would be calculated based on year 6 (\$750,000) (based on the allocated Base Rent as set forth above) escalated through the rent reset date by the higher of 2% or CPI (uncapped). This would occur at years 51 (for years 52-75) and year 75 (for years 76-99). This formula is in lieu of an appraisal so there is certainty.
- c. Net Revenues from the Public Parking Replacement Component: The City shall manage and operate the Public Parking Replacement Component (unless the City elects to cause the Developer to operate the Public Parking Replacement Component as provided in this Term Sheet) and shall be entitled to retain 100% of all Public Parking Replacement Net Revenues (as shall be further defined in the Ground Lease) arising out of any use of the Public Parking Replacement Component. The City shall have the right, in its sole discretion, to cause the Developer to operate the Public Parking Replacement Component. For the avoidance of doubt, rates to be charged for spaces in the Public Parking Replacement Component shall not be higher than the City's then applicable rates for similar parking facilities.
  - d. Use: Office, retail, parking, ancillary uses related thereto and any other uses approved by the City in its sole discretion in accordance with the Development Agreement and/or the Ground Lease. No other uses or purposes shall be permitted.
  - e. The Ground Lease shall be a "triple net" (net-net-net) lease, and Developer shall be solely responsible for all real estate taxes, utilities, assessments and other public charges, insurance, common area maintenance and other costs and expenses associated with operation of the Project; provided, however, the City shall be responsible for all such reasonable, out of pocket costs and expenses attributable to the Public Parking Replacement Component.

- f. Following Substantial Completion of the P25 Project and the Public Parking Opening Date, Developer may assign its interests, rights and obligations under the P25 Ground Lease in connection with certain “Permitted Transfers” (as shall be defined in the Ground Lease) which shall include as-of-right transfers to permitted transferees having the requisite assets, net worth and experience to operate the Project (as shall be further described in the Ground Lease) as well as the Permitted DA Transfers. Following Substantial Completion of the P26 Project and the Public Parking Opening Date, Developer may assign its interests, rights and obligations under the P26 Ground Lease in connection with the foregoing Permitted Transfers. No other transfer shall be permitted without the prior written consent of the City, which may be granted or withheld in the City’s sole and absolute discretion. [In no event shall any sale or transfer of any interests, rights or obligations of Developer under the Ground Lease or in the Project be permitted to a “Foreign Instrumentality” (as shall be defined in the Ground Lease, which definition shall be as defined in the Development Agreement) other than a Specified Foreign Instrumentality.<sup>4</sup> Any proposed transferee of any ownership interest in Developer or any portion of the Project must satisfy the Acceptable Owner Criteria as and to the extent set forth therein and be confirmed as such by the City in accordance with **Exhibit A** attached hereto.] [*Parties continuing to discuss*]

#### **4. The Project:**

- a. The City Commission shall approve a concept plan design of the Project as part of its approval of the Development Agreement (the “Concept Plan”). The Concept Plan will be included as an exhibit to the Development Agreement.
- b. The term of Developer’s possession of the Property shall commence immediately following, and commencement of construction shall be subject to, Developer’s satisfaction of certain conditions reasonably determined by the City and to be further described in the Development Agreement, including without limitation, the following (such date of possession, as further defined and described in the Development Agreement, the “Possession Date”):
  - (i) Issuance of all Required Approvals, as further described below and in the Development Agreement;
  - (ii) Developer’s delivery to the City of payment and performance bonds in form and substance reasonably acceptable to the City and naming City as co-obligee;
  - (iii) Developer’s delivery to the City of a budget reflecting the costs to complete construction of the Project in accordance with the Development Agreement;
  - (iv) Developer’s delivery to the City of a schedule of performance of the Project using the critical path method setting forth the dates and times of delivery

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<sup>4</sup> Indirect ownership by Foreign Instrumentalities will be subject to the threshold set forth in Exhibit A.

of the Project, including without limitation the Project milestones set forth below.

- (v) City's approval of the general contractor/design builder for the Project, with such approval not to be unreasonably withheld so long as the contractor has bonding capacity in excess of \$100 million and has successfully completed at least five (5) projects of similar size and scope within the last ten (10) years;
  - (vi) Developer's delivery to the City of the fully executed general construction contract for the Project with the approved general contractor/design builder reflecting a guaranteed maximum price that does not exceed the costs set forth in the budget; and
  - (vii) Developer's delivery to the City of assignments of the architect's agreement and general contract, subject only to the rights of Developer's lender, pursuant to which the City shall have the right, without assuming Developer's obligations, to enforce the architect's and general contractor's, as applicable, full and prompt performance under their respective agreements, subject only to payment by the City;
  - (viii) Developer's delivery to the City of evidence satisfactory to the City that Developer has sufficient equity and private debt financing to complete construction of the Project in accordance with the budget and the Development Agreement.
- c. Promptly following Developer's satisfaction of the conditions to the Possession Date, Developer shall commence construction of the Project and thereafter, diligently and continuously pursue completion of the Project in accordance with the Development Agreement and all applicable laws, permits and approvals, subject to unavoidable delays and force majeure events (which may include delays attributable to (a) the City acting in its proprietary capacity and as owner of the Property in failing to timely respond or join in applications for Required Approvals, (b) certain specified global or national economic conditions that delay the Developer's financing or construction of the Project and (c) specified unforeseen conditions to the extent not reasonably capable of being identified prior to the execution of the Development Agreement, provided (i) Developer provides prompt written notice to the City of any such unforeseen conditions and (ii) any resulting permitted delays are mutually agreed and identified prior to commencement of construction), and as further described in the Development Agreement.
- d. Developer shall stage construction of the Project in a manner that minimizes the extent and duration of displacement of the existing public parking spaces on the Property during construction.
- e. Prior to the Possession Date, the City shall have the right to use the Property consistent with the current uses.

- f. During construction of the Project the City and its on-site representative shall have reasonable rights of inspection of the Project and progress of construction, which inspections shall be solely for the benefit of the City. The City and its on-site representative shall also have the right to participate in periodic meetings with Developer and to receive periodic updates with respect to the progress of construction and any changes to the Project budget and other Project documents.

## **5. Project Approvals and Milestones:**

- a. Zoning: Developer shall adhere to all applicable zoning requirements, including without limitation, the minimum parking requirements and applicable height restrictions and FAR (unless amendments to the Land Development Regulations are proposed, in which case such amendments shall be subject to review and approval by the City and its applicable development boards, in their regulatory capacity and sole discretion).
- b. Required Approvals:
- (i) The City Commission shall have approved the Concept Plan as part of the Development Agreement described above.
  - (ii) The City Manager shall have approved the proposed plans and specifications, which approval will not be unreasonably withheld or delayed provided such proposed plans and specifications conform to the approved Concept Plan. Any material modifications to the approved Concept Plan must be approved by the City Commission, in its reasonable discretion.
  - (iii) Developer, at its sole cost, is responsible for obtaining all governmental approvals for the design, development and construction of the Project, including without limitation, Design Review Board (“DRB”) and, if applicable, Planning Board approval. Promptly following the City Manager’s approval of the proposed plans and specifications (the “Approved Plans”), Developer shall submit the Approved Plans to DRB and, if applicable, Planning Board for approval and thereafter diligently pursue such approvals. To the extent DRB or, if applicable, Planning Board requires any revisions to the Approved Plans that do not conform to the approved Concept Plan, such revisions shall be subject to the City Commission’s approval in its sole discretion.

- c. Project Milestones:

	<u>Target Date</u>	<u>Outside Date</u>
DRB, and if applicable, Planning Board approval	8 months after Effective Date	11 months after Effective Date (plus one month to



		allow all appeal periods to expire)
Issuance of full building permit for the Project (“Building Permit”)	17 months after DRB, and if applicable, Planning Board final approval	20 months after DRB, and if applicable, Planning Board final approval
Commencement of Construction of P25 Project	2 months after issuance of Building Permit	3 months after issuance of Building Permit and not later than 35 months after Effective Date
Issuance of TCO for the P25 Public Parking Replacement Component and the P25 Additional Parking Component and Commencement of Construction of P26 Project	15 months after Commencement of Construction of P25 Project	19 months after Commencement of Construction of P25 Project and not later than 54 months after Effective Date
Completion of Construction and issuance of TCO for P25 Project	24 months after Commencement of Construction of P25 Project and 51 months after the Effective Date	28 months after Commencement of Construction of P25 Project and not later than 63 months after the Effective Date
Completion of Construction and issuance of TCO for P26 Project	24 months after Commencement of Construction of P26 Project and 66 months after the Effective Date	28 months after Commencement of Construction of P26 Project and not later than 82 months after the Effective Date

- (i) Such other development milestones as the parties may mutually agree to be set forth in the Development Agreement. The Project milestones will be subject to reasonable extension for unavoidable delays and force majeure events (which may include specified conditions as described above), subject to prompt notice to the City, and as further described in the Development Agreement. To the extent the City approvals are delayed through no fault of Developer, the City Manager, in his/her reasonable discretion, may extend the Project milestones as may be reasonably necessary as a result of such delays.
- (ii) “Commencement of Construction” and “Completion of Construction” shall be defined and described in the Development Agreement. All references above to “TCO” shall mean a temporary certificate of occupancy allowing

for the beneficial use and occupancy of the Project by tenants, occupants, users and visitors thereof and shall be further defined in the Development Agreement.

## **6. Project Costs and Financing:**

- a. Developer, at its sole cost, shall be responsible for all costs and expenses in connection with the development, design, permitting, construction, operation and maintenance of the Project, including demolition of any existing improvements on the Property, including asphalt paving.
- b. Developer, in coordination with the City, shall be responsible for development and implementation of community outreach and public information campaigns for the Project.
- c. Developer shall be permitted to finance the Project with (i) one loan secured by a single mortgage in favor of one Institutional Lender and, at Developer's option, (ii) one mezzanine loan secured by one pledge of direct ownership interests in Developer in favor of an Institutional Lender; provided that the loan-to-cost ratio (with respect to construction financing) or loan-to-value ratio (with respect to permanent financing), taking into account the mortgage loan and the mezzanine loan (if any) financing the Project, shall not exceed 90%. Developer shall at all times maintain not less than ten percent (10%) equity in the Project, including Developer's initial equity contribution to the Project. [For the avoidance of doubt, each of Lot P25 and Lot P26 may be separately financed, and in such case, the above financings will be permitted with respect to each such portion of the Project separately.] [*Parties continuing to discuss*]
- d. In no event shall the City's fee interest in the Property be subject or subordinate to any mortgage or other liens or encumbrances hereafter affecting Developer's interest in the Property. City shall at all times have first priority right of payment of rent due under the Ground Lease.
- e. The City is not and shall not be required to provide any funding or financing for the Project, including without limitation, any tax credits and/or subsidies.
- f. Developer acknowledges and agrees that the City has a compelling interest in the development of the Project and the Option 3 Project in order to advance and promote the City's objective of developing additional Class-A office space to diversify its economy to include a greater mix of businesses, including technology and financial firms. In furtherance of the foregoing, Developer intends to market the P25 Office Component and the P26 Office Component for leasing to tenants in the financial and professional services and technology industries and such other industries targeted for promotion by the City and/or Miami-Dade County, Florida; provided that the foregoing shall not require Developer to enter into any lease with any prospective tenant, or prohibit Developer from entering into any lease with any prospective tenant.

- g. [As an inducement to the City to negotiate this Term Sheet, the Development Agreement and the Ground Lease, at all times until the conclusion of the Referendum, none of the Developer, any person authorized to speak on behalf of Developer or any director, officer or member of senior management of Developer, Integra Investments, LLC, The Comras Company or SCG shall engage in a deliberate campaign intended to cause voters in the Referendum to vote against the Option 3 Project, including by publicly disparaging, impugning or making derogatory statements regarding the Option 3 Project or the developer of the Option 3 Project with such intent (the "Option 3 Negative Campaign Covenant"). However, the foregoing waivers are not intended to and do not limit Developer's ability to truthfully communicate with any governmental agency, to advocate in favor of the Project, and to compare and contrast the Project and Option 3 Project, including to prospective tenants who may be considering both the Project and the Option 3 Project. Developer acknowledges that it is voluntarily and knowingly waiving its rights under the First Amendment to the United States Constitution and under any applicable provision of the Florida Constitution in connection with the Option 3 Negative Campaign Covenant. Developer has had the opportunity to consult an attorney in connection with the foregoing waivers and has made the informed decision to waive these rights in connection with the Option 3 Negative Campaign Covenant. The Developer shall execute an inducement letter containing the foregoing waivers promptly upon the City's request. The City agrees that it shall require the developer of the Option 3 Project to enter into a substantially similar agreement containing similar waivers with respect to the Project; provided, however, the developer of the Option 3 Project shall not be a third party beneficiary of the Option 3 Negative Campaign Covenant and the Developer shall not be a third party beneficiary of the negative campaign covenant made by the developer of the Option 3 Project. The City will fairly and equitably enforce both the Option 3 Negative Campaign Covenant and the negative campaign covenant made by the developer of the Option 3 Project as determined by the City Manager in his/her sole discretion.] *[Provision to be effective once a decision has been made for both the Project and the Option 3 Project to be included on the same ballot] [Parties continuing to discuss]*

## **7. Condition of Property/Environmental**

- a. Developer accepts the Property in its AS IS, WHERE IS, and WITH ALL FAULTS condition, including without limitation, environmental condition, and all latent or patent defects, without any representation or warranty of any kind, express or implied, or arising by operation of law.
- b. The City will provide any environmental reports in the City's possession for the Property.
- c. The Project must be developed to comply with the City's resiliency standards attached as Appendix D to the RFP and to be set forth in the Development

Agreement, including, without limitation, being designed with the objective of meeting LEED® Gold or Living Building Challenge certification requirements and compliance with the Sustainability Fee Program, in accordance with Section 133 of the City Code. The Public Parking Replacement Component and the Additional Parking Component will be designed to be eligible for Park Smart® certification.

## **8. Termination Rights:**

- a. Developer may terminate the Development Agreement at any time prior to issuance of the building permit for the Project in the event of any of the following (1) any of the Required Approvals render the Project economically unfeasible in the reasonable business judgment of Developer, (2) the Project cannot meet concurrency requirements under Section 163.3180, Florida Statutes, or the costs of concurrency mitigation are, in the reasonable business judgment of Developer, economically unfeasible, or (3) Developer, after diligent, good faith efforts, has been unable to obtain a full building permit for the Project pursuant to the Approved Plans.
- b. The City will not have the right to terminate the Development Agreement for convenience. City will have the right to terminate the Development Agreement as a result of any default by Developer, which continues beyond the expiration of any applicable notice and cure period, as further described herein, in the Development Agreement and the Ground Lease.
- c. In the event of a termination by Developer pursuant to Section 8.a or by the City as a result of a default by Developer, (i) the Developer shall assign to the City all right, title and interest the Developer has in and to the Plans and any other materials pertaining to the Project developed by or on behalf of the Developer and (ii) the City shall have no further obligation to the Developer following such termination, financial or otherwise other than those obligations, if any, which expressly survive such termination.

## **9. Default:**

Developer shall be in default of the Development Agreement and Ground Lease if the Developer fails to comply with the terms thereof, including, without limitation, failure to satisfy conditions precedent to possession of the Property and commencement of construction prior to the outside date for commencement of construction, failure to satisfy the other Project milestones, the occurrence of any unpermitted transfers, which failures continue beyond the expiration of any applicable notice and cure period. City's remedies for Developer's default under the Development Agreement and Ground Lease will include, without limitation, termination of the Development Agreement and/or Ground Lease, as applicable, subject to the release of cross-defaults set forth in Section 1(d) above. In connection with any such termination following the commencement of construction and prior to completion of construction, Developer shall restore the Property substantially to the condition existing prior to the execution of the Development Agreement so that

the Property may be fully utilized by the City for its existing purposes as of the date hereof and Developer shall reimburse the City for any losses or damages suffered as a result of the Developer failure to complete construction in accordance with the Development Agreement, to be further described in the Development Agreement. In connection with certain defaults for failure to meet Project milestones prior to Developer paying full rent under the Ground Lease, in lieu of termination, City may elect to receive payment of liquidated damages by Developer for a specified period before exercising its right to terminate the Development Agreement as a result of such defaults. Such liquidated damages shall be reasonably determined by the City and further described in the Development Agreement.

#### **10. Indemnification:**

Each of the Development Agreement and Ground Lease shall contain such indemnity provisions as the City customarily requires for projects of this nature. In addition, except to the extent caused by the City's gross negligence or willful misconduct, Developer will indemnify, hold harmless and defend the City for any claims, losses, damages, liabilities, fees, costs and expenses (including reasonable attorneys' fees, costs and expenses) in connection with any lawsuit challenging the validity of the Development Agreement or Ground Lease, any governmental approvals of the Project and/or the failure of Developer to complete construction in accordance with the Development Agreement, each at Developer's sole cost and expense and using legal counsel reasonably acceptable to the City. The foregoing indemnity will survive the expiration or earlier termination of the Development Agreement and Ground Lease, as applicable. Neither the City nor the Developer shall be entitled to consequential, special or punitive damages with respect to this Term Sheet, the Development Agreement and/or the Ground Lease; provided the foregoing is not intended to and shall not modify the Developer's obligation to pay any liquidated damages pursuant to the Development Agreement.

#### **11. Other:**

- a. Legal Description and Parking Bond Covenant Analysis: The Developer shall procure a survey of the Property by a licensed surveyor approved by the City (or at the City's sole discretion, it may have the survey prepared by its Public Works Department). Developer shall pay the costs of such survey, provided, if the City's Public Works Department prepares the survey, the Developer will reimburse the City for its costs in accordance with the terms of the Reimbursement Agreement (defined in Section 11.e). Developer acknowledges that the transactions are subject to the City's receipt of a parking bond covenant analysis acceptable to the City and performed by a parking bond consultant approved by the City (or at the City's sole discretion, the City may produce the parking bond covenant analysis using its internal resources). Whether the City retains the services of a consultant or produces the parking bond analysis itself, Developer will reimburse the City for its costs in accordance with the terms of the Reimbursement Agreement.

- b. Naming Rights: Naming rights for all or any portion of the Project shall require City Commission approval, which approval shall be in the Commission's sole discretion; provided, however, the City shall not unreasonably withhold its approval of a request by Developer for naming rights in favor of the lead commercial tenant for each Project Phase.
- c. Land Development Regulations: The Project shall be subject to the City's Land Development Regulations (the "LDRs"). If Proposer desires to request an amendment to the LDRs, Developer must advise the City of the proposed amendment in writing not later than 5:00pm March 11, 2022. The City makes no representation or warranty that the proposed amendment to the LDR will be approved by the City Commission. The Developer acknowledges and agrees that any amendment to the LDRs that would result in an FAR increase would be subject to separate voter referendum approval (i.e., separate from the Referendum required to approve the Ground Lease).
- d. By or before 5:00pm April 13, 2022, Developer shall procure for the City's review, a preliminary parking impact study, a preliminary traffic impact study and a preliminary infrastructure (i.e. water and sewer capacity) study.
- e. Reimbursement: Developer agrees to reimburse the City for, or at City's option, pay directly, on a monthly basis the City's out of pocket transactional and professional costs and expenses associated with the due diligence, negotiation and drafting of the Development Agreement and Ground Lease and development of the Project, including without limitation fees for the City's parking bond covenant analysis, real estate and transaction appraisals and other required reports; the City's outside counsel and paralegal fees; and any surveys, environmental assessments (if any), title searches, and other reviews engaged by the City, up to \$150,000 all as further described in the reimbursement agreement between the parties. The Developer shall execute the Reimbursement Agreement (the "Reimbursement Agreement") furnished to the Developer by the City by or before 5:00pm March 7, 2022.
- f. Art in Public Places: Developer shall comply with the City's Art In Public Places (AIPP) program requirements under Section 82-536 through 82-612 of the City Code, as applicable, and shall contribute to the City's Art in Public Places fund the total amount of 1.5% of the "construction cost" of the Project development costs, as such term is defined in Section 82-537 of the City Code, no later than the date of execution of the Project general contract by Developer and the Project general contractor, as required by the City Code.
- g. Prevailing Wage. Developer shall comply with Section 31-27 of the City Code which provides, in pertinent part, that in construction projects pursuant to a development agreement and/or ground lease with the City on City-owned land, the rate of wages and fringe benefits, or cash equivalent, for all laborers, mechanics and apprentices employed by any contractor or subcontractor on the work covered by the contract, shall not be less than the prevailing rate of wages and fringe benefit

payments or cash equivalence for similar skills or classifications of work, as established by the Federal Register, in the City of Miami Beach, Florida. The details included in Appendix C of the RFP pertaining to this requirement shall be attached as an exhibit to the Development Agreement and Ground Lease.

- h. Local Workforce Participation Program: Developer shall cause its contractor to comply with Section 31-40 of the City Code which provides, in pertinent part, that the contractor in any construction contract valued in excess of \$1,500,000 for the construction of buildings or improvements on City-owned land shall make of reasonable efforts to promote employment opportunities for local Miami-Dade County residents and seek to achieve a project goal of having thirty percent (30%) of all construction labor hours performed by Miami-Dade County and City of Miami Beach residents. The details included in Appendix C of the RFP pertaining to this requirement shall be attached as an exhibit to the Development Agreement and Ground Lease.
- i. Developer shall comply with, all Federal, State, County, and City laws, ordinances, codes, rules and regulations, and all orders and decrees of bodies or tribunals having jurisdiction or authority which, in any manner, may affect the Project (including, without limitation, the Americans with Disabilities Act, Title VII of the Civil Rights Act, the EEOC Uniform Guidelines, and all EEO regulations and guidelines).
- j. Whether or not included or referenced in this term sheet, all other applicable terms and conditions included in the RFP shall be incorporated into the Development Agreement and/or Ground Lease, as appropriate.

**EXHIBIT “A”**  
**ACCEPTABLE OWNER DEFINITION**

A. “Acceptable Owner” means any individual, corporation or other entity which has, at a minimum, the following qualifications:

1. [The proposed transferee is not a Foreign Instrumentality; provided however, that up to forty-nine percent (49%) of the indirect equity interests of Developer may be owned by Foreign Instrumentalities provided that at least seventy percent (70%) of such indirect equity interests permitted to be owned by Foreign Instrumentalities must be owned by Specified Foreign Instrumentalities.] [*Parties continuing to discuss*]

2. The proposed transferee must not be owned or Controlled by entities or individuals who have been convicted, or are presently under indictment, for felonies under the laws of any foreign or United States of America jurisdiction; provided however, the foregoing shall not apply to any individuals or entities owning less than twenty percent (20%) equity interest in such proposed transferee, other than officers, directors, managers or others who have the power to direct and control the business and affairs of such proposed transferee.

3. The proposed transferee must not in its charter or organizational documents (defined as the articles of incorporation and bylaws for any corporation, the partnership agreement and partnership certificate for any partnership, the articles of organization and limited liability company operating agreement for any limited liability company, the trust agreement for any trust and the constitution of the relevant government for any governmental entity, but expressly excluding any statements, positions, actions or allegations not contained in such charter organizational documents) expressly advocate or have as its stated purpose: (a) the violent overthrow of or armed resistance against, the U.S. government; or (b) genocide or violence against any persons; or (c) discrimination, hatred or animosity toward persons based solely on their race, gender, color, national origin, religion, age, disability, marital status, familial status, or sexual orientation.

4. Neither the proposed transferee nor any other Person that directly or indirectly Controls the proposed transferee (or that will, following the proposed transfer, directly or indirectly Control the proposed transferee) has violated any laws, which have resulted in a forfeiture of such proposed transferee’s or other Person’s entire interest in real property owned or managed by such transferee or other Person.

5. The proposed transferee must not (nor any of the individuals or entities who own at least a twenty percent (20%) equity interest in such proposed transferee or are officers, directors, managers or otherwise have the power to direct and control the business and affairs of such proposed transferee) have voluntarily filed or been discharged from bankruptcy, or have been the subject of an involuntary bankruptcy, reorganization or insolvency proceedings (which was not dismissed within 90 days after the filing thereof) within the past five (5) years (bankruptcy filings by Affiliates shall not disqualify a proposed transferee, unless such Affiliates are any of the individuals or entities described in the parenthetical immediately above).



B. “Acceptable Owner Criteria”: The foregoing categories of requirements set forth in paragraph A above are collectively defined as the “Acceptable Owner Criteria.”

C. Evaluation of the Acceptable Owner Criteria:

Solely for the purpose of evaluating whether the proposed transferee has met the Acceptable Owner Criteria, the proposed transferee shall provide the following information to the Developer and certify that the information provided by the proposed transferee is true and correct and that the proposed transferee meets or exceeds the Acceptable Owner Criteria:

1. information sufficient for the City or any outside vendor engaged by the City to perform a due diligence investigation pursuant to paragraph D below, including copies of any applicable operating licenses;
2. identification and summary description of its principals and its major real estate or other investments;
3. a list of all bankruptcies filed by such proposed transferee or to which such proposed transferee was a party-bankrupt, if any; and
4. such other evidence as is commercially reasonably necessary as determined by Developer to establish that the new entity proposed to be the Acceptable Owner meets the Acceptable Owner Criteria.

D. With respect to any proposed Transfer to a proposed transferee, City may, at its sole discretion, engage an outside vendor to perform a due diligence investigation at the Developer’s or such proposed transferee’s sole expense, which may include a search of civil, criminal, or bankruptcy proceedings in federal and state jurisdictions; regulatory filings; tax filings; lien, judgment and Uniform Commercial Code searches; business registrations, and the like; provided, however, that City’s right to conduct its own due diligence shall not expand or deemed to expand the Acceptable Owner Criteria or impose additional criteria with respect to whether a proposed transferee constitutes an Acceptable Owner. City shall be entitled to engage an independent accounting firm, the reasonable costs of which shall be borne by Developer or such proposed transferee, to review the information upon which the proposed transferee’s certifications were based, for the purpose of determining whether the certifications and/or information provided to the City is accurate and complete. Developer shall, or shall cause such proposed transferee to, reimburse City, upon demand, for any reasonable out-of-pocket costs incurred by City in connection with such Transfer or proposed Transfer to a proposed transferee, including the reasonable out-of-pocket costs of making inquiries and investigations into the conformance with the Acceptable Owner Criteria of such proposed transferee and the reasonable legal costs incurred, if any, in connection therewith.

E. Confirmation/Approval Process for Proposed Transferees:

Regarding the City’s confirmation that a proposed transferee is an Acceptable Owner, or the City’s approval of a Transfer that is not a Permitted Transfer, the parties hereby agree that:

1. When reviewing a potential Permitted Transfer for compliance with the Acceptable Owner criteria, the City Manager shall make a recommendation to the City Commission in reliance on the proposed transferee's certification that the proposed transferee meets the Acceptable Owner Criteria (if a Permitted Transfer), along with the information provided by the proposed transferee and the results of any due diligence investigation performed by the City. If the City Manager does not recommend that the proposed transferee meets the Acceptable Owner Criteria, the City Manager shall provide to Developer, upon Developer's written request, specific written, commercially reasonable reasons for such action.

2. The City Commission shall not unreasonably withhold, condition, or delay the City's confirmation of a Permitted Transfer if the proposed transferee complies with the Acceptable Owner Criteria based on the review described in the preceding paragraph.

3. The City Manager may, but shall not be obligated to, make any a recommendation for the City's Approval of a Transfer that is not a Permitted Transfer, and provided that any such Transfer shall be subject to the prior written Approval of the City Commission, which may be granted, conditioned or withheld by the City Commission in its sole discretion; and

4. If a proposed Transfer requires the City's confirmation or Approval pursuant to the terms hereof, Developer shall deliver written notice to the City, which shall include (i) the name and address of the proposed transferee; (ii) the name and address of the proposed transferor; (iii) information describing the nature of the transaction; (iv) the percentage interest being conveyed; and (iv) the materials described in paragraph C above.

5. The City shall have up to sixty (60) days after the delivery of such written notice and the information required under paragraph C above, to determine whether, on a commercially reasonable basis, the proposed transferee meets the Acceptable Owner Criteria if a Permitted Transfer. The City shall have up to ninety (90) days after the delivery of such written notice and the information required under paragraph C above whether to Approve in accordance herewith a Transfer that is not a Permitted Transfer.

6. Provided that no Event of Default is then continuing, Developer's request for confirmation that the proposed transferee meets the Acceptable Owner Criteria shall be deemed confirmed if the first correspondence from Developer to the City requesting such confirmation is in an envelope marked "PRIORITY" and contains a bold-faced, conspicuous (in a font size that is not less than fourteen (14)) legend at the top of the first page thereof stating that "THIS IS A REQUEST FOR CONFIRMATION OF A PERMITTED TRANSFER UNDER SECTION [ ] OF THE [DEVELOPMENT AGREEMENT] [GROUND LEASE], DATED AS OF [ ], 2022, AND FAILURE TO RESPOND TO THIS REQUEST WITHIN SIXTY (60) DAYS WILL RESULT IN THE REQUEST BEING DEEMED CONFIRMED," and is accompanied by the information and documents required above and City fails to respond or to deny such request for confirmation in writing within such sixty (60) day period. Provided that no Event of Default is then continuing, Developer's request for Approval of a Transfer that is not a Permitted Transfer shall be deemed Approved (except if the request includes a Foreign

Instrumentality as a transferee) if the first correspondence from Developer to the City requesting such Approval is in an envelope marked “PRIORITY” and contains a bold-faced, conspicuous (in a font size that is not less than fourteen (14)) legend at the top of the first page thereof stating that “THIS IS A REQUEST FOR APPROVAL OF A TRANSFER UNDER SECTION [ ] OF THE [DEVELOPMENT AGREEMENT] [GROUND LEASE], DATED AS OF [ ], 2022, AND FAILURE TO RESPOND TO THIS REQUEST WITHIN NINETY (90) DAYS WILL RESULT IN THE REQUEST BEING DEEMED APPROVED, PROVIDED IF THE REQUEST INCLUDES A FOREIGN INSTRUMENTALITY AS TRANSFEREE, THE CITY’S FAILURE TO RESPOND IN THE AFFIRMATIVE WITHIN NINETY (90) DAYS SHALL BE DEEMED A REJECTION OF THE REQUEST” and is accompanied by the information and documents required above and City fails to respond or to deny such request for Approval in writing within such ninety (90) day period. For the avoidance of doubt, if the City has not notified Developer, in writing, of the City Commission’s approval of a Transfer that includes a Foreign Instrumentality as transferee within the ninety (90) day period specified above, then such request shall be deemed rejected.

7. If the City notifies Developer, in writing, within the first thirty (30) days of such sixty (60) or ninety (90) day period, as applicable, that the information submitted is, on a commercially reasonable basis, incomplete or insufficient (and specifies in what ways it is incomplete or insufficient), then Developer shall supplement such information, on a commercially reasonable basis, and the City shall then have thirty (30) days and sixty (60) days, respectively, after such supplemental information is provided to make its determination whether the proposed transferee meets the Acceptable Owner Criteria or to Approve a Transfer that is not a Permitted Transfer.

8. No confirmation by the City of a proposed transferee as an Acceptable Owner or its meeting of the Acceptable Owner Criteria shall have the effect of waiving or estopping the City from later claiming that said Acceptable Owner is no longer developing, operating or maintaining the Project according to the terms of the [Development Agreement] [Ground Lease].

F. Interpretation:

1. All acts and omissions as well as rights and duties shall be done in a commercially reasonable manner, unless the standard of “sole discretion” is used.
2. The implied covenant of good faith and fair dealing under Florida law is expressly adopted.

**Exhibit A.2: TPC Term Sheet**

**Lincoln Land Class A Office Space, with Retail and Residential Components and Parking  
Development Agreement and Ground Lease  
Proposed Term Sheet  
City Revised Draft - April 15, 2022**

Capitalized terms used in this Term Sheet and not defined, or with fuller definitions to be provided in the definitive documents, shall be defined in the Development Agreement and/or Ground Lease, as applicable.

**1. Overview of Transaction Structure and Project:**

- a. The City of Miami Beach, Florida (the “City”) owns that certain surface parking lot referred to as Parking Lot P27 and consisting of the following seven (7) tax folios 02-3234-007-0560, 02-3234-007-0570, 02-3234-007-0630, 02-3234-007-0640, 02-3234-007-0650, 02-3234-007-0660 and 02-3234-007-0670, all located in Miami Beach, Florida (collectively, the “Property”), and commonly known as 1664 Meridian Avenue, Miami, FL 33139. The Developer (as defined below) shall cause the recordation of a unity of title (or covenant in lieu of unity of title), in form and content reasonably acceptable to Developer and the City, prior to breaking ground for the Project (the form of which shall be attached as an exhibit to the Development Agreement).
- b. Lincoln Road Holdings, LLC, a Florida limited liability company, which is a subsidiary of The Peebles Corporation, a Washington D.C. corporation (“TPC” and together with its wholly-owned or Controlled subsidiary as permitted hereunder, the “Developer”), has responded to the City’s Request for Proposals Bid Package 2021-173-KB (as amended, “RFP”) for the redevelopment of the Property, and the City of Miami Beach Commission, consisting of six elected Commissioners and an elected Mayor (the “City Commission”) authorized the City to commence negotiations with Developer for the redevelopment of the Property, based on Developer’s proposal Option 3-Parcel 27 Noli Crossing Miami Beach Response dated January 12, 2022, including the Design Package and Financial Offer (the “RFP Response”).
- c. Subject to the Developer obtaining all required entitlements, Developer, at its sole cost and expense, intends to develop, hold a ground leasehold interest in (which includes ownership of the building(s)), design, permit, construct, operate and, as applicable, maintain on, the Property the following (collectively, the “Project”):
  - (1) a Class A office component consisting of approximately [80,000] square feet, which shall in any event constitute not less than 50% of the available floor area ratio (“FAR”) utilized by Developer for the Project (the “Office Component”), to be more fully and particularly described in the Development Agreement;

- (2) a ground floor retail component consisting of approximately [9,500] square feet, to be more fully and particularly described in the Development Agreement, which shall include a fully activated liner of retail, restaurant, personal service or similar active uses, with a minimum depth of 50 feet along the entire ground floor portions of the Project facing a street, sidewalk or Lincoln Lane North (provided, however, an exception to the liner requirement shall be made for utilities (to the extent such utilities cannot reasonably, or functionally be located elsewhere), access points and emergency access for vehicles and pedestrians, including stairs and ramps, alleys, and loading docks) (the “Retail Component”), and the design of which shall be subject to the review and approval by all applicable, required, City boards and departments;
- (3) to the extent the necessary amendment to the City’s Comprehensive Plan (as shall be defined in the Development Agreement) is obtained, a residential component consisting of approximately [69,500] square feet and 43 rental units, to be more fully and particularly described in the Development Agreement, provided, however, the City has determined in its proprietary capacity that (A) no short term/transient rentals, as defined by Chapter 114 of the City Code, shall be permitted (the “Residential Component”), (B) the units shall have minimum lease term of twelve (12) months and (C) no such units shall be co-living or micro units (less than 400 square feet);
- (4) a public parking component (the “Public Parking Replacement Component”) to replace the existing surface parking spaces on the Property consisting of at least 151 spaces (the “City Spaces”) (for the avoidance of doubt, the City shall operate the Public Parking Replacement Component pursuant to an operating agreement to be negotiated with Developer, and the City shall be responsible for the management, repair, maintenance and insurance thereof and shall be responsible for its Pro Rata Share (as shall be defined in the Ground Lease) of the actual, reasonable out-of-pocket costs associated therewith, provided, however, the City shall have the right, in its sole discretion, to cause the Developer to operate the Public Parking Replacement Component by delivering written notice to the Developer on or before the date that is sixty (60) days from the date the Referendum (as defined below) results are certified. In the event the City requires the Developer to operate the Public Parking Replacement Component, the Developer and the City shall agree to additional terms regarding the Public Parking Replacement Component. At the City’s option and simultaneously with or prior to its written notice regarding operation of the Public Parking Replacement Component, the Public Parking Replacement Component may be part of the Ground Lease Component (as defined below) or may be separate from the Ground Lease Component, and if separate, the City and Developer will mutually agree on the form of declaration of condominium and related documents to create a leasehold commercial condominium on the Property, which shall contain two condominium units, one unit

consisting of the Public Parking Replacement Component and one unit consisting of the Ground Lease Component, and to provide for the respective maintenance obligations and cost-sharing between the City and Developer, each as to its respective condominium unit;

- (5) additional parking component consisting of such number of parking spaces as are required by the City Code (subject to any variance or amendment to the land use regulations approved by the City) for the exclusive use of the Project's office occupants, retail customers, and residents (the "Additional Parking Component" and together with the Office Component, the Retail Component, the Residential Component and, if applicable, the Public Parking Replacement Component, collectively, the "Ground Lease Component"); and
- (6) public benefits (collectively, the "Public Benefits Components") consisting of a Project which shall:
  - (A) Provide the City and area with a Project that will activate, revitalize, enhance and bring new life and energy to this part of the City;
  - (B) Serve as a benefit to the City by improving and replacing the City Spaces with covered, secure, and structured parking.
  - (C) Create new rental housing for City residents, which will include workforce housing units<sup>1</sup> (with [approximately] [***Parties continuing to discuss***] 20% of residential units being income restricted @ 140% of AMI);
  - (D) Create new Class-A office space;
  - (E) Further the City's sustainability and resiliency efforts for new development;
  - (F) Improve lighting, providing increased safety for area;
  - (G) Create temporary and construction jobs and long-term permanent jobs;
  - (H) Increase the tax base and increase the tax revenue to the City;
  - (I) Provide landscaping and overall beautification of the area surrounding the Project;
  - (J) Create a live, work, and play environment within the Project;
  - (K) Provide economic stimulus to the City;
  - (L) Encourage future development of areas surrounding the Project; and
  - (M) Create a pedestrian walkway connecting the Lincoln Lane neighborhood with landscaping, lighting, benches and storefronts.

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<sup>1</sup> NTD: Subject to further discussions with the City, the contemplated structure which includes workforce housing and a revised financial offer, is under review by the City. Developer's preference is to include the workforce units as part of the Project.

- d. The transaction will be contractually structured as a development agreement for construction of the Project (the “Development Agreement”) and a long-term ground lease for the completed Ground Lease Component (the “Ground Lease”).
- e. The Ground Lease shall be subject to, and comply with, Chapter 82, Article II, Sections 82-36 through 82-40 of the Miami Beach, Florida – Code of Ordinances (the “City Code”) and requires approval by a majority of the voters voting in a Citywide referendum pursuant to Section 1.03(b)(2) of the City of Miami Beach Charter (the “Referendum”). In the City Commission’s sole discretion, if requested by Developer, the Referendum could be scheduled for a special election on a date different than the scheduled general election, provided that the Developer pays its pro rata share (based on total number of questions on the ballot) of the costs of a special election (approximately \$400,000). Notwithstanding whether the Ground Lease ballot question is included in a scheduled general election or a special election, the Ground Lease and Development Agreement shall be finalized as to the form and approved by the City Commission prior to the deadline for submission of ballot questions to the Miami-Dade County Elections Department. The effectiveness of the Ground Lease and Development Agreement shall be subject to and contingent upon voter approval of the Ground Lease at the November 8, 2022 general election in accordance with the City of Miami Beach Charter. In the event the Referendum is not successful, or if the ballot question is removed, or the election results are invalidated by a court of competent jurisdiction, the Ground Lease and Development Agreement shall terminate simultaneously with such failure, shall be null and void and of no further force and effect, except to the extent any provisions of the Ground Lease and/or the Development Agreement expressly survive termination.
- f. The rights granted under the Ground Lease and Development Agreement shall be exclusive with respect to the Property; provided, however, the City reserves the right to grant similar privileges and similar development agreements and/or ground leases to other lessees or developers on other City-owned or leased property, and to take any and all actions that City is permitted to take under federal, state, and local law. Without limiting the generality of the foregoing, the Developer acknowledges that the City is negotiating the terms of a similar project for the development of Class-A Office Space, retail space and parking at City-owned lots P25 and P26 (the “Option 5 Project”) with Lincoln Road Property Owner, L.P. In the event both the Project and the Option 5 Project are approved by the City Commission and by a majority of the City’s voters in the Referendum, Developer acknowledges and agrees that the two (2) projects will likely be phased, taking into account all appropriate factors, including without limitation, the construction of the Miami Beach Convention Center Hotel, provided that the City may make a determination, in its sole, reasonable discretion, that the Option 5 Project and the Project can reasonably be constructed in tandem or otherwise simultaneously, and without having an adverse impact on the City’s residents, businesses and visitors. The Developer may submit to the City such information as the Developer deems may be useful to the City in making its determination regarding the commencement order and/or phasing of the Option 5 Project and the Project, including the viability

and feasibility of the Project. The City's determination as to phasing and order of commencement (i) shall be made in the City's sole, reasonable discretion on or prior to the date that is sixty (60) days from the date the Referendum results are certified and (ii) shall be final and binding on Developer with no right of appeal.

- g. If and to the extent any components of the Project are modified pursuant to entitlements, or the City's requests or demands, or as mutually agreed by the City and the Developer, such changes shall be addressed and accommodated in the Development Agreement and, as applicable, the Ground Lease and/or any amendments thereto.

## **2. Development Agreement:**

- a. The term of the Development Agreement will be limited to the construction period for the Project.
- b. If the Referendum is successful, the effective date of the Development Agreement shall occur upon the latest to occur of: (i) the parties' mutual execution and delivery of the Development Agreement by the parties; (ii) approval thereof by the City Commission in accordance with the City Code; (iii) adoption by the City Commission of a resolution accepting the certification of the official results of the successful Referendum; and (iv) the parties' mutual execution and delivery of the Ground Lease. The "Effective Date" for purposes of phasing and commencement of the Project (including milestones) under the Development Agreement shall be determined in the notice to proceed issued by the City but shall not be earlier than the latest to occur of (i) through (iv) above.
- c. During the term of the Development Agreement, and subject to the Permitted DA Transfers (as defined below), Developer shall not assign or otherwise transfer or permit to be assigned or transferred, directly or indirectly, its right, title or interest in and to the Development Agreement or the Property without the prior written consent of the City, which may be granted or withheld in the City's sole and absolute discretion. Notwithstanding the foregoing, the following transfers shall be permitted (i) a single mortgage secured by a single mortgage lien on the Developer's leasehold interest in the Property as security for financing of the construction of the Project in favor of a single lender (except as otherwise expressly permitted in Section 6.c. below) that is an "Institutional Lender" (as shall be further defined and criteria set in the Development Agreement), (ii) a single pledge of direct or indirect membership interests of the Developer as security for mezzanine financing for the construction of the Project in favor of a single lender (except as otherwise expressly permitted in Section 6.c. below) that is an Institutional Lender, (iii) involuntary transfers pursuant to a foreclosure or deed or assignment in lieu of foreclosure by an Institutional Lender pursuant to the mortgage financing or mezzanine financing permitted by clauses (i) and (ii) above, respectively, (iv) transfers of direct or indirect ownership (including non-voting limited partners that are Institutional Buyers (as shall be further defined and criteria set in the Development Agreement, and shall include creditworthy partners)) of Developer



provided that: (A) the general partner or manager of the Developer as of the date hereof continues to be the general partner or manager of the Developer; and (B) Donahue Peebles II, Donahue Peebles III, Scott Robins and Philip Levine (collectively, the “Principals”) continue to (I) own, directly or indirectly, at least ten percent (10%) of the ownership interests of the Developer and (II) have the ultimate power to direct and Control (as shall be further defined in the Development Agreement) the day-to-day business and affairs of Developer after such transfer, subject to certain “major decisions” or similar approval rights to another person or entity (provided that at all times during construction and through stabilization of the Project, the Principals retain control over decisions relating to construction and operations, including without limitation, leasing), or (v) transfers by members of Developer for estate planning purposes or as the result of death provided the transferor (or the applicable heir) retains control of the transferred interest) (the “Permitted DA Transfers”), which transfers are expressly permitted hereunder with notice, and without the requirement for consent. The City may agree to permit C-PACE financing for the Project in addition to the mortgage financing and mezzanine financing described above subject to the City’s receipt from the Developer of a security deposit or other security as may be acceptable to the City and such other terms as may be mutually agreed in the Ground Lease, and subject at all times to the loan-to-cost ratio and loan-to-value ratio, as applicable, set forth below. The City shall receive prior written notice of any such Permitted DA Transfer in accordance with (i), (ii), (iv) and (v) above, and any such transferee shall assume all remaining obligations of Developer under the Development Agreement in a written instrument reasonably acceptable to the City. Notwithstanding anything to the contrary set forth herein, in the event any proposed transferee will own, in the aggregate (whether in one transaction or a series of transactions), twenty percent (20%) or more of the direct or indirect ownership interests of Developer or will have the power to direct and Control the day-to-day business and affairs of the Developer, then such proposed transferee must satisfy the Acceptable Owner Criteria and comply with the procedures set forth in Exhibit “A” attached hereto. [In no event shall any sale or transfer of any interests, rights or obligations of Developer under the Development Agreement or in the Project be permitted to a “Foreign Instrumentality” (as shall be defined in the Development Agreement) other than any of the member countries of the European Union or the Gulf Cooperation Council (each as existing as of the effective date of the Development Agreement), United Kingdom, Norway, Switzerland, Canada, Mexico, countries located in South America (excluding Venezuela), Japan, South Korea, Singapore and Australia or any person or entity controlled by any of the foregoing countries (each, a “Specified Foreign Instrumentality”).<sup>2</sup>] [*Parties continuing to discuss*]

- d. In furtherance of the goals of the City and Developer in connection with this Project, the parties acknowledge and agree that the exact and additional terms, provisions, and agreements of the Development Agreement are to be further

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<sup>2</sup>

Indirect ownership by Foreign Instrumentalities will be subject to the threshold set forth in Exhibit A.

negotiated by the parties, and this Term Sheet includes certain terms and conditions as a framework for the parties' good faith negotiation of the definitive documents.

### 3. Ground Lease:

- a. Term: Not to exceed 99 years, including an initial term of fifty-one (51) years and two (2) consecutive, dependent twenty-four (24)-year extension options. The extension options shall be exercisable by Developer, its permitted successors or assigns, in their sole and absolute discretion, subject only to the condition that Developer is not then in material default under the Ground Lease, beyond applicable notice and cure periods, nor has an event or circumstance occurred, which with the giving of notice and passage of time would constitute a material default thereunder. The effective date of the Ground Lease shall occur upon the latest to occur of, (i) execution of the Ground Lease by the parties and (ii) approval thereof by the City Commission in accordance with City Code and adoption by the City Commission of a resolution accepting the certification of the official results of the successful Referendum, and the effectiveness of the Ground Lease shall further be subject to the parties' execution of the Development Agreement. The term of the Ground Lease will commence upon the Possession Date (as defined below). In furtherance of the goals of the City and the Developer in connection with this Project, the parties acknowledge and agree that the exact and additional terms, provisions, and agreements of the Ground Lease are to be further negotiated by the parties, and this Term Sheet includes certain terms and conditions as a framework for the parties' good faith negotiation of the definitive Ground Lease.

b. Rent:

(i) Base Rent: [*Parties continuing to discuss*]

Year 1 (months 1-12)	\$ 0	(Referendum certification/Notice to Proceed)
Year 2 (months 13-24)	\$ 0	(Year 2 commences on the first anniversary of Referendum certification/Notice to Proceed)
Year 3 (months 25-36)	\$ 2,250,000	One-time payment of \$2,000,000 due and \$250,000 construction rent commences on the earlier of (a) the actual date of Commencement of Construction or (b) month 34, the Outside Date for Commencement of Construction set forth in the Project milestones below
Year 4 (months 37-48)	\$ 250,000	
Year 5 (months 49-60)	\$ 250,000	

Year 6 (months 61-72)	\$ 550,000	Commences on the earlier of (a) the actual date of Completion of Construction or (b) month 61, the Outside Date for Completion of Construction set forth in the Project milestones below
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Year 7 (months 73-84)	\$ 550,000
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Years 8 (months 85-96) and Beyond:	Increases over the prior year by the greater of 2% or CPI (capped at 3.0%) commencing on the earlier of (a) the actual date of stabilization of the Project or (b) month 85, the Outside Date for stabilization of the Project as set forth in the Project milestones below
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- (ii) Annual Percentage Rent: 4% of effective gross income from the Project for such lease year.
  - (iii) Base Rent Reset at year 51 (for years 52-75) and at year 75 (for years 76-99): At the time of rent reset, hypothetical rent would be calculated based on year when full rent (i.e. \$550,000) commences escalated through the rent reset date by the higher of 2% or CPI (uncapped).
- c. Net Revenues from the Public Parking Replacement Component: The City shall manage and operate the Public Parking Replacement Component (unless the City elects to cause the Developer to operate the Public Parking Replacement Component as provided in this Term Sheet) and shall be entitled to retain 100% of all Net Revenues (as shall be further defined in the Ground Lease) arising out of any use of the Public Parking Replacement Component. The City shall have the right, in its sole discretion, to cause the Developer to operate the Public Parking Replacement Component as set forth above, and in such case, the Developer shall pay to the City, in addition to the Rent, all Net Revenues from the Public Parking Replacement Component, which shall be net of, any reasonable, out-of-pocket costs and expenses permitted under the Development Agreement and/or Ground Lease, including a reasonable and customary management fee to be retained by the Developer (or paid to a third party operator) in connection with the operation and maintenance of the Public Parking Replacement Component. For the avoidance of doubt, rates to be charged for spaces in the Public Parking Replacement Component shall not be higher than the City's then applicable rates for similar parking facilities.
- d. Use: Office, retail, restaurant, personal service or similar active uses, residential, public, and non-public parking, and ancillary uses. No other uses or purposes shall be permitted, except as may be approved by the City in its sole discretion and set forth in the Development Agreement and/or Ground Lease.
- e. The Ground Lease shall be a "triple net" (net-net-net) lease, and Developer shall be solely responsible for all real estate taxes, utilities, assessments and other public

charges, insurance, common area maintenance and other costs and expenses associated with operation of the Project; provided, however, the City shall be responsible for all such reasonable, out of pocket costs and expenses attributable to the Public Parking Replacement Component.

- f. Following Substantial Completion (as shall be defined in the Development Agreement and Ground Lease), Developer may assign its interests, rights and obligations under the Ground Lease in connection with certain “Permitted Transfers” (as shall be defined in the Ground Lease and shall include certain permitted transferees having the requisite assets, net worth and experience to operate the Project, as shall be further described in the Ground Lease), which shall include the Permitted DA Transfers. No other transfer shall be permitted without the prior written consent of the City, which may be granted or withheld in the City’s sole and absolute discretion. [In no event shall any sale or transfer of any interests, rights, or obligations of Developer under the Ground Lease or in the Project be permitted to a “Foreign Instrumentality” (as shall be defined in the Ground Lease, which definition shall be the same as defined in the Development Agreement) other than a Specified Foreign Instrumentality.<sup>3</sup> Any proposed transferee of any ownership interest in Developer or any portion of the Project must satisfy the “Acceptable Owner Criteria” and be confirmed as such by the City in accordance with **Exhibit “A”** attached hereto.] [*Parties continuing to discuss*]

#### 4. The Project:

- a. The City Commission shall approve a concept plan design of the Project as part of its approval of the Development Agreement (the “Concept Plan”). The Concept Plan will be included as an exhibit to the Development Agreement and as of the date hereof, is anticipated to be consistent with the RFP Response, provided that the design will also be subject to review by the DRB (as defined below) and any other relevant body or department.
- b. The term of Developer’s possession of the Property pursuant to the Ground Lease shall commence immediately following, and commencement of construction and the Developer’s right to such possession shall be expressly subject to, the Developer’s satisfaction of certain conditions reasonably determined by the City and to be further described in the Development Agreement, including without limitation, the following (such date of possession, as further defined and described in the Development Agreement, the “Possession Date”):
  - (i) Issuance of all Required Approvals, as further described below and in the Development Agreement;
  - (ii) Developer’s delivery to the City of payment and performance bonds in form and substance reasonably acceptable to the City and naming City as co-obligee, or such other security as is reasonably acceptable to the City

<sup>3</sup>

Indirect ownership by Foreign Instrumentalities will be subject to the threshold set forth in Exhibit A.

Manager, after consultation with the City Attorney. City recognizes and approves of a lender being a co-obligee together with the City on the bonds and any other approved security, as shall be further described in the Development Agreement.

- (iii) Developer's delivery to the City of a budget reflecting the good faith estimated costs to complete construction of the Project in accordance with the Development Agreement;
- (iv) Developer's delivery to the City of a schedule of performance of the Project using the critical path method, setting forth the dates and times of delivery of the Project, including without limitation the Project milestones set forth below, subject to reasonable extension for unavoidable delays and force majeure events (which may include specified delays attributable to (a) the City acting in its proprietary capacity and as owner of the Property, (b) certain specified global or national economic conditions that delay the Developer's financing or construction of the Project and (c) unforeseen site conditions to the extent not reasonably capable of being identified prior to execution of the Development Agreement, provided in each case (i) Developer provides prompt written notice of such delay, and (ii) with respect to (b) and (c) above, any resulting permitted delays are mutually agreed and identified prior to commencement of construction), as more particularly described in the Development Agreement.
- (v) City's approval of the general contractor/design builder for the Project, with such approval not to be unreasonably withheld so long as the contractor has bonding capacity equal to or to exceed \$100 million and has achieved final completion of at least five (5) projects of similar size and scope in the U.S. within the last ten (10) years;
- (vi) Developer's delivery to the City of the fully executed general construction contract for the Project with the approved general contractor/design builder reflecting a guaranteed maximum price that does not exceed the costs set forth in the budget; and
- (vii) Developer's delivery to the City of contingent assignments of the architect's agreement and general contract, subject to a default, beyond any applicable notice and cure periods of Developer, and further subject only to the rights of Developer's mortgage lender and/or mezzanine lender as shall be further defined in the Development Agreement, pursuant to which the City shall have the right, without assuming Developer's obligations, to enforce the architect's and general contractor's, as applicable, full and prompt performance under their respective agreements, subject only to payment by the City;
- (viii) Developer's delivery to the City of evidence reasonably satisfactory to the City that Developer has secured financing for the Project and will contribute

equity to complete construction of the Project in accordance with the Project budget and the Development Agreement.

- c. Promptly following Developer's satisfaction of the conditions to the Possession Date, Developer shall commence (or cause the general contractor to commence) construction of the Project and thereafter, diligently and continuously pursue completion of the Project in accordance with the Development Agreement and all applicable laws, permits and approvals, subject to the terms of the Development Agreement and reasonable extension for unavoidable delays and force majeure events, as further described above and as more particularly described in the Development Agreement.
- d. Developer shall stage construction of the Project in a manner that minimizes the extent and duration of displacement of the existing public parking spaces on the Property during construction and until the Public Parking Replacement Component is completed and available for beneficial use by the public, which shall be to the satisfaction of the City Manager or his/her designee in their sole discretion.
- e. Prior to the Possession Date, and subject to the Developer's rights to enter upon and conduct its investigations of the Property, which shall be exercised by Developer in a manner not to unreasonably interfere with the use of the Property as a surface parking lot, as shall be further set forth in the Development Agreement, the City shall have the right to use the Property consistent with the current uses, so long as such uses do not interfere with or delay the Possession Date.
- f. During construction of the Project, the City and its on-site representative shall have reasonable rights of inspection of the Project and progress of construction, which inspections shall be solely for the benefit of the City, provided that the City shall not unreasonably interfere with or disrupt construction of the Project by the Developer or its general contractor. The City and its on-site representative shall also have the right to participate in periodic meetings with Developer and to receive periodic updates with respect to the progress of construction and any changes to the Project budget and other Project documents. Nothing contained herein or in the Development Agreement or Ground Lease shall or is deemed to limit the City's inspection rights in its governmental and/or regulatory capacity.

## **5. Project Approvals and Milestones:**

- a. Zoning: Developer shall adhere to all applicable zoning requirements, including without limitation, the minimum parking requirements, and applicable height restrictions and FAR (unless amendments to the Land Development Regulations are proposed, in which case such amendments shall be subject to review and approval by the City and its applicable development boards, in their regulatory capacity and sole discretion).
- b. The definition of "Required Approvals" shall mean:

- (i) The City Commission shall have approved the Concept Plan as part of the Development Agreement described above.
- (ii) The City Manager shall have approved the proposed plans and specifications, which approval will not be unreasonably withheld, conditioned, or delayed provided such proposed plans and specifications substantially conform to the approved Concept Plan. Any material modifications made by or on behalf of the Developer to the approved Concept Plan, must be approved by the City Commission, in its sole discretion. The Development Agreement shall set forth certain minimum elements to be incorporated within the Project, and any deviation from such minimum elements shall be deemed material.
- (iii) Developer, at its sole cost, is responsible for obtaining all governmental approvals for the design, development, and construction of the Project, including without limitation, City of Miami Beach Design Review Board (“DRB”) and, if applicable, City of Miami Beach Planning Board (“Planning Board”) approval. Specifically with respect to the DRB approval, the Developer intends to seek a waiver for up to an additional five feet (5') of height as measured from the base flood elevation plus maximum freeboard, to the top of the second floor slab of the building in accordance with Section 142-337 of the City Code and reserves the right to seek additional waivers or variances as may be needed to accommodate the proposed design of the Project, subject to the City’s approval in its proprietary capacity as part of its approval of the proposed plans and specifications. Promptly following the City Manager’s approval of the proposed plans and specifications (the “Approved Plans”), Developer shall submit the Approved Plans to DRB and, if applicable, Planning Board for approval and thereafter, diligently pursue such approvals. To the extent DRB or, if applicable, Planning Board requires any revisions to the Approved Plans that do not materially conform to the approved Concept Plan, such revisions shall be subject to the City Commission’s approval, in its sole discretion. [In accordance with Section 118-4(4) of the City Code, the Development Agreement shall extend the expiration date for a City Land Use Board Order as defined below beyond the time periods contemplated in Section 118-193 for conditional use permits issued by the Planning Board; Section 118-258 for design review and variance approvals issued by the design review board; and Section 118-355 for variance approvals issued by the board of adjustment. The term “Land Use Board Order” means an order by the Planning Board, but [with the approval of] Design Review Board and/or by the Board of Adjustment. In such cases, the expiration date set forth in the approved and executed Development Agreement shall control over any contained in a City Land Use Order.

c. Project Milestones: [*Parties continuing to discuss*]

	<u><b>Target Date</b></u>	<u><b>Outside Date</b></u>
DRB, and if applicable, Planning Board approval	8 months after Effective Date	[12] months after Effective Date (plus one month to exhaust all appeals)
Issuance of building permit necessary for commencement of vertical construction of the Project (“Building Permit”)	[14] months after DRB, and if applicable, Planning Board approval	[20] months after DRB, and if applicable, Planning Board approval
Commencement of Construction and Construction Loan Closing	N/A	1 month after issuance of Building Permit and not later than [34] months after Effective Date
Completion of Construction and issuance of TCO for the Project	[20] months after Commencement of Construction	[27] months after Commencement of Construction and not later than [61] months after Effective Date
Opening of the Public Parking Replacement Component and Additional Parking Component to the public and Project Public Spaces [ <i>to be defined</i> ]	[1] month after Completion of Construction and issuance of TCO for the Project	[3] months after Completion of Construction and issuance of TCO for the Project
Stabilization of the Project (as shall be further defined in the Ground Lease)	N/A	[24] months after Completion of Construction and not later than [85] months after Effective Date

- (i) Such other development milestones as the parties may mutually agree to be set forth in the Development Agreement. The Project milestones will be subject to reasonable extension for unavoidable delays and force majeure events, as further described above and as more particularly described in the Development Agreement.
- (ii) “Commencement of Construction” and “Completion of Construction” shall be defined and described in the Development Agreement. All references above to “TCO” shall mean a temporary certificate of occupancy allowing for the beneficial use and occupancy of such portions of the Project by tenants, occupants, users and visitors thereof and shall be further defined in the Development Agreement.



## 6. Project Costs and Financing:

- a. Developer at its sole cost, shall be responsible for all costs and expenses in connection with the development, design, permitting, construction, operation and maintenance of the Project, including demolition of any existing improvements on the Property, including asphalt paving.
- b. Developer, in coordination with the City, shall be responsible for development and implementation of community outreach and public information campaigns for the Project.
- c. Developer shall be permitted to finance the Project with (i) a single mortgage loan from one or more lenders as part of a syndication, provided that an Institutional Lender shall be the administrative agent/mortgagee with respect to such mortgage loan and, at Developer's option, (ii) one mezzanine loan secured by one pledge of the direct or indirect ownership interests in Developer, provided that an Institutional Lender shall be the administrative agent/pledgee with respect to such mezzanine loan; provided further that the loan-to-cost ratio (with respect to construction financing) or loan-to-value ratio (with respect to permanent financing), taking into account the mortgage loan and the mezzanine loan financing of the Project, as applicable, shall not exceed ninety percent (90%) and Developer shall at all times maintain not less than ten percent (10%) equity in the Project, including Developer's initial equity contribution to the Project.
- d. In no event shall the City's interest in the Property be subject or subordinate to any mortgage or other liens or encumbrances hereafter affecting Developer's interest in the Property. City shall at all times have first priority right of payment of rent due under the Ground Lease.
- e. The City is not and shall not be required to provide any funding or financing for the Project, including without limitation, any tax credits and/or subsidies.
- f. Developer acknowledges and agrees that the City has a compelling interest in the development of the Project and the Option 5 Project in order to advance and promote the City's objective of developing additional Class-A office space to diversify its economy to include a greater mix of businesses, including technology and financial firms. [As an inducement to the City to negotiate this Term Sheet, the Development Agreement and the Ground Lease, at all times until the conclusion of the Referendum, neither the Developer nor any Principal nor any director, officer or member of senior management of Developer, TPC, Scott Robins Companies or the Baron Corporation shall engage in a deliberate campaign intended to cause voters in the Referendum to vote against, or otherwise publicly disparage, impugn or make derogatory statements regarding the Option 5 Project or the developer of the Option 5 Project with such intent (the "Option 5 Negative Campaign Covenant"). However, the foregoing waivers are not intended to and do not limit Developer's ability to truthfully communicate with any governmental agency or to advocate in favor of the Project, including to prospective tenants who may be

considering both the Project and the Option 5 Project. Developer acknowledges that it is voluntarily and knowingly waiving its rights under the First Amendment to the United States Constitution and under any applicable provision of the Florida Constitution in connection with the Option 5 Negative Campaign Covenant. Developer has had the opportunity to consult an attorney in connection with the foregoing waivers and has made the informed decision to waive these rights. The Developer shall execute an inducement letter containing the foregoing waivers promptly upon the City's request. The City agrees that it shall require the developer of the Option 5 Project to enter into a substantially similar agreement containing similar waivers with respect to the Project; provided, however, the developer of the Option 5 Project shall not be a third party beneficiary of the Option 5 Negative Campaign Covenant and the Developer shall not be a third party beneficiary of the negative campaign covenant made by the developer of the Option 3 Project. The City will fairly and equitably enforce both the Option 5 Negative Campaign Covenant and the negative campaign covenant made by the developer of the Option 5 Project as determined by the City Manager in his/her sole discretion.] [*Parties continuing to discuss*]

## **7. Condition of Property/Environmental**

- a. Developer accepts the Property in its AS IS, WHERE IS, and WITH ALL FAULTS condition, including without limitation, environmental condition, and all latent or patent defects, without any representation or warranty of any kind, express or implied, or arising by operation of law.
- b. The City will provide any environmental reports in the City's possession for the Property.
- c. The Project must be developed to comply with the City's resiliency standards attached as Appendix D to the RFP and to be set forth in the Development Agreement. The Developer shall cause its architectural and engineering consultants to design the Project with the objective of meeting LEED® Gold or Living Building Challenge certification requirements and compliance with the Sustainability Fee Program, in accordance with Section 133 of the City Code. The Public Parking Replacement Component and the Additional Parking Component will be designed with the objective of being eligible for Park Smart® certification.

## **8. Termination Rights:**

- a. Developer may terminate the Development Agreement and the Ground Lease at any time prior to issuance of the building permits for the Project in the event of any of the following: (1) any of the Required Approvals render the Project economically unfeasible in the reasonable business judgment of Developer, (2) the Project cannot meet concurrency requirements under Section 163.3180, Florida Statutes, or the costs of concurrency mitigation are, in the reasonable business judgment of Developer, economically unfeasible, (3) Developer, after diligent, good faith

efforts, has been unable to obtain necessary building permits for the Project pursuant to the Approved Plans, (4) Developer, after diligent, good faith efforts, has been unable to secure adequate financing on financial terms that are commercially reasonable, or (5) there shall exist any material adverse change in national or global economic conditions that in the Developer's reasonable and good faith judgment would materially, adversely affect the financial viability of the Project. In connection with any such termination by Developer, Developer shall reimburse the City for any reasonable unreimbursed, out-of-pocket, third-party costs and expenses, beyond the cap on such costs and expenses set forth in the Reimbursement Agreement; for the avoidance of doubt, Developer would be "credited" with all amounts already reimbursed to City pursuant to the Reimbursement Agreement.

- b. The City will not have the right to terminate the Development Agreement for convenience. City will have the right to terminate the Development Agreement as a result of any default by Developer, as further described in the Development Agreement, beyond any applicable notice and cure periods, to be more fully set forth in the Development Agreement and the Ground Lease.
- c. In the event of a termination by Developer pursuant to Section 8.a or by the City as a result of an uncured default by Developer pursuant to Section 8.b., (i) the Developer shall assign (without any representation or warranty, express or implied) to the City all right, title and interest the Developer has in and to the Approved Plans and any other non-privileged, non-confidential or proprietary materials, information, and documents pertaining to the Project, developed by or on behalf of the Developer, and (ii) the City shall have no further obligation to the Developer following such termination, financial or otherwise.

## **9. Default:**

Developer shall be in default of the Development Agreement and Ground Lease if the Developer fails to comply with the terms thereof, beyond any applicable notice and cure periods to be negotiated by the parties and included in the Development Agreement and the Ground Lease, including, without limitation, failure to satisfy conditions precedent to possession of the Property, failure to commence construction prior to the outside date for commencement of construction, failure to satisfy the other Project milestones, and the occurrence of any unpermitted transfers, subject to any applicable extensions for unavoidable delays and force majeure events, as further described above and as more particularly described in the Development Agreement and the Ground Lease. The parties acknowledge and agree that the Development Agreement and Ground Lease will include reasonable and appropriate notice and cure periods and provisions in accordance with City's customary practices. City's remedies for Developer's default under the Development Agreement and Ground Lease will include, without limitation, termination of the Development Agreement and the Ground Lease, as applicable. In connection with any such termination following the commencement of construction and prior to completion of construction, Developer shall restore the

Property to the condition existing prior to the execution of the Development Agreement so that the Property may be fully utilized by the City for its existing purposes as a surface parking lot as of the date hereof and Developer shall reimburse the City for any reasonable out of pocket losses or damages to the extent suffered as a result of the Developer's failure to complete construction in accordance with the Development Agreement, to be further described in the Development Agreement. In connection with certain defaults for failure to meet Project milestones prior to Developer paying full rent under the Ground Lease, in lieu of termination, the City may elect to receive payment of liquidated damages by Developer for a specified period before exercising its right to terminate the Development Agreement as a result of such defaults. Such liquidated damages shall be reasonably determined by the City, and further described and agreed to in the Development Agreement.

#### **10. Indemnification:**

Each of the Development Agreement and Ground Lease shall contain such indemnity provisions as the City customarily requires for projects of this nature. In addition, except to the extent caused by the City's gross negligence and/or willful misconduct, Developer will indemnify, hold harmless and defend the City for any claims, losses, damages, liabilities, fees, costs and expenses (including reasonable attorneys' fees, costs and expenses) in connection with any lawsuit challenging the validity of the Development Agreement or Ground Lease, any governmental approvals of the Project and/or arising in connection with Developer's failure to complete construction in accordance with the Development Agreement, each at Developer's sole cost and expense and using legal counsel reasonably acceptable to the City. The foregoing indemnity will survive the expiration or earlier termination of the Development Agreement and Ground Lease, as applicable. In the event the City elects to operate the Public Replacement Component, the operating agreement may provide that the City agrees to indemnify the Developer subject to sovereign immunity and other customary City indemnity limitations. Neither the City nor the Developer shall be entitled to consequential, special or punitive damages with respect to this Term Sheet, the Development Agreement and/or the Ground Lease; provided the foregoing is not intended to and shall not modify the Developer's obligation to pay any liquidated damages pursuant to the Development Agreement.

#### **11. Other:**

- a. Legal Description and Parking Bond Covenant Analysis: The Developer shall procure a survey of the Property by a licensed surveyor reasonably approved by the City. Developer shall pay the costs of such survey, provided, if the City's Public Works Department prepares the survey, the Developer will reimburse the City for its costs in accordance with the terms of the Reimbursement Agreement (defined in Section 11.e). Developer acknowledges that the transactions are subject to the City's receipt of a parking bond covenant analysis acceptable to the City in its sole discretion and performed by a parking bond consultant approved by the City (or at

the City's sole discretion, the City may produce the parking bond covenant analysis using its internal resources). Whether the City retains the services of a consultant or produces the parking bond analysis itself, Developer will reimburse the City for its costs in accordance with the terms of the Reimbursement Agreement.

- b. [Naming Rights: Naming rights for all or any portion of the Project shall require the approval of the City Commission, which approval shall be in the City Commission's sole discretion; provided, however, the City will not unreasonably withhold its approval of a request by Developer for naming rights in favor of the lead commercial tenant for the Project.] [*Parties continuing to discuss*]
- c. Land Development Regulations: The Project shall be subject to the City's Land Development Regulations (the "LDRs"). The City makes no representation or warranty that the proposed amendment to the LDR will be approved by the City Commission. The Developer acknowledges and agrees that any amendment to the LDRs that would result in a FAR increase would be subject to separate voter referendum approval (i.e., separate from the Referendum required to approve the Ground Lease).
- d. By or before 5:00 p.m. on April 13, 2022, Developer has procured for the City's review, a preliminary parking impact study, a preliminary traffic impact study and a preliminary infrastructure (i.e. water and sewer capacity) study.
- e. Reimbursement: Subject to the agreed upon terms, Developer agreed to reimburse the City for, or at City's option, pay directly, on a monthly basis the City's reasonable out of pocket transactional and professional costs and expenses associated with the due diligence, negotiation and drafting of the Development Agreement and Ground Lease and development of the Project, including without limitation reasonable fees for the City's parking bond covenant analysis, real estate appraisals and other required reports; the City's outside counsel and paralegal fees; and any surveys, environmental assessments (if any), title searches, and other reviews engaged by the City, up to \$150,000, all as further described in the reimbursement agreement between the parties. The Developer has executed a Reimbursement Agreement (the "Reimbursement Agreement") and furnished same to the City on March 7, 2022.
- f. Art in Public Places: Developer shall comply with the City's Art In Public Places (AIPP) program requirements under Section 82-536 through 82-612 of the City Code, as applicable, and shall contribute to the City's Art in Public Places fund the total amount of 1.5% of the "construction cost" of the Project development costs, as such term is defined in Section 82-537 of the City Code, no later than the date of execution of the Project general contract by Developer and the Project general contractor, as required by the City Code.
- g. Prevailing Wage. Developer shall comply with Section 31-27 of the City Code which provides, in pertinent part, that in construction projects pursuant to a development agreement and/or ground lease with the City on City-owned land, the

rate of wages and fringe benefits, or cash equivalent, for all laborers, mechanics and apprentices employed by any contractor or subcontractor on the work covered by the contract, shall not be less than the prevailing rate of wages and fringe benefit payments or cash equivalence for similar skills or classifications of work, as established by the Federal Register, in the City of Miami Beach, Florida. The details included in Appendix C of the RFP pertaining to this requirement shall be attached as an exhibit to the Development Agreement and Ground Lease.

- h. Local Workforce Participation Program: Developer shall cause its contractor to comply with Section 31-40 of the City Code which provides, in pertinent part, that the contractor in any construction contract valued in excess of \$1,500,000 for the construction of buildings or improvements on City-owned land shall make of reasonable efforts to promote employment opportunities for local Miami-Dade County residents and seek to achieve a project goal of having thirty percent (30%) of all construction labor hours performed by Miami-Dade County and City of Miami Beach residents. The details included in Appendix C of the RFP pertaining to this requirement shall be attached as an exhibit to the Development Agreement and Ground Lease.
- i. Developer shall comply with, all Federal, State, County, and City laws, ordinances, codes, rules and regulations, and all orders and decrees of bodies or tribunals having jurisdiction or authority which, in any manner, may affect the Project (including, without limitation, the Americans with Disabilities Act, Title VII of the Civil Rights Act, the EEOC Uniform Guidelines, and all EEO regulations and guidelines).
- j. Whether or not included or referenced in this term sheet, all other applicable terms and conditions included in the RFP shall be incorporated into the Development Agreement and/or Ground Lease, as appropriate.
- k. Notwithstanding anything to the contrary herein, the specific details, terms, agreements, and conditions for the Project will be negotiated by the parties and set forth in the definitive Development Agreement and Ground Lease, and shall be subject to further approvals, as provided herein.

**EXHIBIT “A”**  
**ACCEPTABLE OWNER DEFINITION**

A. “Acceptable Owner” means any individual, corporation or other entity which has, at a minimum, the following qualifications:

1. [The proposed transferee is not a Foreign Instrumentality; provided however, that up to forty-nine percent (49%) of the indirect equity interests of Developer may be owned by Foreign Instrumentalities provided that at least seventy percent (70%) of such indirect equity interests permitted to be owned by Foreign Instrumentalities must be owned by Specified Foreign Instrumentalities.] [*Parties continuing to discuss*].

2. The proposed transferee must not be owned or Controlled by entities or individuals who have been convicted, or are presently under indictment, for felonies under the laws of any foreign or United States of America jurisdiction; provided, however, the foregoing shall not apply to any individuals or entities owning less than twenty percent (20%) equity interest in the proposed transferee, other than officers, directors, managers or others who have the power to direct and control the business and affairs of such proposed transferee.

3. The proposed transferee must not in its charter or organizational documents (defined as the articles of incorporation and bylaws for any corporation, the partnership agreement and partnership certificate for any partnership, the articles of organization and limited liability company operating agreement for any limited liability company, the trust agreement for any trust and the constitution of the relevant government for any governmental entity, but expressly excluding any statements, positions, actions or allegations not contained in such charter organizational documents) expressly advocate or have as its stated purpose: (a) the violent overthrow of or armed resistance against, the U.S. government; or (b) genocide or violence against any persons; or (c) discrimination, hatred or animosity toward persons based solely on their race, gender, color, national origin, religion, age, disability, marital status, familial status, or sexual orientation.

4. Neither the proposed transferee nor any other person that controls the proposed transferee (or that will, following the proposed transfer, control the proposed transferee) will have violated any laws resulting in a forfeiture of such proposed transferee’s or other person’s entire interest in real property owned or managed by such transferee or other person.

5. The proposed transferee must not (nor any of the individuals or entities who own at least a twenty percent (20%) equity interest in such proposed transferee or are officers, directors, managers or otherwise have the power to direct and control the business and affairs of such proposed transferee) have voluntarily filed or been discharged from bankruptcy, or have been the subject of an involuntary bankruptcy, reorganization or insolvency proceedings (which was not dismissed within 90 days after the filing thereof) within the past five (5) years (bankruptcy filings by Affiliates shall not disqualify a proposed transferee, unless such Affiliates are any of the individuals or entities described in the parenthetical immediately above).

B. “Acceptable Owner Criteria”: The foregoing categories of requirements set forth in Paragraph A above are collectively defined as the “Acceptable Owner Criteria.”

C. Evaluation of the Acceptable Owner Criteria:

Solely for the purpose of evaluating whether the proposed transferee has met the Acceptable Owner Criteria, the proposed transferee shall provide the following information to the Developer and certify that the information provided by the proposed transferee is true and correct and that the proposed transferee meets or exceeds the Acceptable Owner Criteria:

1. information sufficient for the City or any outside vendor engaged by the City to perform a due diligence investigation pursuant to Paragraph D below, including copies of any applicable operating licenses;
2. identification and summary description of its principals and its major real estate or other investments;
3. a list of all bankruptcies filed by such proposed transferee or to which such proposed transferee was a party-bankrupt, if any; and
4. such other evidence as is commercially reasonably necessary, as determined by Developer, to establish that the new entity proposed to be the Acceptable Owner meets the Acceptable Owner Criteria.

D. With respect to any proposed transfer to a proposed transferee, City may, at its sole discretion, engage an outside vendor to perform a due diligence investigation at the Developer's or such proposed transferee's sole expense, which may include a search of civil, criminal, or bankruptcy proceedings in federal and state jurisdictions; regulatory filings; tax filings; lien, judgment and Uniform Commercial Code searches; business registrations, and the like; provided, however, that City's right to conduct its own due diligence shall not expand or deemed to expand the Acceptable Owner Criteria or impose additional criteria with respect to whether a proposed transferee constitutes an Acceptable Owner. City shall be entitled to engage an independent accounting firm, the reasonable costs of which shall be borne by Developer or such proposed transferee, to review the information upon which the proposed transferee's certifications were based, for the purpose of determining whether the certifications and/or information provided to the City is accurate and complete. Developer shall, or shall cause such proposed transferee to, reimburse City, upon demand, for any reasonable out-of-pocket costs incurred by City in connection with such transfer or proposed transfer to a proposed transferee, including the reasonable out-of-pocket costs of making inquiries and investigations into the conformance with the Acceptable Owner Criteria of such proposed transferee and the reasonable legal costs incurred, if any, in connection therewith.

E. Confirmation/Approval Process for Proposed Transferees:

Regarding the City's confirmation that a proposed transferee is an Acceptable Owner, or the City's approval of a transfer that is not a Permitted Transfer, the parties hereby agree that:



1. When reviewing a potential Permitted Transfer for compliance with the Acceptable Owner criteria, the City Manager shall make a recommendation to the City Commission in reliance on the proposed transferee's certification that the proposed transferee meets the Acceptable Owner Criteria (if a Permitted Transfer), along with the information provided by the proposed transferee and the results of any due diligence investigation performed by the City. If the City Manager does not recommend that the proposed transferee meets the Acceptable Owner Criteria, the City Manager shall provide to Developer, upon Developer's written request, specific written, commercially reasonable reasons for such action.

2. The City Commission shall not unreasonably withhold the City's confirmation of a Permitted Transfer if the proposed transferee complies with the Acceptable Owner Criteria.

3. The City Manager may, but shall not be obligated to, make any recommendation for the City's Approval of a transfer that is not a Permitted Transfer, and provided that any such transfer shall be subject to the prior written Approval of the City Commission, which may be granted, conditioned, or withheld by the City Commission in its sole discretion; and

4. If a proposed transfer requires the City's confirmation or Approval, Developer shall deliver written notice to the City, which shall include (i) the name and address of the proposed transferee; (ii) the name and address of the proposed transferor; (iii) information describing the nature of the transaction; (iv) the percentage interest being conveyed; and (iv) the materials described in Paragraph C above.

5. The City shall have up to sixty (60) days after the delivery of such written notice and the information required under Paragraph C above, to determine whether, on a commercially reasonable basis, the proposed transferee meets the Acceptable Owner Criteria, and is a Permitted Transfer. The City shall have up to ninety (90) days after the delivery of such written notice and the information required under Paragraph C above whether to Approve in accordance herewith a transfer that is not a Permitted Transfer.

6. Provided that no Event of Default is then continuing, Developer's request for confirmation that the proposed transferee meets the Acceptable Owner Criteria shall be deemed confirmed if the first correspondence from Developer to the City requesting such confirmation is in an envelope marked "**PRIORITY**" and contains a bold-faced, conspicuous (in a font size that is not less than fourteen (14)) legend at the top of the first page thereof stating that **"THIS IS A REQUEST FOR CONFIRMATION OF A PERMITTED TRANSFER UNDER SECTION [ ] OF THE [DEVELOPMENT AGREEMENT] [GROUND LEASE], DATED AS OF [ ], 2022, AND FAILURE TO RESPOND TO THIS REQUEST WITHIN SIXTY (60) DAYS WILL RESULT IN THE REQUEST BEING DEEMED CONFIRMED"** and is accompanied by the information and documents required above and City fails to respond or to deny such request for confirmation in writing within such sixty (60) day period. Provided that no Event of Default is then continuing, Developer's request for approval of a transfer that is not a Permitted Transfer shall be deemed Approved (except if the request includes a Foreign

Instrumentality as a transferee) if the first correspondence from Developer to the City requesting such approval is in an envelope marked **“PRIORITY”** and contains a bold-faced, conspicuous (in a font size that is not less than fourteen (14)) legend at the top of the first page thereof stating that **“THIS IS A REQUEST FOR APPROVAL OF A TRANSFER UNDER SECTION [ ] OF THE [DEVELOPMENT AGREEMENT] [GROUND LEASE], DATED AS OF [ ], 2022, AND FAILURE TO RESPOND TO THIS REQUEST WITHIN NINETY (90) DAYS WILL RESULT IN THE REQUEST BEING DEEMED APPROVED, PROVIDED IF THE REQUEST INCLUDES A FOREIGN INSTRUMENTALITY AS A TRANSFEE, THE CITY’S FAILURE TO RESPOND IN THE AFFIRMATIVE WITHIN NINETY (90) DAYS SHALL BE DEEMED A REJECTION OF THE REQUEST”** and is accompanied by the information and documents required above and City fails to respond or to deny such request for Approval in writing within such ninety (90) day period. For the avoidance of doubt, if the City has not notified Developer, in writing, of the City Commission’s approval of a transfer that includes a Foreign Instrumentality as a transferee within the ninety (90) day period specified above, then such request shall be deemed rejected.

7. If the City notifies Developer, in writing, within the first thirty (30) days of such sixty (60) or ninety (90) day period, as applicable, that the information submitted is, on a commercially reasonable basis, incomplete, or insufficient (and specifies in what ways it is incomplete or insufficient), then Developer shall supplement such information, on a commercially reasonable basis, and the City shall then have thirty (30) days or sixty (60) days, respectively, after such supplemental information is provided to make its determination whether the proposed transferee meets the Acceptable Owner Criteria or to approve a transfer that is not a Permitted Transfer.

8. No confirmation by the City of a proposed transferee as an Acceptable Owner or its meeting of the Acceptable Owner Criteria shall have the effect of waiving or estopping the City from later claiming that said Acceptable Owner is no longer developing, operating or maintaining the Project according to the terms of the [Development Agreement] [Ground Lease].

F. Interpretation:

1. All acts and omissions as well as rights and duties shall be done in a commercially reasonable manner, unless the standard of “sole discretion” is used.

2. The implied covenant of good faith and fair dealing under Florida law is expressly adopted.

4856-3831-6306, v. 16

**Exhibit B: Comparison of Financial Proposals**

**LINCOLN LANE FINANCIAL COMPARISON - 51 Years (Initial Term)**  
**ANNUAL GUARANTEED RENT COMMENCEMENT (with 2% escalation)**

<b>Square Feet</b>	<b>Integra/Starwood</b>	85,979		<b>TPC</b>	60,972	
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	<b>Integra/Starwood</b>	<b>\$/PSF</b>	<b>Present Value (5% Discount Rate)</b>	<b>TPC</b>	<b>\$/PSF</b>	<b>Present Value (5% Discount Rate)</b>
1	\$ 2,500,000.00	\$ 29.08	\$2,500,000.00	\$ -	\$ -	\$ -
2	\$ 650,000.00	\$ 7.56	\$589,569.16	\$ -	\$ -	\$ -
3	\$ 725,000.00	\$ 8.43	\$ 626,282.26	\$ 2,250,000.00	\$ 36.90	\$ 1,943,634.60
4	\$ 725,000.00	\$ 8.43	\$ 596,459.29	\$ 250,000.00	\$ 4.10	\$ 205,675.62
5	\$ 750,000.00	\$ 8.72	\$ 587,644.62	\$ 250,000.00	\$ 4.10	\$ 195,881.54
6	\$ 1,250,000.00	\$ 14.54	\$ 932,769.25	\$ 550,000.00	\$ 9.02	\$ 410,418.47
7	\$ 1,272,500.00	\$ 14.80	\$ 904,341.99	\$ 550,000.00	\$ 9.02	\$ 390,874.73
8	\$ 787,950.00	\$ 9.16	\$ 533,315.58	\$ 561,000.00	\$ 9.20	\$ 379,706.88
9	\$ 803,709.00	\$ 9.35	\$ 518,077.99	\$ 572,220.00	\$ 9.38	\$ 368,858.11
10	\$ 819,783.18	\$ 9.53	\$ 503,275.76	\$ 583,664.40	\$ 9.57	\$ 358,319.31
11	\$ 836,178.84	\$ 9.73	\$ 488,896.45	\$ 595,337.69	\$ 9.76	\$ 348,081.62
12	\$ 852,902.42	\$ 9.92	\$ 474,927.98	\$ 607,244.44	\$ 9.96	\$ 338,136.43
13	\$ 869,960.47	\$ 10.12	\$ 461,358.61	\$ 619,389.33	\$ 10.16	\$ 328,475.39
14	\$ 887,359.68	\$ 10.32	\$ 448,176.94	\$ 631,777.12	\$ 10.36	\$ 319,090.38
15	\$ 905,106.87	\$ 10.53	\$ 435,371.88	\$ 644,412.66	\$ 10.57	\$ 309,973.51
16	\$ 923,209.01	\$ 10.74	\$ 422,932.68	\$ 657,300.91	\$ 10.78	\$ 301,117.12
17	\$ 941,673.19	\$ 10.95	\$ 410,848.89	\$ 670,446.93	\$ 11.00	\$ 292,513.78
18	\$ 960,506.65	\$ 11.17	\$ 399,110.35	\$ 683,855.87	\$ 11.22	\$ 284,156.24
19	\$ 979,716.79	\$ 11.39	\$ 387,707.20	\$ 697,532.99	\$ 11.44	\$ 276,037.49
20	\$ 999,311.12	\$ 11.62	\$ 376,629.85	\$ 711,483.65	\$ 11.67	\$ 268,150.70
21	\$ 1,019,297.34	\$ 11.86	\$ 365,869.00	\$ 725,713.32	\$ 11.90	\$ 260,489.26
22	\$ 1,039,683.29	\$ 12.09	\$ 355,415.60	\$ 740,227.59	\$ 12.14	\$ 253,046.70
23	\$ 1,060,476.96	\$ 12.33	\$ 345,260.87	\$ 755,032.14	\$ 12.38	\$ 245,816.80
24	\$ 1,081,686.50	\$ 12.58	\$ 335,396.27	\$ 770,132.78	\$ 12.63	\$ 238,793.46
25	\$ 1,103,320.23	\$ 12.83	\$ 325,813.52	\$ 785,535.44	\$ 12.88	\$ 231,970.79
26	\$ 1,125,386.63	\$ 13.09	\$ 316,504.56	\$ 801,246.14	\$ 13.14	\$ 225,343.05
27	\$ 1,147,894.36	\$ 13.35	\$ 307,461.58	\$ 817,271.07	\$ 13.40	\$ 218,904.68
28	\$ 1,170,852.25	\$ 13.62	\$ 298,676.96	\$ 833,616.49	\$ 13.67	\$ 212,650.26
29	\$ 1,194,269.30	\$ 13.89	\$ 290,143.33	\$ 850,288.82	\$ 13.95	\$ 206,574.54
30	\$ 1,218,154.68	\$ 14.17	\$ 281,853.52	\$ 867,294.60	\$ 14.22	\$ 200,672.41
31	\$ 1,242,517.78	\$ 14.45	\$ 273,800.56	\$ 884,640.49	\$ 14.51	\$ 194,938.91
32	\$ 1,267,368.13	\$ 14.74	\$ 265,977.69	\$ 902,333.30	\$ 14.80	\$ 189,369.23
33	\$ 1,292,715.49	\$ 15.04	\$ 258,378.33	\$ 920,379.96	\$ 15.10	\$ 183,958.68
34	\$ 1,318,569.80	\$ 15.34	\$ 250,996.09	\$ 938,787.56	\$ 15.40	\$ 178,702.72
35	\$ 1,344,941.20	\$ 15.64	\$ 243,824.77	\$ 957,563.31	\$ 15.70	\$ 173,596.93
36	\$ 1,371,840.02	\$ 15.96	\$ 236,858.35	\$ 976,714.58	\$ 16.02	\$ 168,637.01
37	\$ 1,399,276.82	\$ 16.27	\$ 230,090.97	\$ 996,248.87	\$ 16.34	\$ 163,818.81
38	\$ 1,427,262.36	\$ 16.60	\$ 223,516.94	\$ 1,016,173.85	\$ 16.67	\$ 159,138.28
39	\$ 1,455,807.61	\$ 16.93	\$ 217,130.74	\$ 1,036,497.33	\$ 17.00	\$ 154,591.47

	Integra/Starwood	\$/PSF	Present Value (5% Discount Rate)	TPC	\$/PSF	Present Value (5% Discount Rate)
40	\$ 1,484,923.76	\$ 17.27	\$ 210,927.01	\$ 1,057,227.27	\$ 17.34	\$ 150,174.57
41	\$ 1,514,622.23	\$ 17.62	\$ 204,900.52	\$ 1,078,371.82	\$ 17.69	\$ 145,883.87
42	\$ 1,544,914.68	\$ 17.97	\$ 199,046.22	\$ 1,099,939.25	\$ 18.04	\$ 141,715.76
43	\$ 1,575,812.97	\$ 18.33	\$ 193,359.19	\$ 1,121,938.04	\$ 18.40	\$ 137,666.74
44	\$ 1,607,329.23	\$ 18.69	\$ 187,834.64	\$ 1,144,376.80	\$ 18.77	\$ 133,733.40
45	\$ 1,639,475.82	\$ 19.07	\$ 182,467.93	\$ 1,167,264.34	\$ 19.14	\$ 129,912.45
46	\$ 1,672,265.33	\$ 19.45	\$ 177,254.57	\$ 1,190,609.62	\$ 19.53	\$ 126,200.66
47	\$ 1,705,710.64	\$ 19.84	\$ 172,190.15	\$ 1,214,421.81	\$ 19.92	\$ 122,594.93
48	\$ 1,739,824.85	\$ 20.24	\$ 167,270.43	\$ 1,238,710.25	\$ 20.32	\$ 119,092.22
49	\$ 1,774,621.35	\$ 20.64	\$ 162,491.28	\$ 1,263,484.46	\$ 20.72	\$ 115,689.58
50	\$ 1,810,113.78	\$ 21.05	\$ 157,848.67	\$ 1,288,754.15	\$ 21.14	\$ 112,384.16
51	\$ 1,846,316.05	\$ 21.47	\$ 153,338.71	\$ 1,314,529.23	\$ 21.56	\$ 109,173.19
<b>TOTAL</b>	<b>\$ 62,637,118.68</b>		<b>\$ 20,189,595.72</b>	<b>\$ 41,526,461.42</b>		<b>\$ 12,615,164.23</b>
<b>PSF</b>			234.82			206.90

<b>PRESENT VALUE (5% Discount Rate)</b>	Integra/ Starwood	TPC
Total Years 1-10	\$ 8,291,735.90	\$ 3,895,049.95
Present Value PSF	\$ 96.44	\$ 63.88
Total Years 1-25	\$ 14,325,452.00	\$ 8,317,248.13
Present Value PSF	\$ 166.62	\$ 136.41
Total Years 1-51	\$ 20,189,595.72	\$ 12,615,164.23
Present Value PSF	\$ 234.82	\$ 206.90

**Exhibit C: TPC Financial Proposal and Residential Unit Type Comparison**

April 13, 2022

**Best and Final Offer to City of Miami Beach: 1664 Meridian Avenue****Mixed-Income Residential Scenario: Best and Final Offer (4/13)**

Upfront Payment– <b><i>Due at construction commencement</i></b> (\$ Amount)	\$2,000,000
Construction Rent – <b><i>Commences During Start of Vertical Construction</i></b> (Flat)	\$250,000
Minimum Annual Base Rent – <b><i>Commences at Construction Completion</i></b> (Starting)	\$550,000
Rent Increases – <b><i>Commences at Project Stabilization [24 months post-completion]</i></b>	Years 7 (first stabilized year) and beyond: Increases by the greater of 2% or CPI (capped at 3.0%).
Ongoing Rent Participation (% of EGI)	4.0%

<u>Additional Public Benefits</u>	<ul style="list-style-type: none"> <li>20% of residential units permanently income restricted @ 140% of AMI</li> <li>9 units</li> </ul>
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- This offer assumes the following:
  - Residential program revised to reflect a mixed-income housing approach, totaling 46 units.
  - City retains all net revenues from replacement parking throughout the life of the project.
  - Developer builds and constructs all replacement spaces currently occupying the site.

**Market-Rate Residential Scenario: Best and Final Offer (4/13)**

Upfront Payment– <b><i>Due at construction commencement</i></b> (\$ Amount)	\$2,000,000
Construction Rent – <b><i>Commences During Start of Vertical Construction</i></b> (Flat)	\$150,000
Minimum Annual Base Rent – <b><i>Commences at Construction Completion</i></b> (Starting)	\$680,000
Rent Increases – <b><i>Commences at Project Stabilization [24 months post-completion]</i></b>	Years 7 (first stabilized year) and beyond: Increases by 1.5% annually
Ongoing Rent Participation (% of EGI)	5.0%

- This offer assumes the following:
  - Program submitted within the RFP response.
  - 100% Market-Rate residential.
  - City retains all net revenues from replacement parking throughout the life of the project.
  - Developer builds and constructs all replacement spaces currently occupying the site.

**Financial Comparison: 1664 Meridian Avenue**  
**Net Present Value**

Scenario	Mixed-Income Residential	Market Rate Residential
1.) Ground Lease Terms (a)		
2.) - Upfront Ground Lease Payment	\$ 2,000,000	\$ 2,000,000
3.) - Annual Payment During Construction	\$ 250,000	\$ 150,000
4.) - Starting Minimum Annual Ground Rent (b)	\$ 550,000	\$ 680,000
5.) - Rent Participation (c)	4.00%	5.00%
6.) NPV of Total Benefit (d)	\$ 30,352,457	\$ 31,819,437

**Notes:**

(a) Annual payment is greater of minimum annual ground rent or rent participation.

(b) For mixed-income offer, years 7 (first stabilized year) and beyond: minimum rent increases by the greater of 2% or CPI (capped at 3.0%).

(b) For market-rate offer: increases 1.5% annually.

(c) Rent participation sized to a percentage of Effective Gross Income (EGI).

(d) Assumes minimum annual ground rent reset in years 49 and 70. Figures assume 99-year ground lease and 5.00% annual discount rate.

**Financial Comparison: 1664 Meridian Avenue**  
**Effective Gross Income**

Scenario	Mixed-Income Residential	Market Rate Residential
1.) Total Residential EGI at Stabilization	\$ 3,992,555	\$ 4,119,175

**Financial Comparison: 1664 Meridian Avenue**  
**Unit Mix and Income**

Unit Type	Mixed-Income Residential		Market Rate Residential	
	Number of Units	Gross Monthly Rent [1]	Number of Units	Gross Monthly Rent [1]
1.) Market Rate Units [2]				
2.) 1-Bedroom	5	\$ 4,225	10	\$ 4,225
3.) 1-Bedroom + Den	9	5,271	10	5,271
4.) 2-Bedroom	10	6,455	10	6,455
5.) 3-Bedroom (Small)	4	8,292	4	8,292
6.) 3-Bedroom (Large)	4	10,041	4	10,041
7.) Garden Townhome	5	18,647	5	18,647
8.) Total Market Rate Units	37	\$ 8,100	43	\$ 7,583
9.) Affordable Rate Units [3]				
10.) Jr. 1-Bedroom - 140% AMI	6	\$ 2,270	-	\$ -
11.) 1-Bedroom - 140% AMI	2	2,423	-	-
12.) 1-Bedroom + Den - 140% AMI	1	2,423	-	-
13.) Total Affordable Units	9	\$ 2,321	-	\$ -
14.) Total Project Units	46	\$ 6,969	43	\$ 7,583

Notes:

[1] Rent in 2022 figures.

[2] Growth rate assumption: 3% annually, trended through delivery/stabilization (per market conditions). Source: JLL/Concord Group

[3] Growth rate assumption: 2.0% annually, consistent with CPI. Source: Developer/Concord Group

[3] Rents per the Florida Housing Finance Corporation / US Department of Housing and Urban Development



## **Public Parking Mitigation Strategy - P25 and P26**

This narrative and the associated figures describes the phased public parking mitigation strategy to ensure continued availability of public parking throughout the construction of the new Class A office mixed use projects on the public parking lots identified as lots P25 and P26 in the Class A office RFP. Lot P25 located on the west side of Lennox Ave at 17<sup>th</sup> street is a .861 acre lot and currently has 86 self-parking spaces. Lot P26 is located across Lennox Ave to the east and slightly south of Lot P25. It is a 1.119 acre lot that currently has 106 self- parking spaces for a total of 192 public parking spaces.

### **Phase 1**

The first phase will be to convert P26 to a valet operated public lot. Converting the lot to valet parking will allow the 86 spaces currently on P25 to be accommodated on P26 to provide for the existing 192 public parking spaces.

### **Phase 2**

The second phase will be to begin construction on P25 and to construct the parking pedestal and related spaces and life safety systems so that the City can issue a TCO for the parking structure on P25 to allow it to be placed into operation. The P25 garage will contain 193 self-parking spaces, however the new uses on P25 will not be occupied at that time therefore the entire 185 spaces will be available for public parking. If required, a portion of the P25 garage could be operated by a valet to again achieve the full 192 public parking spaces.

### **Phase 3**

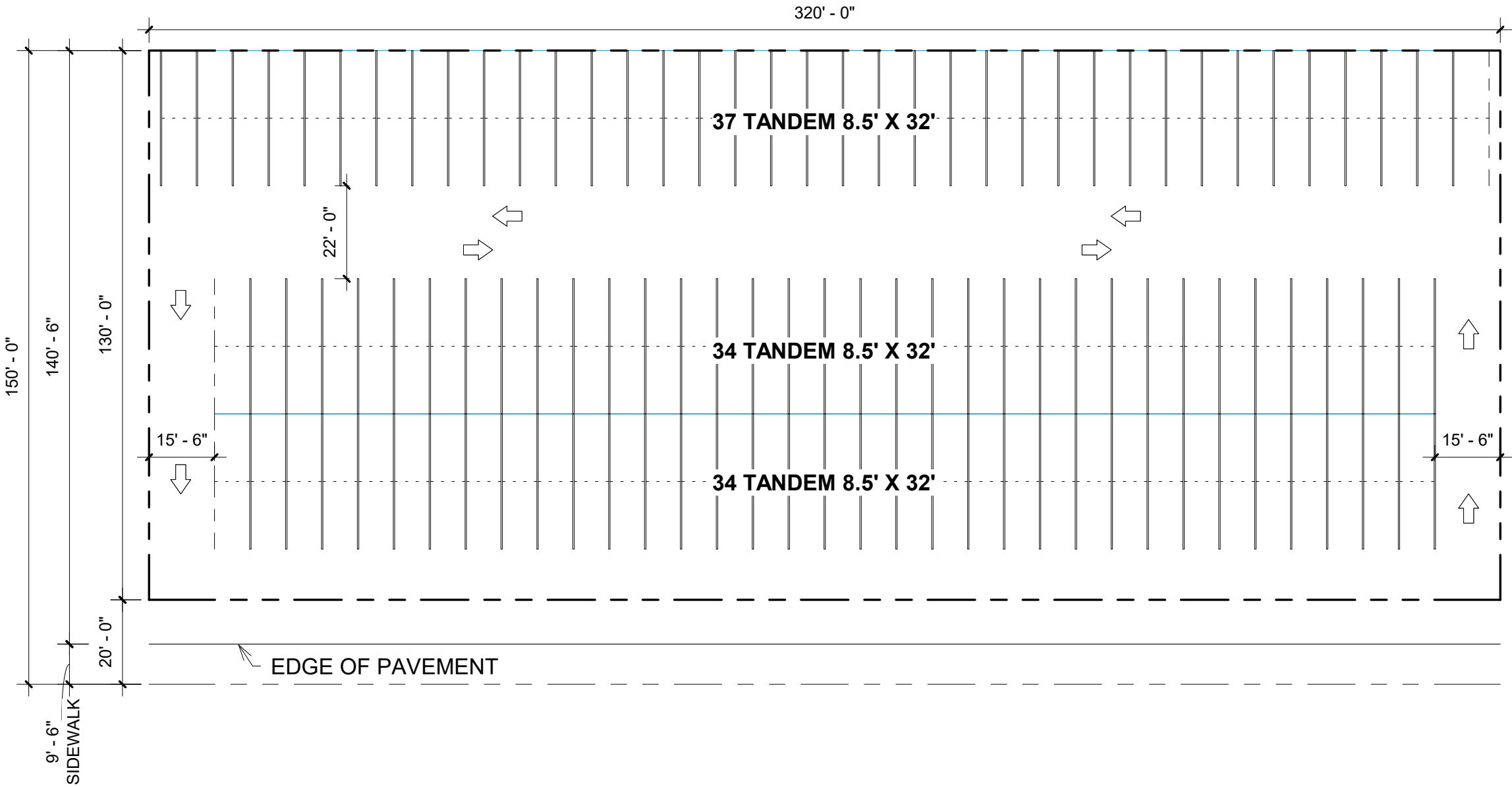
The third phase will be to move all of the public parking to P25 vacate P26 and begin construction on P26, while the private development portion of P25 is completed. As with P25, the parking pedestal of P26 will be expedited and a TCO will be sought for the P26 parking pedestal as soon as it is completed.

### **Phase 4**

The fourth phase will be to allow the original 106 P26 public parking spaces to be returned to P26 thereby freeing up the required parking for the P25 private improvements and allowing the TCO to be issued for the full P25 building.

### **Phase 5**

The fifth phase will be to complete P26 and TCO the entire P26 building.



- NOTES:**
- 1. Total of 210 spaces.
  - 2. MB CODE allows valet tandem spaces to be 32’x8.5’. Drives 22’ wide two way - or 11’ wide one way.

1 Parking Diagram  
1" = 30'-0"

CITY OF MIAMI BEACH CLASS A &  
MIXED USE RFP DESIGN PROPOSALS  
MIAMI BEACH, FLORIDA

DESIGN ARCHITECT  
**brandon haw  
architecture** 630 Flushing Avenue, Studio 310  
Brooklyn, NY 11206  
ph. 212-300-8440

ARCHITECT OF RECORD  
O'Donnell Dannwolf &  
Partners Architects Inc

DRAWING INFO  
DATE 07/APR/2022  
SCALE  
PROJECT NUMBER 0000  
DRAWN BY Author

DRAWING TITLE  
P26 - PARKING  
DIAGRAM

DRAWING NUMBER

A-900

REV

## DRAFT MEMORANDUM

**DATE:** April 13, 2022

**TO:** Gabe Scott, The Peebles Corporation

**FROM:** Christian Luz, DESMAN Inc.

**PROJECT:** Lincoln Lane RFP – Preliminary Impacts Analysis

**RE:** **DRAFT Parking Mitigation Report**

---

### *EXECUTIVE SUMMARY*

The P27 development project proposed by the Peebles Corporation (Peebles) will eliminate 151 parking spaces located in the city's P27 surface parking lot. This lot is highly used and Peebles is required to replace all of the parking plus additional parking required by city code as part of their development agreement at the time construction is completed. However, the spaces will be lost during the 20-month construction duration plus there will be additional parking demand generated by construction activity during the same period. Peebles has agreed to a parking plan that will mitigate a loss of the 151 spaces plus identify and commit to providing parking for construction workers during construction.

The mitigation plan has several elements:

- Identify available parking to replace the 151 spaces;
- Identify available spaces for parking needs related to P27 development construction (maximum of 80-spaces);
- Develop and implement a public communication program that promotes community awareness of impacts and mitigation efforts.
- Finally, the city has requested that the mitigation plan include impacts related to the Convention Center Hotel construction. However, since no information has been provided by the city related to construction employment for the Hotel, that element was not included.

The results of the analysis indicate that there are about 6,538 parking spaces in garages within the vicinity of P27. Data collection and analysis indicate that the entire parking supply has between 3,055 and 3,488 available parking spaces during a peak Friday and Saturday mid-day during spring break. There are between 1,303 and 1,643 available parking spaces within a walking distance of 0.13 miles which are suitable to serve current users of P27. During the same period, there are between 3,055 and 3,331 spaces available to serve construction parking with an average walking distance of 0.42 miles.

The results were similar for both Friday and Saturday peak hour in that there was a documented abundance of available private and public parking in the parking system surrounding the P27 site that can be used to mitigate parking lost to construction, as well as parking-related to construction activities.

### *INTRODUCTION*

The City of Miami Beach (the city) has stated that the Lincoln Lane surface parking lots P25, P26, and P27 are integral to the Lincoln Road commercial district and service the surrounding neighborhoods. Furthermore, many area businesses and parking demand generators depend on these facilities to park their

patrons and guests, including an average of 15 - 20 monthly municipal passes issued at each of the three parking lots. As such, the city has stated that during the construction process, it is imperative to consider the mitigation of displaced parking to ensure that all parking demand generators are being served accordingly.

The city and Peebles Corporation (the proposer for P27) have stated that at the completion of the P27 development (the Project), the Project will include the replacement of existing parking (replacement parking) plus adding development parking as required by code. Consequently, at construction completion, the Project should result in a “no change” scenario relative to changes in existing and required parking supply. However, a parking study and resultant Mitigation Plan (the Plan) were prepared to identify how the Peebles Corporation (Peebles) will meet the interim parking needs that arise due to the elimination of surface parking and the influx of construction parking demand related to the projects.

This Technical Memorandum is based on the meeting that occurred between Peebles and the City of Miami Beach, on March 17, 2022, the city’s Lincoln Lane RFP – Preliminary Impacts Analysis methodology memorandum and revised methodology including facilities to be evaluated provided by DESMAN on or about March 22, 2022. The balance of this memorandum is organized relative to the city’s methodology memorandum.

#### ***OBJECTIVE OF THE MITIGATION PLAN***

Although the methodology and approach follow the agreement reached with the city, the city’s focus appears to be less about the Project's proposed development parking requirements and more about the approach to providing replacement parking during construction as well as identifying adequate parking to meet the construction employee parking demand. Consequently, the Plan will focus on parking impacts during construction and maintain the number of lost spaces due to construction, as well as identify parking availability for construction workers.

#### ***DESCRIPTION OF PROPOSED DEVELOPMENT PROGRAM***

Based on DESMAN’s discussions with Peebles, the P27 development program consists of the following program components:

- Replacement of 151 existing surface parking lot spaces;
- 77,944 square feet (SF) of Office space;
- 9,452 SF of Retail space; and
- 46 mixed-income Residential units.

The Project is required to include the replacement of the 151 existing parking spaces eliminated in the P27 surface parking lot plus adds any parking required by city code for additional proposed uses (Sec. 130-33. - Off-street parking requirements for parking districts nos. 2, 3, 4, 5, 6, 7, 8, and 9.) The proposer is also allowed by code, to reduce the required number of parking spaces for the Project as defined in the city’s code (Secs. 130-40. - Alternative parking incentives.) Table 1 lists the development program for the Project, the parking ratio required by code for Parking District 2, before the application of any reductions for offering alternative parking incentives, and the resultant number of parking spaces required for the Project.

Table 1 - The Project

REQD PARKING	GFA OR UNITS		PARKING RATIO	SPACES
Replacement	151	1:1	REPLACE 1 TO 1	151
Office	77,944	2.5	per KGSF	195
Retail	9,452	0	N/A	0
Mixed-Income 550-999 SF	23	1.5	per Unit PLUS 10% GUEST	38
Mixed-Income 1000-1200 SF	10	1.75	per Unit PLUS 10% GUEST	20
Mixed-Income >1200 SF	13	2.0	per Unit PLUS 10% GUEST	29
	46		TOTAL P27 PARKING	433
			REPLACEMENT PARKING	151
			DEVELOPMENT PARKING - NO REDUCTION	282
			<b>ADJ DEVELOPMENT SPACES REQD</b>	<b>141</b>
			TOTAL PARKING PER REDUCTIONS (DEV PLUS REPLACEMENT PARKING	<b>292</b>

As indicated, for Parking District 2, office use requires 2.5 spaces per 1,000 SF of area, retail use has no parking requirement, while residential units have a parking requirement (including guest parking) that varies according to the size of the unit as shown in Table 1.

As shown in Table 1, the total number of parking required for the Project is 433 spaces before the inclusion of any alternative parking incentives. Peebles is offering to maximize the use of alternative parking incentives through a commitment to provide the following alternatives to parking:

1. *Bicycle parking long-term:* The minimum off-street parking requirements may be reduced by one off-street parking space for every five long-term bicycle parking spaces provided off-street, not to exceed 15 percent of the off-street parking spaces that would otherwise be required. Notwithstanding the foregoing, in no case shall the proximity of an available bike share program be counted in any way towards private property parking reductions.
2. *Bicycle parking short-term:* The minimum off-street parking requirements may be reduced by one off-street parking space for every ten short-term bicycle parking spaces provided off-street, not to exceed 15 percent of the off-street parking spaces that would otherwise be required. Notwithstanding the foregoing, in no case shall the proximity of an available bike share program be counted in any way towards private property parking reductions.
3. *Carpool/vanpool parking:* The minimum off-street parking requirements may be reduced by three off-street parking spaces for every one parking space reserved for carpool or vanpool vehicles registered with South Florida Commuter Services, not to exceed a reduction of more than ten percent of the off-street parking spaces that would otherwise be required. The property manager must submit an annual report to the planning director documenting the carpool/vanpool registration and ongoing participation by registered users.
4. *Scooter, moped, and motorcycle parking:* The minimum off-street parking requirements may be reduced by one off-street parking space for every three scooters, moped, or motorcycle parking spaces provided off-street, not to exceed 15 percent of the off-street parking spaces that would otherwise be required.
5. *Showers:* The minimum off-street parking requirements for nonresidential uses that provide showers and changing facilities for bicyclists may be reduced by two off-street parking spaces for each separate shower facility up to a maximum of eight parking spaces. Where possible, clothes lockers should be provided for walking and biking commuters.

The application of these alternative parking incentives to the initial parking requirements is summarized in

Table 2. Although the maximum allowable reduction varies by incentive, the overall maximum is 50 percent for development. As shown in Table 2, a 50 percent reduction is 141 spaces for the Project which reduces the parking requirement from 282 to 141 spaces plus the 151 replacement parking spaces equating to a total of 292 spaces at project completion.

Table 2 - Alternative Parking Incentives

DEVELOPMENT SPACES REQD	REDUCTION						ADJ DEVELOPMNT SPACES REQD
	LT BIKES	ST BIKES	SHOWERS	CARPOOL	MOPED	REDUCTION	
<b>282</b>	15%	15%	2.8%	10%	7.0%	50%	<b>141</b>
	-42	-42	-8	-28	-20	-141	

#### ESTIMATION OF CONSTRUCTION EMPLOYMENT PARKING DEMAND

It is DESMAN's understanding that Peebles has retained Suffolk Construction for pre-construction services. Suffolk was contacted to provide an estimate of the construction parking demand and confirm the construction duration. According to Suffolk, the following number of parking spaces will be required from construction start over a 20-month duration. As shown, the parking needs to increase after the first two months to 60 spaces during months 6 thru 9, and to 80 spaces from months 10 thru 18, decreasing to 30 spaces in months 19 and 20 as the project is completed. This parking need will be evaluated along with the replacement parking needs in the discussion of the Plan.

Table 3 - Construction Parking Needs

	Start																		Completion	
Construction Months	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
# of Spaces Required	20	20	40	40	40	60	60	60	60	80	80	80	80	80	80	80	80	80	30	30

As a conservative measure, DESMAN has used a construction parking need of 80 spaces plus the replacement parking of 151 spaces for a total parking need of 231 spaces during the entire duration of construction in the development of the Plan.

#### MITIGATION PLAN PARKING EVALUATION

To develop the Mitigation Plan, an understanding of the available parking capacity in the "service area" is required to determine if there is sufficient unused capacity to accommodate the parking needs of the Project. This is obtained by conducting an inventory and occupancy study in the service area. As agreed with the city, the occupancy study was conducted during the peak weekday (Friday) and on a Saturday during the peak occupancy period (11 am until 1 pm) for 10 parking garages within a defined service area. The occupancy study was also conducted during Spring Break in Miami Beach (the week of March 25<sup>th</sup>.) The service area was defined as within ¼ mile for replacement parking and under 1 mile for construction parking. Furthermore, the service area was defined in two ways, the first measuring the walking distance from a proposed mitigation garage to a "destination" represented by a development centroid on Lincoln Lane and Lincoln Road Mall, and the second as the walking distance from a proposed mitigation garage to P27. The centroid was identified as the approximate mid-block location on Meridian Avenue between Lincoln Lane and Lincoln Road Mall and considered more appropriate since the users of P27 are likely oriented towards the Lincoln Road Mall. The results between the two methods are insignificant and the second method measuring the walking distance from proposed mitigation garages to P27 is included for review in the Appendix. As a note, surface lots P25, P26, and P27 are shown in the tables for informational purposes only and are not used in calculations herein.

The 10 garages included in the analysis are listed in Table 4 and include 5 city-owned garages and 5 private

garages for a total of 6,538 parking spaces within 0.42 miles of the centroid. Also as shown, the 5 private garages provide 2,769 parking spaces with an average walking distance of 0.35 miles to the centroid, and the 5 city garages provide 3,769 parking spaces with an average walking distance of ½ mile to the centroid.

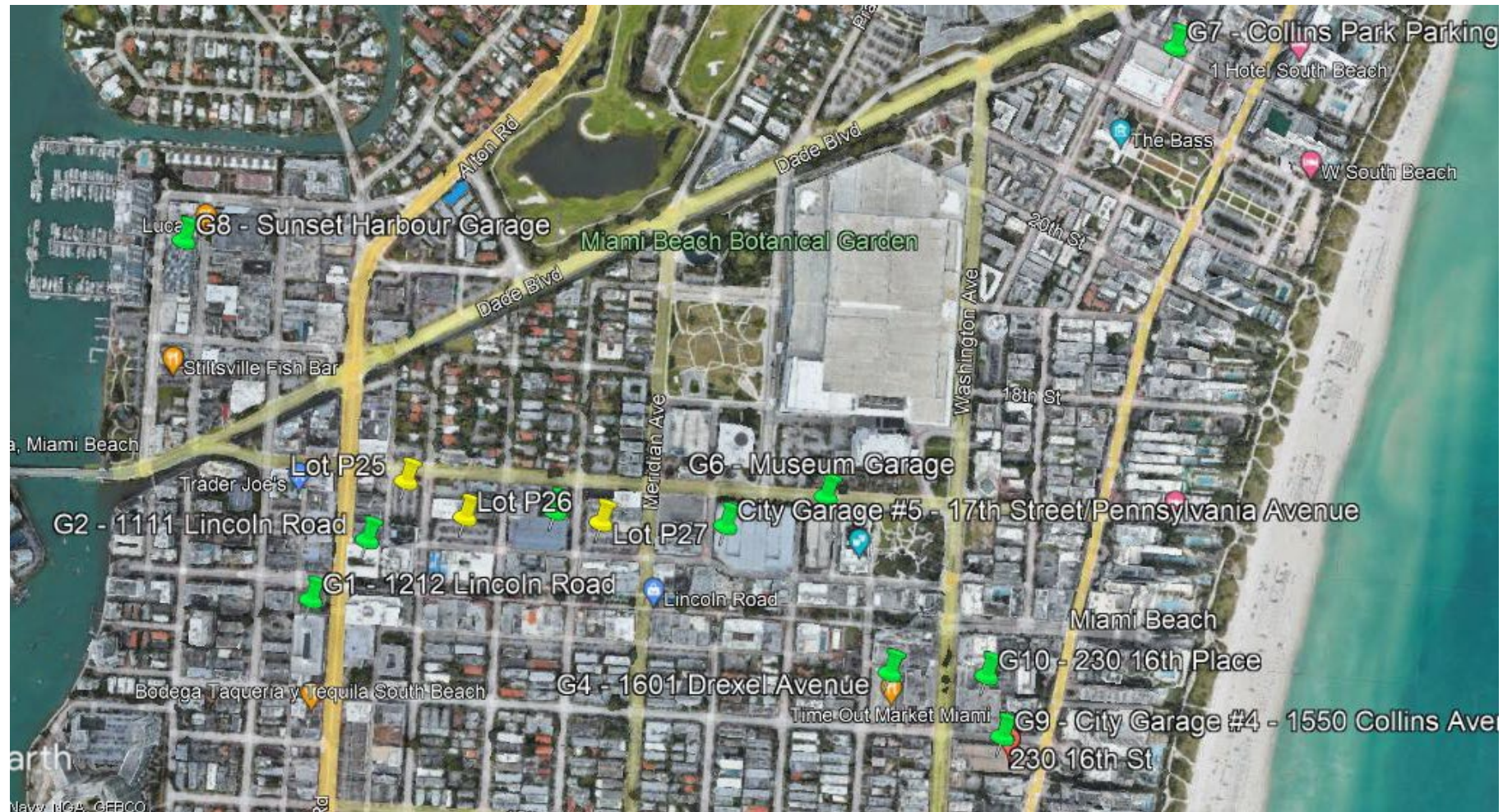
**Table 4 - Proposed Mitigation Garages**

Lot/Garage Number	Name	Address	Total Spaces	Walking Distance from Centroid (mi)
L1	P25	1688 Lennox Ave.	86	NA
L2	P26	1080 Lincoln Lane N	106	NA
L3	P27	1664 Meridian Ave.	151	NA
<b>Private Parking Garages</b>				
G1	1212 Lincoln Rd	1212 Lincoln Rd.	450	0.45
G2	1111 Lincoln Rd	1111 Lincoln Rd.	300	0.42
G3	Lincoln Garage	1691 Michigan Ave.	870	0.12
G4	Park at 420	1601 Drexel Ave.	650	0.33
G10	Lincoln Place	231 16th St.	499	0.43
<b>Subtotal Private Facilities</b>			<b>2,769</b>	<b>0.35</b>
<b>City Parking Garages</b>				
G5	G5 - 17th Street Garage	640 17th St.	1,460	0.09
G6	G9 - Pennsylvania Garage	500 N. 17th St.	560	0.18
G7	G2 - Collins Park Garage	340 N. 23rd St.	516	0.99
G8	G9 - Sunset Harbour Garage	1900 Bay Rd.	430	0.75
G9	G4 - Collins Garage	1550 Collins Ave.	803	0.47
<b>Subtotal City Parking Garages</b>			<b>3,769</b>	<b>0.50</b>
<b>Total All Facilities</b>			<b>6,538</b>	<b>0.42</b>

The location of the garages is shown in Figure 1.



Figure 1 - Proposed Mitigation Garage Locations





**Friday Occupancy Results**

The results of the Friday, March 25, 2022 occupancy counts collected during spring break between 11 am and 1 pm are shown in Table 5 for both city and private garages. The number of available parking spaces for both the private and city garages was 3,055 spaces representing a vacancy rate of 47 percent and an average walking distance of 0.42 miles. The table lists the data organized into several more categories for both city and private garages, including whether:

- the garage is suitable for replacement parking which is defined by having 151 spaces or more available and is located within ¼ mile walking distance;
- the garage is suitable for construction parking which is defined by having 80 spaces or more available and is located within 1-mile walking distance; and
- the garage accommodates both replacement and construction parking which is defined by having 231 spaces (80+151) or more spaces available and is located within ¼ mile walking distance.

**Replacement Parking**

There are 1,303 available spaces in private and city garages located within an average walking distance of 0.13 miles:

- The only private garage suitable for accommodating replacement parking within a ¼ mile walking distance is the Lincoln Garage with 330 spaces at 0.12 miles from the centroid.
- There are two city garages suitable for accommodating replacement parking within a ¼ mile walking distance providing 973 available spaces within an average walking distance of 0.14 miles. These are the 17<sup>th</sup> Street Garage with 613 spaces available at a walking distance of 0.09 miles and the Pennsylvania Garage with 360 spaces available at a walking distance of 0.18 miles.

**Construction Parking**

There are 3,055 available spaces in private and city garages located within an average walking distance of 0.42 miles:

- All 5 of the private garages are considered suitable for construction parking defined as having at least 80 spaces available and being located within a 1-mile walking distance. These 5 garages provide a total of 1,073 available spaces at an average walking distance of 0.35 miles.
- All 5 of the city garages are considered suitable for construction parking defined as having at least 80 spaces available and being located within a 1-mile walking distance. These 5 garages provide a total of 1,982 available spaces at an average walking distance of 0.50 miles.

**Parking for Both Replacement and Construction Parking**

If there was a reason for accommodating both replacement and construction parking in a common parking garage that could provide at least 231 spaces within ¼ mile walking distance, there are three options:

1. Use the privately-owned Lincoln Garage which has 330 available spaces during the peak day peak hour at a walking distance of 0.12 miles;

2. Use the city-owned 17<sup>th</sup> Street Garage which has an available capacity of 613 spaces and a walking distance of 0.09 miles; or
3. Use the Pennsylvania Garage which has an available capacity of 360 spaces and a walking distance of 0.18 miles.

Currently, during the peak weekday, peak hour, there is a measured abundance of available private and public parking in the parking system surrounding the P27 site that can be used to mitigate parking lost to construction, as well as parking related to construction activities.

**Table 5 - Potential Replacement and/or Construction Parking Facilities from Centroid - Friday**

Lot/Garage Number		Address	Total Spaces	Occupied Spaces	Available Spaces	Percent Available	Walking Distance from P27 (mi)	Replacement Parking Spaces	Replacement Parking Distance (mi)	Construction Parking Spaces	Construction Parking Distance (mi)	Suitable for Replacement or Construction
L1	P25	1688 Lennox Ave.	86	62	24	28%	NA	NA	NA	NA	NA	NA
L2	P26	1080 Lincoln Lane N	106	94	12	11%	NA	NA	NA	NA	NA	NA
L3	P27	1664 Meridian Ave.	151	149	2	1%	NA	NA	NA	NA	NA	NA
<b>Private Parking Garages</b>												
G1	1212 Lincoln Rd	1212 Lincoln Rd.	450	233	164	36%	0.45	NO	NO	164	0.45	YES
G2	1111 Lincoln Rd	1111 Lincoln Rd.	300	154	146	49%	0.42	NO	NO	146	0.42	YES
G3	Lincoln Garage	1691 Michigan Ave.	870	410	330	38%	0.12	330	0.12	330	0.12	YES
G4	Park at 420	1601 Drexel Ave.	650	494	156	24%	0.33	NO	NO	156	0.33	YES
G10	Lincoln Place	231 16th St.	499	222	277	56%	0.43	NO	NO	277	0.43	YES
<b>Subtotal Private Facilities</b>			<b>2,769</b>	<b>1,513</b>	<b>1,073</b>	<b>39%</b>	<b>0.35</b>	<b>330</b>	<b>0.12</b>	<b>1,073</b>	<b>0.35</b>	<b>NA</b>
<b>City Parking Garages</b>												
G5	G5 - 17th Street Garage	640 17th St.	1,460	801	613	42%	0.09	613	0.09	613	0.09	YES
G6	G9 - Pennsylvania Garage	500 N. 17th St.	560	200	360	64%	0.18	360	0.18	360	0.18	YES
G7	G2 - Collins Park Garage	340 N. 23rd St.	516	152	364	71%	0.99	NO	NO	364	0.99	YES
G8	G9 - Sunset Harbour Garage	1900 Bay Rd.	430	193	237	55%	0.75	NO	NO	237	0.75	YES
G9	G4 - Collins Garage	1550 Collins Ave.	803	395	408	51%	0.47	NO	NO	408	0.47	YES
<b>Subtotal City Parking Garages</b>			<b>3,769</b>	<b>1,741</b>	<b>1,982</b>	<b>53%</b>	<b>0.50</b>	<b>973</b>	<b>0.14</b>	<b>1,982</b>	<b>0.50</b>	<b>NA</b>
<b>Total All Facilities</b>			<b>6,538</b>	<b>3,254</b>	<b>3,055</b>	<b>47%</b>	<b>0.42</b>	<b>1,303</b>	<b>0.13</b>	<b>3,055</b>	<b>0.42</b>	<b>NA</b>

**Notes:**

1. Occupied spaces include inaccessible spaces.
2. L1 thru L3 identify surface parking lots as used by the City Parking Department
3. G1 thru G10 is used to identify garages that may offer a solution for replacement and/or construction parking and do not necessarily match the City Parking Department's garage numbers.
4. Data for surface lots L1, L2, and L3 are shown for information only and are not used in calculations of capacity.

## Saturday Occupancy Results

The results of the Saturday, March 26, 2022 occupancy counts collected during spring break between 11 am and 1 pm are shown in Table 6 for both city and private garages. The number of available parking spaces for both the private and city garages was 3,488 spaces representing a vacancy rate of 53 percent and an average walking distance of 0.42 miles. The table lists the data organized into several more categories for both city and private garages, including whether:

- the garage is suitable for replacement parking which is defined by having 151 spaces or more available and is located within ¼ mile walking distance;
- the garage is suitable for construction parking which is defined by having 80 spaces or more available and is located within 1-mile walking distance; and
- the garage accommodates both replacement and construction parking which is defined as having 231 spaces (80+151) or more spaces available and is located within ¼ mile walking distance.

## Replacement Parking

There are 1,643 available spaces in private and city garages located within an average walking distance of 0.13 miles:

- Like the Friday condition, the only private garage suitable for accommodating replacement parking within a ¼ mile walking distance is the Lincoln Garage with 434 spaces at 0.12 mile from the centroid.
- Also, like the Friday condition, there are two city garages suitable for accommodating replacement parking within a ¼ mile walking distance providing 1,209 available spaces within an average walking distance of 0.14 miles. These are the 17<sup>th</sup> Street Garage with 803 spaces available at a walking distance of 0.09 miles and the Pennsylvania Garage with 406 spaces available at a walking distance of 0.18 miles.

**Construction Parking**

There are 3,331 available spaces in private and city garages located within an average walking distance of 0.42 miles:

- All 5 of the private garages are considered suitable for construction parking defined as having at least 80 spaces available and being located within a 1-mile walking distance. These 5 garages provide a total of 1,128 available spaces at an average walking distance of 0.35 miles.
- All 5 of the city garages are considered suitable for construction parking defined as having at least 80 spaces available and being located within a 1-mile walking distance. These 5 garages provide a total of 2,203 available spaces at an average walking distance of 0.50 miles.

**Parking for Both Replacement and Construction Parking**

If there was a reason for accommodating both replacement and construction parking in a common parking garage that could provide at least 231 spaces within ¼ mile walking distance, there are three options:

1. Use the privately-owned Lincoln Garage which has 434 available spaces during the peak day peak hour at a walking distance of 0.12 miles;
2. Use the city-owned 17<sup>th</sup> Street Garage which has an available capacity of 803 spaces and a walking distance of 0.09 miles; or
3. Use the Pennsylvania Garage which has an available capacity of 406 spaces and a walking distance of 0.18 miles.

Exactly like the peak Friday peak hour results, there is a measured abundance of available private and public parking in the parking system surrounding the P27 site that can be used to mitigate parking lost to construction, as well as parking related to construction activities.

**Table 6 - Potential Replacement and/or Construction Parking Facilities from Centroid - Saturday**

Lot/Garage Number	Name	Address	Total Spaces	Occupied Spaces	Available Spaces	Percent Available	Walking Distance from Centroid (mi)	Replacement Parking Spaces	Replacement Parking Distance (mi)	Construction Parking Spaces	Construction Parking Distance (mi)	Suitable for Replacement or Construction
L1	P25	1688 Lennox Ave.	86	54	32	NA	NA	NA	NA	NA	NA	NA
L2	P26	1080 Lincoln Lane N	106	80	26	NA	NA	NA	NA	NA	NA	NA
L3	P27	1664 Meridian Ave.	151	132	19	NA	NA	NA	NA	NA	NA	NA
<b>Private Parking Garages</b>												
G1	1212 Lincoln Rd	1212 Lincoln Rd.	450	217	180	40%	0.45	NO	NO	180	0.45	YES
G2	1111 Lincoln Rd	1111 Lincoln Rd.	300	96	157	52%	0.42	NO	NO	157	0.42	YES
G3	Lincoln Garage	1691 Michigan Ave.	870	298	434	50%	0.12	434	0.12	434	0.12	YES
G4	Park at 420	1601 Drexel Ave.	650	423	227	35%	0.33	NO	NO	227	0.33	YES
G10	Lincoln Place	231 16th St.	499	212	287	58%	0.43	NO	NO	287	0.43	YES
<b>Subtotal Private Parking Garages</b>			<b>2,769</b>	<b>1,246</b>	<b>1,285</b>	<b>46%</b>	<b>0.35</b>	<b>434</b>	<b>0.12</b>	<b>1,128</b>	<b>0.35</b>	<b>NA</b>
<b>City Parking Garages</b>												
G5	G5 - 17th Street Garage	640 17th St.	1,460	657	803	55%	0.09	803	0.09	803	0.09	YES
G6	G9 - Pennsylvania Garage	500 N. 17th St.	560	154	406	73%	0.18	406	0.18	406	0.18	YES
G7	G2 - Collins Park Garage	340 N. 23rd St.	516	163	353	68%	0.99	NO	NO	353	0.99	YES
G8	G9 - Sunset Harbour Garage	1900 Bay Rd.	430	162	268	62%	0.75	NO	NO	268	0.75	YES
G9	G4 - Collins Garage	1550 Collins Ave.	803	430	373	46%	0.47	NO	NO	373	0.47	YES
<b>Subtotal City Parking Garages</b>			<b>3,769</b>	<b>1,566</b>	<b>2,203</b>	<b>58%</b>	<b>0.50</b>	<b>1,209</b>	<b>0.14</b>	<b>2,203</b>	<b>0.50</b>	<b>NA</b>
<b>Total All Facilities</b>			<b>6,538</b>	<b>2,812</b>	<b>3,488</b>	<b>53%</b>	<b>0.42</b>	<b>1,643</b>	<b>0.13</b>	<b>3,331</b>	<b>0.42</b>	<b>NA</b>

## Notes:

- Occupied spaces include inaccessible spaces.
- L1 thru L3 identify surface parking lots as used by the City Parking Department
- G1 thru G10 is used to identify garages that may offer a solution for replacement and/or construction parking and do not necessarily match the City Parking Department's garage numbers.
- Data for surface lots L1, L2, and L3 are shown for information only and are not used in calculations of capacity.

**PROPOSED MITIGATION PLAN ELEMENTS**

The city has identified two additional aspects that should be included in the Plan:

- The Convention Center Hotel construction parking needs.
- The parking mitigation plan must also include a public communication program to promote community awareness of impacts and mitigation efforts.

Based on DESMAN's review neither the LTC #005-2022 memorandum dated January 10, 2022, nor the Traffic Impact Study, dated February 2019 have labor estimates for construction over the construction duration. Therefore, the Convention Center's off-site construction parking needs have not been considered in this Plan. However, given the availability of parking in the area, DESMAN believes that a mitigation plan should not be prohibitive.

Peebles is committed to developing a public communication program that promotes community awareness of impacts and mitigation efforts. Since the parking impacts do not appear to be extreme, it should be relatively simple to promote suitable parking destinations for transient and monthly users of P27 during the 20-month construction term.

## Appendix A

**Appendix Table 1 - Potential Replacement and/or Construction Parking Facilities from P27 - Friday**

Lot/Garage Number	Name	Address	Total Spaces	Occupied Spaces	Available Spaces	Percent Available	Walking Distance from P27 (mi)	Replacement Parking Spaces	Replacement Parking Distance (mi)	Construction Parking Spaces	Construction Parking Distance (mi)	Suitable for Replacement or Construction	
L1	P25	1688 Lennox Ave.	86	62	24	28%	NA	NA	NA	NA	NA	NA	NA
L2	P26	1080 Lincoln Lane N	106	94	12	11%	NA	NA	NA	NA	NA	NA	NA
L3	P27	1664 Meridian Ave.	151	149	2	1%	NA	NA	NA	NA	NA	NA	NA
<b>Private Parking Garages</b>													
G1	1212 Lincoln Rd	1212 Lincoln Rd.	450	233	164	36%	0.51	NO	NO	164	0.51	YES	CONST
G2	1111 Lincoln Rd	1111 Lincoln Rd.	300	154	146	49%	0.33	146	0.33	146	0.33	YES	REPL OR CONST
G3	Lincoln Garage	1691 Michigan Ave.	870	410	330	38%	0.06	330	0.06	330	0.06	YES	BOTH
G4	Park at 420	1601 Drexel Ave.	650	494	156	24%	0.51	NO	NO	156	0.51	YES	CONST
G10	Lincoln Place	231 16th St.	499	222	277	56%	0.59	NO	NO	277	0.59	YES	CONST
<b>Subtotal Private Facilities</b>			<b>2,769</b>	<b>1,513</b>	<b>1,073</b>	<b>39%</b>	<b>0.40</b>	<b>476</b>	<b>0.20</b>	<b>1,073</b>	<b>0.40</b>	<b>NA</b>	<b>NA</b>
<b>City Parking Garages</b>													
G5	G5 - 17th Street Garage	640 17th St.	1,460	801	613	42%	0.15	613	0.15	613	0.15	YES	BOTH
G6	G9 - Pennsylvania Garage	500 N. 17th St.	560	200	360	64%	0.33	360	0.33	360	0.33	YES	BOTH
G7	G2 - Collins Park Garage	340 N. 23rd St.	516	152	364	71%	0.31	364	0.31	364	0.31	YES	BOTH
G8	G9 - Sunset Harbour Garage	1900 Bay Rd.	430	193	237	55%	0.63	NO	NO	237	0.63	YES	CONST
G9	G4 - Collins Garage	1550 Collins Ave.	803	395	408	51%	0.59	NO	NO	408	0.59	YES	CONST
<b>Subtotal City Parking Garages</b>			<b>3,769</b>	<b>1,741</b>	<b>1,982</b>	<b>53%</b>	<b>0.40</b>	<b>1,337</b>	<b>0.26</b>	<b>1,982</b>	<b>0.40</b>	<b>NA</b>	<b>NA</b>
<b>Total All Garages</b>			<b>6,538</b>	<b>4,767</b>	<b>4,128</b>	<b>63%</b>	<b>0.40</b>	<b>1,813</b>	<b>0.24</b>	<b>3,319</b>	<b>0.41</b>	<b>NA</b>	<b>NA</b>

Notes:

1. Occupied spaces include inaccessible spaces.
2. L1 thru L3 identify surface parking lots as used by the City Parking Department
3. G1 thru G10 are used to identify garages that may offer a solution for replacement and/or construction parking and do not necessarily match the City Parking Department's garage numbers.
4. Data for surface lots L1, L2 and L3 are shown for information only and are not used in calculations of capacity.

**Appendix Table 2 - Potential Replacement and/or Construction Parking Facilities from P27 - Saturday**

Lot/Garage Number	Name	Address	Total Spaces	Occupied Spaces	Available Spaces	Percent Available	Walking Distance from P27 (mi)	Replacement Parking Spaces	Replacement Parking Distance (mi)	Construction Parking Spaces	Construction Parking Distance (mi)	Suitable for Replacement or Construction	
L1	P25	1688 Lennox Ave.	86	54	32	NA	NA	NA	NA	NA	NA	NA	NA
L2	P26	1080 Lincoln Lane N	106	80	26	NA	NA	NA	NA	NA	NA	NA	NA
L3	P27	1664 Meridian Ave.	151	132	19	NA	NA	NA	NA	NA	NA	NA	NA
<b>Private Parking Garages</b>													
G1	1212 Lincoln Rd	1212 Lincoln Rd.	450	217	180	40%	0.51	NO	NO	180	0.51	YES	CONST
G2	1111 Lincoln Rd	1111 Lincoln Rd.	300	96	157	52%	0.33	157	0.33	157	0.33	YES	REPL OR CONST
G3	Lincoln Garage	1691 Michigan Ave.	870	298	434	50%	0.06	434	0.06	434	0.06	YES	BOTH
G4	Park at 420	1601 Drexel Ave.	650	423	227	35%	0.51	NO	NO	227	0.51	YES	CONST
G10	Lincoln Place	231 16th St.	499	212	287	58%	0.59	NO	NO	287	0.59	YES	CONST
<b>Subtotal Private Parking Garages</b>			<b>2,769</b>	<b>1,246</b>	<b>1,285</b>	<b>46%</b>	<b>0.40</b>	<b>591</b>	<b>0.20</b>	<b>1,128</b>	<b>0.40</b>	<b>NA</b>	<b>NA</b>
<b>City Parking Garages</b>													
G5	G5 - 17th Street Garage	640 17th St.	1,460	657	803	55%	0.15	803	0.15	803	0.15	YES	BOTH
G6	G9 - Pennsylvania Garage	500 N. 17th St.	560	154	406	73%	0.33	406	0.33	406	0.33	YES	BOTH
G7	G2 - Collins Park Garage	340 N. 23rd St.	516	163	353	68%	0.31	353	0.31	353	0.31	YES	BOTH
G8	G9 - Sunset Harbour Garage	1900 Bay Rd.	430	162	268	62%	0.63	NO	NO	268	0.63	YES	CONST
G9	G4 - Collins Garage	1550 Collins Ave.	803	430	373	46%	0.59	NO	NO	373	0.59	YES	CONST
<b>Subtotal City Parking Garages</b>			<b>3,769</b>	<b>1,566</b>	<b>2,203</b>	<b>58%</b>	<b>0.40</b>	<b>1,562</b>	<b>0.26</b>	<b>2,203</b>	<b>0.40</b>	<b>NA</b>	<b>NA</b>
<b>Total All Facilities</b>			<b>6,538</b>	<b>4,058</b>	<b>4,773</b>	<b>73%</b>	<b>0.40</b>	<b>2,153</b>	<b>0.21</b>	<b>3,795</b>	<b>0.41</b>	<b>NA</b>	<b>NA</b>

Notes:

1. Occupied spaces include inaccessible spaces.
2. L1 thru L3 identify surface parking lots as used by the City Parking Department
3. G1 thru G10 are used to identify garages that may offer a solution for replacement and/or construction parking and do not necessarily match the City Parking Department's garage numbers.
4. Data for surface lots L1, L2 and L3 are shown for information only and are not used in calculations of capacity.

**LANGAN****Technical  
Memorandum**

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**110 East Broward Blvd. , Suite 1500, Fort Lauderdale , FL 33301    T: 954-320-2100    F: 954-320-2100**

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**To:** Donahue Peebles III  
Development Executive  
Peebles Lincoln Road Holdings, LLC  
New York, NY

**From:** Maximo G. Polanco, P.E.

**Date:** 13 April 2022

**Re:** Traffic Engineering Due Diligence  
1664 Meridian Avenue, Miami Beach FL  
Langan Project No.: 300303101

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**Background**

Langan Engineering and Environmental Services, Inc. prepared this technical memorandum for proposed mix-used developments to identify the Miami-Dade County and City of Miami Beach traffic-analysis requirements, potential off-site roadway improvements and provide a preliminary traffic assessment. The proposed mixed-used developments comprise the redevelopment of three existing surface parking lots within City of Miami Beach. The proposed development at P27 is a proposed mixed-used development that will comprise 43 dwelling units, 9,452 square feet of retail and 77,944 of offices uses. The 1.36-acre site (Folio Nos. 02-3234-007-0560, 02-3234-007-0670, 02-3234-007-0570, 02-3234-007-0660, 02-3234-007-0650, 02-3234-007-0640, and 02-3234-007-0630) is on the northeast corner of Jefferson Avenue and Lincoln Lane North in Miami Beach, Florida. The proposed mixed-used development at P25 is a six-story building that comprises 46,177 square foot of general offices and 10,772 square foot of retail uses. The 0.86-acre site (Folio Nos. 02-3234-004-0910, 02-3234-004-0900, 02-3234-004-0890, 02-3234-004-0880, and 02-3234-004-0870) is on the southwest corner of Lenox Avenue and 17<sup>th</sup> Street in Miami Beach, Florida. The proposed mixed-used development at P26 comprises a seven-story building that comprises 63,340 square foot of general offices and 12,665 square foot of retail uses. The 1.12-acre site (Folio Nos. 02-3234-004-0820, 02-3234-004-0830, 02-3234-004-0840, 02-3234-004-0730, 02-3234-004-0720, and 02-3234-004-0720) is on the northeast corner of Lincoln Lane North and Michigan Avenue in Miami Beach, Florida. This technical memorandum summarizes the trip-generation analysis, traffic-significance analysis, and traffic review requirements for the proposed and backup developments. The content of this memorandum is based on our traffic-engineering experience with similar projects in City of Miami Beach and Miami-Dade County. **Attachment A** contains the site plans and the property appraiser data.

**Site Generated Trips**

The proposed mixed-used development (P27) is expected to generate 1,097 daily, 108 morning and 132 afternoon peak hour net-new trips. P25 will generate 835 daily, 74 morning and 89 afternoon peak hour net-new trips and P26 will generate 1,007 daily, 93 morning and 109

afternoon peak hour net-new trips. We prepared daily, morning and afternoon peak-hour vehicle-trip estimates for the proposed and recently planned developments using equations from the 11<sup>th</sup> Edition of Institute of Transportation Engineers *Trip Generation Manual*. We applied internalization rates based on ITE Trip Generation Handbook. We also applied a non-vehicular reduction factor of 32.3% based on census data for the developments' zip code. Tables 1a, 1b & 1c summarize the proposed developments trip generation estimates. The trip-generation data and table are included in **Attachment B**.

**Table 1a - Trip Generation Estimates P27**

Use	Size	Daily	Weekday Morning Peak Hour			Weekday Afternoon Peak Hour		
			In	Out	Total	In	Out	Total
<b><u>Proposed Uses</u></b>								
Multifamily Housing (Mid-Rise)	43 DU	141	2	5	7	9	5	14
Strip Retail Plaza <40k	9,452 SF	580	12	11	23	24	24	48
General Office	77,944 SF	899	119	11	130	22	111	133
Total		1,620	133	27	160	55	140	195
Multimodal Reduction Factor (32.3%)		523	43	9	52	18	45	63
<b>Net-New Trips</b>		<b>1,097</b>	<b>90</b>	<b>18</b>	<b>108</b>	<b>37</b>	<b>95</b>	<b>132</b>

**Table 1b - Trip Generation Estimates P25**

Use	Size	Daily	Weekday Morning Peak Hour			Weekday Afternoon Peak Hour		
			In	Out	Total	In	Out	Total
<b><u>Proposed Uses</u></b>								
General Office	46,177 SF	571	76	7	83	15	66	81
Strip Retail Plaza <40k	10,772 SF	663	15	12	27	22	28	50
Total		1,234	91	19	110	37	94	131
Multimodal Reduction Factor (32.3%)		399	29	6	36	12	30	42
<b>Net-New Trips</b>		<b>835</b>	<b>62</b>	<b>13</b>	<b>74</b>	<b>25</b>	<b>64</b>	<b>89</b>

**Table 1c - Trip Generation Estimates P26**

Use	Size	Daily	Weekday Morning Peak Hour			Weekday Afternoon Peak Hour		
			In	Out	Total	In	Out	Total
<b><u>Proposed Uses</u></b>								
General Office	63,340 SF	752	98	10	108	19	87	106
Strip Retail Plaza <40k	12,665 SF	736	16	13	29	24	31	55
Total		1,488	114	23	137	43	118	161
Multimodal Reduction Factor (32.3%)		481	37	7	44	14	38	52
<b>Net-New Trips</b>		<b>1,007</b>	<b>77</b>	<b>16</b>	<b>93</b>	<b>29</b>	<b>80</b>	<b>109</b>

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### **Miami Beach City Requirements**

The city is requesting a full-traffic impact analysis for the proposed mixed-use development. The city will require a Level II traffic analysis and needs to include trip generations calculations, cardinal distribution calculations, intersections capacity analysis, driveway analysis, turn-lane warrant analyses, queuing analysis if the development is planning to have gates on the entrances and vehicle maneuverability. In addition, the development will be required to proposed traffic demand management measures to mitigate the project's traffic impacts and promote the use of the available modes of transportation in the area. At a minimum the project will be required to evaluate the project's traffic impact at the following intersections:

1. Meridian Avenue & 17<sup>th</sup> Street
2. Meridian Avenue & Lincoln Lane North
3. Jefferson Avenue & 17<sup>th</sup> Street
4. Jefferson Avenue & Lincoln Lane North
5. Alton Road & 17<sup>th</sup> Street
6. Alton Road & Lincoln Road

### **Miami-Dade County Requirements**

The proposed development is expected to generate more than 100 peak-hour trips therefore a Level II traffic analysis will be required by the Miami-Dade County Traffic Engineering Division (TED) if the development will go through any permitting process with the County. The traffic analysis will have to include trip-generation calculations, cardinal-distribution calculations, roadway and intersections capacity analysis, driveway analysis and turn-lane warrant analyses. Miami-Dade County does not allow vehicles to back in/out to and from the proposed driveway connections per Section 33-132 of their zoning code which states, in relevant part, that "there is no backout into an adjacent private or public street, excepting only lots used for single-family or duplex use." The proposed loading areas do not comply with this section and the county could request a revision of the proposed design.

### **Traffic Significance Analysis**

We prepared afternoon peak-hour roadway-impact significance analysis for the project's surrounding roadway network and found that the anticipated traffic from the proposed (P27) and recently planned developments (P25 & P26) will have a significant impact to Alton Road which is the major roadway that will be used to access the proposed development. A roadway is significantly impacted when the proposed development traffic assigned to a roadway is five percent or more of the roadways adopted Level of Service (LOS) capacity. We assigned traffic based on the county's corresponding Traffic Analysis Zone (642) for the area. This traffic significance evaluation is only valid for the date of this memorandum. **Table 2** summarizes the results of the analysis and **Attachment C** contains the TAZ and traffic data.



**Table 2 - Afternoon Peak Hour Roadway Significance Analysis Summary**

Roadway	From	To	Number of Lanes	LOS Capacity	Project Distribution	Project Traffic	Percent Impact	Significantly Impacted (>5%)?
Alton Road	SR A1A	Dade Boulevard	4L	3,040	57%	188	6.19%	YES
17 Street	Dade Boulevard	Collins Avenue	4L	2,736	16%	53	1.93%	NO
16 Street	West Avenue	Collins Avenue	2L	1,269	12%	40	3.12%	NO
15 Street	West Avenue	Washington Avenue	2L	6,530	1%	3	0.05%	NO
Meridian Avenue	5th Street	Dade Boulevard	2L	1,269	14%	46	3.64%	NO

### Driveway Analysis & Turn Lane Analysis

The proposed development (P27) will have a gate-controlled driveway connection to Jefferson Avenue and is intended to operate as a full-access driveway. Jefferson Avenue has a two-way left-turn lane between 17<sup>th</sup> Street and Lincoln Road that will allow the proposed driveway to operate as a full-access connection but the city and the county might request the developer to improve the roadway section north of the driveway which has a median limiting the ability for vehicles to enter safely at the proposed connection. The city and the county will request a queuing analysis to evaluate the queueing and the location of the gated entrance to avoid vehicles backing onto the public roadway.

The proposed development (P26) will have a driveway connection to Michigan Avenue and is intended to operate as a full-access driveway. Michigan Avenue has a two-way left-turn lane between 17<sup>th</sup> Street and Lincoln Road that will allow the proposed driveway to operate as a full-access connection. The proposed development (P25) will have a driveway connection to a one-way road west of Lennox Avenue. Due to the existing configuration of such road the proposed driveway connection will operate as a left-turn in and a right-turn out driveway.

## Findings

We reviewed the proposed mixed-use developments (P25, P26 & P27) regarding land-development related traffic impacts and determined the following:

- The proposed mixed-used developments are expected to generate more than 100 peak-hour trips, therefore the city will require a Level II Traffic Impact Analysis to evaluate the development's traffic impacts. The development could be required to submit to Miami-Dade County depending on the permitting process of the proposed development.
- Based on the number of peak-hour trips and the current roadway configurations the proposed development will not be required to construct exclusive turn lanes at the proposed driveway connections to public roadways.
- The proposed developments will have a significant impact to Alton Road which is the major roadway that will be used to access the proposed developments.

## Attachments:

Attachment A – Site Plan and Property Appraiser Data  
Attachment B – Trip Generation Data  
Attachment C – TAZ and Traffic Data

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**15150 N.W. 79<sup>th</sup> Court, Suite 200   Miami Lakes, FL 33016   T: 786-264-7200   F: 786-264-7201**

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**To:** Donahue Peebles III  
Development Executive  
Peebles Lincoln Road Holdings, LLC  
New York, NY

**From:** Anamaris Torres, PE

**Info:** Leonardo Rodriguez, PE

**Date:** April 13, 2022

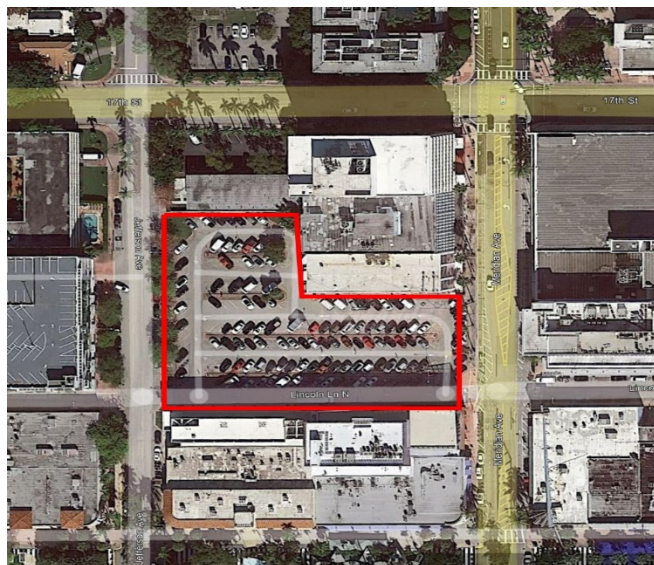
**Re:** Civil Engineering Due Diligence Memorandum  
1664 Meridian Ave.  
Miami Beach , FL 33139  
Langan Project No.: 300303101

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## **General**

Langan Engineering and Environmental Services, Inc. has prepared this due diligence memorandum with respect to three separate parcels located within the City of Miami Beach. Hereon forward the three parcels will be referred to as P27, P26 and P25

P27 is located at 1664 Meridian Avenue, Miami Beach, Florida and is comprised of the folios shown on Table 1 below. The site is bounded on the east by Meridian Avenue, on the west by Jefferson Avenue, on the south by Lincoln Lane North, and on the north by commercial properties as shown in Figure 1 below. This site encompasses approximately 1.36 acres.



**Figure-1: Limits of proposed development for P27**

# MEMO

Civil Engineering Due Diligence Memorandum

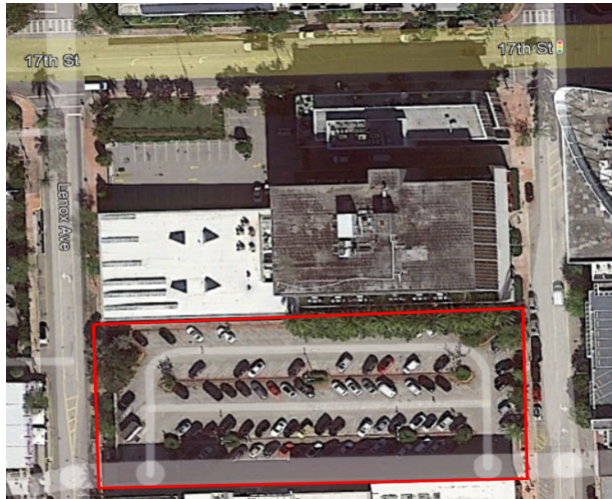
1664 Meridian Ave.

Miami Beach , FL 33139

Langan Project No.: 300303101

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P26 is comprised of the folios shown on Table 1 below. The parcel is bounded on the west by Lenox Avenue, on the east by Michigan Avenue, on the south by Lincoln Lane North, and on the north by commercial properties as shown in Figure 2 below. This site encompasses approximately 0.96 acres.



**Figure-2: Limits of proposed development for P26**

P25 is comprised of the folios shown on Table 1 below. The parcel on the west by Lenox Court, on the east by Lenox Avenue, on the south by commercial properties, and on the north by 17th Street as shown in Figure 3 below. This site encompasses approximately 0.86 acres.



**Figure-3: Limits of proposed development for P25**

# MEMO

Civil Engineering Due Diligence Memorandum

1664 Meridian Ave.

Miami Beach , FL 33139

Langan Project No.: 300303101

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**Table 1: Parcel Information Breakdown**

	Folio	Address	Lot Size
P27	02-3234-007-0560	1664 Meridian Avenue, Miami Beach, FL	7,500 Sq. Ft
	02-3234-007-0670	-	7,500 Sq. Ft
	02-3234-007-0570	-	14,250 Sq. Ft.
	02-3234-007-0660	-	7,500 Sq. Ft.
	02-3234-007-0650	-	7,500 Sq. Ft.
	02-3234-007-0640	-	7,500 Sq. Ft.
	02-3234-007-0630	-	7,500 Sq. Ft.
P26	02-3234-004-0840	-	4,800 Sq. Ft
	02-3234-004-0830	-	8,000 Sq. Ft
	02-3234-004-0820	-	8,000 Sq. Ft
	02-3234-004-0730	-	8,000 Sq. Ft
	02-3234-004-0720	-	8,000 Sq. Ft
	02-3234-004-0710	-	4,800 Sq. Ft
P25	02-3234-004-0910	-	7,500 Sq. Ft
	02-3234-004-0900	-	7,500 Sq. Ft
	02-3234-004-0890	-	7,500 Sq. Ft
	02-3234-004-0880	-	7,500 Sq. Ft
	02-3234-004-0870	-	7,500 Sq. Ft

# MEMO

Civil Engineering Due Diligence Memorandum

1664 Meridian Ave.

Miami Beach , FL 33139

Langan Project No.: 300303101

April 13, 2022- Page 4 of 11

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## **Proposed Development**

Based on our client's redevelopment intentions, we understand that the proposed land uses will be broken down as follows:

P27 consists of 43 luxury apartment units, approximately 77,944 SF of office space, and approximately 9,452 SF of retail space. We have assumed 50% of the retail space will be used as full service restaurant space for the purpose of water and wastewater service allocation.

P26 consists of approximately 63,340 SF of office space and 12,665 SF of retail space, of which 6,100 SF will be use as full service restaurant space.

P25 consists of approximately 46,177 SF of office space and 10,772 SF of retail space, of which 5,000 SF will be use as full service restaurant.

## **Water and Sewer Infrastructure**

We are coordinating with the City of Miami Beach, Miami-Dade Water and Sewer Department (MDWASD) and the Miami-Dade County Department of Environmental Resource Management (DERM) to process a service availability letter. We have been advised by these Departments to submit a Sewer Capacity Certification Form, which will confirm the available sewer capacity for the project.

## **Potable Water**

In order to be consistent with the City's 2040 Miami Beach Comprehensive Plan, existing infrastructure must meet or be upgraded to meet the permitted levels of service to support the increase in demand proposed by the Development. The Project will participate in the on-going program to repair and replace existing obsolete and undersized water, sewer and stormwater lines. The City may request the replacement of some of the existing 6-inch CI water mains abutting the Development, as it is evident by the atlases provided that some CI pipes have already been abandoned in place and replaced with DIP mains. Based on the City of Miami Beach Atlas (*Attachment A*), the existing potable water infrastructure abutting the development sites consists of the following:

### **P27**

There is an existing 12-inch DIP water main running on Lincoln Lane N along the southern end of the property. There is a 16-inch DIP water main and one abandoned 16-inch CI water main that run along Jefferson Avenue to the west. There is also one 20-inch DIP water main and one 6-inch CI water main along Meridian Avenue to the east.

We anticipate that the proposed development can be served from either one of the above mentioned active water mains for potable water, irrigation, and fire water. We do not anticipate the need for a water main extension.

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## **P26**

There is an existing 12-inch DIP water main running along Michigan Avenue east of the property and another 12-inch DIP main along Lenox Avenue to the west.

We anticipate that the proposed development can be served from either one of the above mentioned water mains for potable water, irrigation, and fire water. We do not anticipate the need for a water main extension.

## **P25**

There is an existing 12-inch DIP water main running along Lenox Avenue to the east of the property, as well as an abandoned 6-inch CI water main. There is also a 6-inch CI water main to the west, running along Lenox Court and one 6-inch CI water main along 17<sup>th</sup> street to the north.

We anticipate that the proposed development can be served from the existing 12-inch water main to the east for potable water, irrigation, and fire water. The City may request the upsizing of the existing 6-inch CI water main that runs along Lenox Ct. between Lincoln Ct. and 17<sup>th</sup> Street. This will be confirmed at a later time as the design of the project progresses.

## **Gravity Sanitary Sewer**

In order to be consistent with the City's 2040 Miami Beach Comprehensive Plan, existing infrastructure must meet or be upgraded to meet the permitted levels of service to support the increase in demand proposed by the Development. The Project will participate in the on-going program to repair and replace existing obsolete and undersized water, sewer and stormwater lines. Based on the City of Miami Beach Atlas (*Attachment B*), the existing sanitary sewer infrastructure abutting the Development consists of the following:

## **P27**

There is an existing 8-inch TC sanitary sewer main running along Jefferson Avenue to the west of the site, and an 8-inch TC sanitary sewer main running along Meridian Avenue east of the site. There is also a 30-inch force main running along Meridian Avenue between Lincoln Lane North and Lincoln Rd.

While there is existing gravity sewers abutting the project site we at this time can't determine if the existing sanitary sewer collection system has sufficient available capacity to accept the sewage load generated by the proposed project. This will be determined at a later date as the design of the project is progressed. New lateral connections into existing clay pipes require the line to be CCTVed prior to connecting. A portion of the existing main, a minimum of 20 LF centered at the point of connection, will need to be replaced with new 8-inch PVC sewer pipe. It is possible that in order to comply with the 2040 Comprehensive Plan, the City may request for the abutting clay pipes to be replaced with PVC C-900 pipes.

## **P26**

There is an existing 8-inch TC sanitary sewer main running across the site on the southern edge of the project area, an 8-inch PVC sanitary sewer main running along Lenox Avenue west of the

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site, an 8-inch concrete sanitary sewer main running along Michigan Avenue east of the site. There is also a 42-inch force main running along Michigan Avenue to the east of the property.

While there is existing gravity sewers abutting the project site we at this time can't determine if the existing sanitary sewer collection system has sufficient available capacity to accept the sewage load generated by the proposed project. This will be determined at a later date as the design of the project is progressed. It is possible that in order to comply with the 2040 Comprehensive Plan, the City may request for the abutting clay pipe south of the property to be replaced with PVC C-900 pipe.

## P25

There is an existing 8-inch PVC sanitary sewer main running along Lenox Avenue east of the site.

While there is existing gravity sewers abutting the project site we at this time can't determine if the existing sanitary sewer collection system has sufficient available capacity to accept the sewage load generated by the proposed project. This will be determined at a later date as the design of the project is progressed.

## Receiving Pump Station

The Miami Beach municipal pump station serving all three parcels is PS#01. The municipal pumping station is currently operating at 2.55 hours as shown below in Figure 4. We utilized the MDWASD online Pump Station Capacity Estimator to determine if the station has the ability to accept the sewage loading from the proposed Developments.

### Pump Station Capacity Estimator Result → UNCONDITIONAL ALLOCATION ALLOWED ←

Search Criteria Detailed Result						
Sanitary Sewer Utility	02 - CITY OF MIAMI BEACH					
Pump Station Number	0001					
Proposed Projected Flow (GPD)	0 GPD					
Project will require, or is part of, a Sewer Extension	No					
Pump Station Downstream	Pump Station Owner	Pump Station Number	Moratorium Code	Projected NAPOT	Proposed Hrs (Δt)	Proposed Projected Hrs
Receiving PS	02	0001	OK	2.55	0.00	2.55
↓	30	CD	--	--	--	--

Figure-4: Existing PS Conditions

## P27

Based on 43 residential apartment units, 4,726 SF of retail space, 4,726 SF of full service restaurant space, and 77,944 SF of office space, P27 will generate 14,901 gallons per day of sewage.



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We inserted this loading into the MDWASD online Pump Station Capacity Estimator, the results are shown in Figure 5 below. The Pump Station Capacity Estimator indicates that the Pump Station will operate at 2.57 hours per day.

**Pump Station Capacity Estimator Result**  
→ UNCONDITIONAL ALLOCATION ALLOWED ←

Search Criteria Detailed Result						
Sanitary Sewer Utility	02 - CITY OF MIAMI BEACH					
Pump Station Number	0001					
Proposed Projected Flow (GPD)	14,901 GPD					
Project will require, or is part of, a Sewer Extension	No					
Pump Station Downstream	Pump Station Owner	Pump Station Number	Moratorium Code	Projected NAPOT	Proposed Hrs (Δt)	Proposed Projected Hrs
Receiving PS	02	0001	OK	2.55	0.02	2.57
↓	30	CD	--	--	--	--

**Figure-5: Proposed Projected Flows from P27 to PS**

## P26

Based on 46,177 SF of office space, 5,772 SF of retail space and 5,000 SF of full service restaurant, P25 will generate 7,886 gallons per day.

We inserted this loading into the MDWASD online Pump Station Capacity Estimator, the results are shown in Figure 6 below. The Pump Station Capacity Estimator indicates that the Pump Station will operate at 2.56 hours per day.

**Pump Station Capacity Estimator Result**  
→ UNCONDITIONAL ALLOCATION ALLOWED ←

Search Criteria Detailed Result						
Sanitary Sewer Utility	02 - CITY OF MIAMI BEACH					
Pump Station Number	0001					
Proposed Projected Flow (GPD)	7,886 GPD					
Project will require, or is part of, a Sewer Extension	No					
Pump Station Downstream	Pump Station Owner	Pump Station Number	Moratorium Code	Projected NAPOT	Proposed Hrs (Δt)	Proposed Projected Hrs
Receiving PS	02	0001	OK	2.55	0.01	2.56
↓	30	CD	--	--	--	--

**Figure-6: Proposed Projected Flows from P26 to PS**

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## P25

Based on 63,340 SF of office space, 6,565 SF of retail space and 6,100 SF of full service restaurant space, P26 will generate 9,924 gallons per day.

We inserted this loading into the MDWASD online Pump Station Capacity Estimator, the results are shown in Figure 7 below. The Pump Station Capacity Estimator indicates that the Pump Station will operate at 2.56 hours per day.

**Pump Station Capacity Estimator Result**  
→ **UNCONDITIONAL ALLOCATION ALLOWED** ←

Search Criteria Detailed Result						
Sanitary Sewer Utility			02 - CITY OF MIAMI BEACH			
Pump Station Number			0001			
Proposed Projected Flow (GPD)			9,924 GPD			
Project will require, or is part of, a Sewer Extension			No			
Pump Station Downstream	Pump Station Owner	Pump Station Number	Moratorium Code	Projected NAPOT	Proposed Hrs (Δt)	Proposed Projected Hrs
Receiving PS	02	0001	OK	2.55	0.01	2.56
↓	30	CD	--	--	--	--

**Figure-7: Proposed Projected Flows from P25 to PS**

## Total

In total, the three developments will generate 32,711 gallons per day. We inserted this loading into the MDWASD online Pump Station Capacity Estimator, the results are shown in Figure 8 below. The Pump Station Capacity Estimator indicates that the Pump Station will operate at 2.59 hours per day. Since the proposed projected flows do not increase the operating time of the Pump Station significantly, we do not anticipate that the City will request improvements to PS#01.

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**Pump Station Capacity Estimator Result**  
**→ UNCONDITIONAL ALLOCATION ALLOWED ←**

Search Criteria Detailed Result						
Sanitary Sewer Utility	02 - CITY OF MIAMI BEACH					
Pump Station Number	0001					
Proposed Projected Flow (GPD)	32,711 GPD					
Project will require, or is part of, a Sewer Extension	No					
Pump Station Downstream	Pump Station Owner	Pump Station Number	Moratorium Code	Projected NAPOT	Proposed Hrs ( $\Delta t$ )	Proposed Projected Hrs
Receiving PS	02	0001	OK	2.55	0.04	2.59
↓	30	CD	--	--	--	--

**Figure-8: Proposed Total Projected Flows to PS**

## FEMA Flood Map

Based on the current FEMA Flood Insurance Rate Maps (FIRM) *map number* 12086C0317L, the sites are located within FEMA Flood Zone AE 8 NGVD (refer to *Attachment D*). If the design of the buildings is based on the current FEMA Flood Map information, the minimum finished floor elevation would be the FEMA base flood elevation plus 1-foot. Further coordination with the City Building Official, the City Flood Plain Manager and the design Architect is required to establish the actual finished elevation.

Please note that there are preliminary FIRM Maps published by FEMA that at this point in time have not been adopted by Miami-Dade County. Per the future FEMA FIRM map number 12086C0317M, (dated 02/25/2021 and marked preliminary) the site P27 is located within FEMA Flood Zone AE 6 NAVD while P25 and P26 are located within FEMA Flood Zone AE 7 NAVD. The corresponding FIRM elevation in NGVD is approximately 7.5 and 8.5 feet NGVD respectively. Therefore, if the design of the buildings were to be based on the future FEMA FIRM map the minimum finished floor elevation would be the future FEMA base flood elevation plus 1-foot.

It is not known when the future FEMA FIRM map will be adopted by Miami-Dade County. If the County adopts the future FEMA FIRM maps during the design of the project before a building permit is obtained the City may enforce the ASCE -24 minimum finished floor elevation criteria based on the adopted FIRM map at the time of building permit review.

## County Flood Criteria

Based on the Miami-Dade County Average 1999 October Water Table & Miami-Dade County Flood Criteria Map the County Flood Criteria in the general area of the project site is 6-feet NGVD. This implies that no portion of the project site can be lower than 6-feet NGVD. The October ground water elevation, which is utilized for drainage system design purposes, is 2-feet NGVD.

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## Site Drainage

In order to be consistent with the City's 2040 Miami Beach Comprehensive Plan, existing infrastructure must meet or be upgraded to meet the permitted levels of service to support the increase in demand proposed by the Development. The Project will strive to avoid environmentally detrimental stormwater discharges as set forth by the City. The Project will participate in the on-going program to repair and replace existing obsolete and undersized water, sewer and stormwater lines. We anticipate that the City may request improvements along Jefferson Avenue to upsize the existing 12-inch drainage piping. Refer to *Attachment C for the City of Miami Beach Stormwater Atlas*.

The typical drainage system utilized for projects in this area of the City of Miami Beach is composed of exfiltration trenches and drainage wells. We searched the Florida Department of Environmental Protection (FDEP) database for nearby permitted drainage wells. The wells on record nearest to the project site have recorded capacities ranging from 800 to 1,000 GPM per ft. of drawdown.

***We recommend that a reasonable assurance report be prepared. This report will indicate the depth at which reasonable assurance is achieved which is the minimum depth at which stormwater can be discharged in the ground. If it is determined that stormwater can be discharged at a depth (say between 90 and 200 feet) we would recommend installing a test well on the project site to obtain more reliable on-site expected specific well capacity which we would use to recommend the minimum number of drainage wells required for the proposed project.***

## Gas

TECO Peoples Gas is the gas provider for the area of the project. TECO has confirmed that natural gas service is available in the vicinity. When the project is further along, TECO will require the service load calculations and site plan with proposed meter locations to provide detailed plans of the underground service lines for the project. Please see attached availability letter provided by TECO Peoples Gas in Appendix B.

## Telecommunication

AT&T has confirmed that service is available. When the project is further along, AT&T will require more information to provide detailed plans of service to the building. AT&T needs to be informed of needed services at least 7 months before the TCO date is due. Please see availability letter provided by AT&T in Appendix B.

A service availability request letter has been sent to Comcast. We are currently waiting to receive the letter.

## Power

Florida Power and Light (FPL) is the electrical power provider for the project area. FPL has advised that it is prepared to supply the necessary power required however, exactly how the projects will be served must be further coordinated as the design progresses. Please see availability letter provided by FPL in Appendix B.

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**Limitations of This Memorandum:** This memorandum has been prepared based on available information at the time it was written. The City of Miami Beach may request improvements to the water, sewer and storm drainage systems that are unforeseen at this time. This memorandum is a document that provides readily available information with respect to the site civil engineering that may be required by agencies for the development of these projects. It is not all inclusive and it is not a design document.

## **Attachments:**

### Attachment A

Miami Beach Water Atlases

### Attachment B

Miami Beach Sewer Atlases

### Attachment C

Miami Beach Stormwater Atlases

### Attachment D

FEMA FIRM Current and Future Map

### Attachment E

Will Serve Letters



# Exhibit E.1: Integra Project Renderings



## City of Miami Beach Class A Office & Mixed Use RFP The Gardens at Lincoln lane: Progress Update: Sites P25, P26

Miami Beach, Florida 29 March 2022





**BEFORE**





AFTER





# BEFORE





AFTER





BEFORE





AFTER





BEFORE





AFTER





# BEFORE



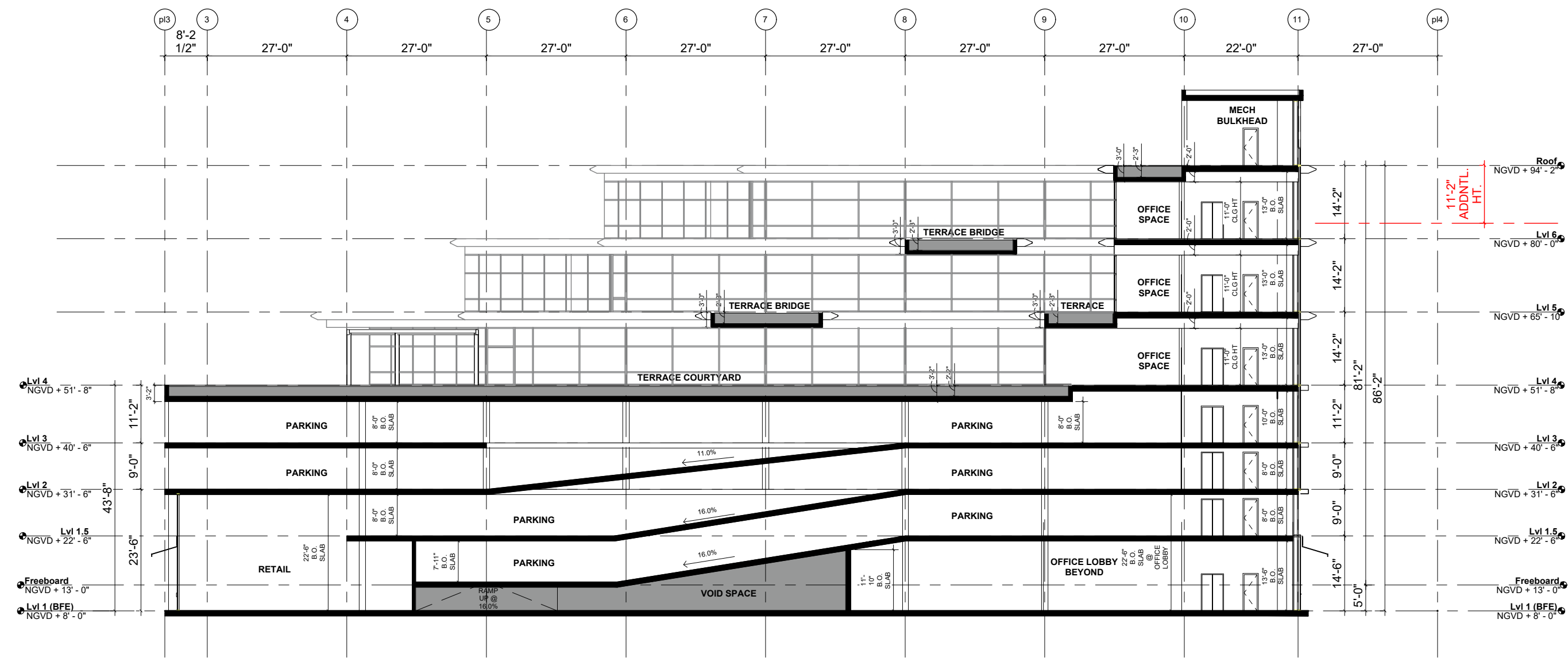


AFTER





P25 Section Diagram: w/ 11 ft 2 in additional height

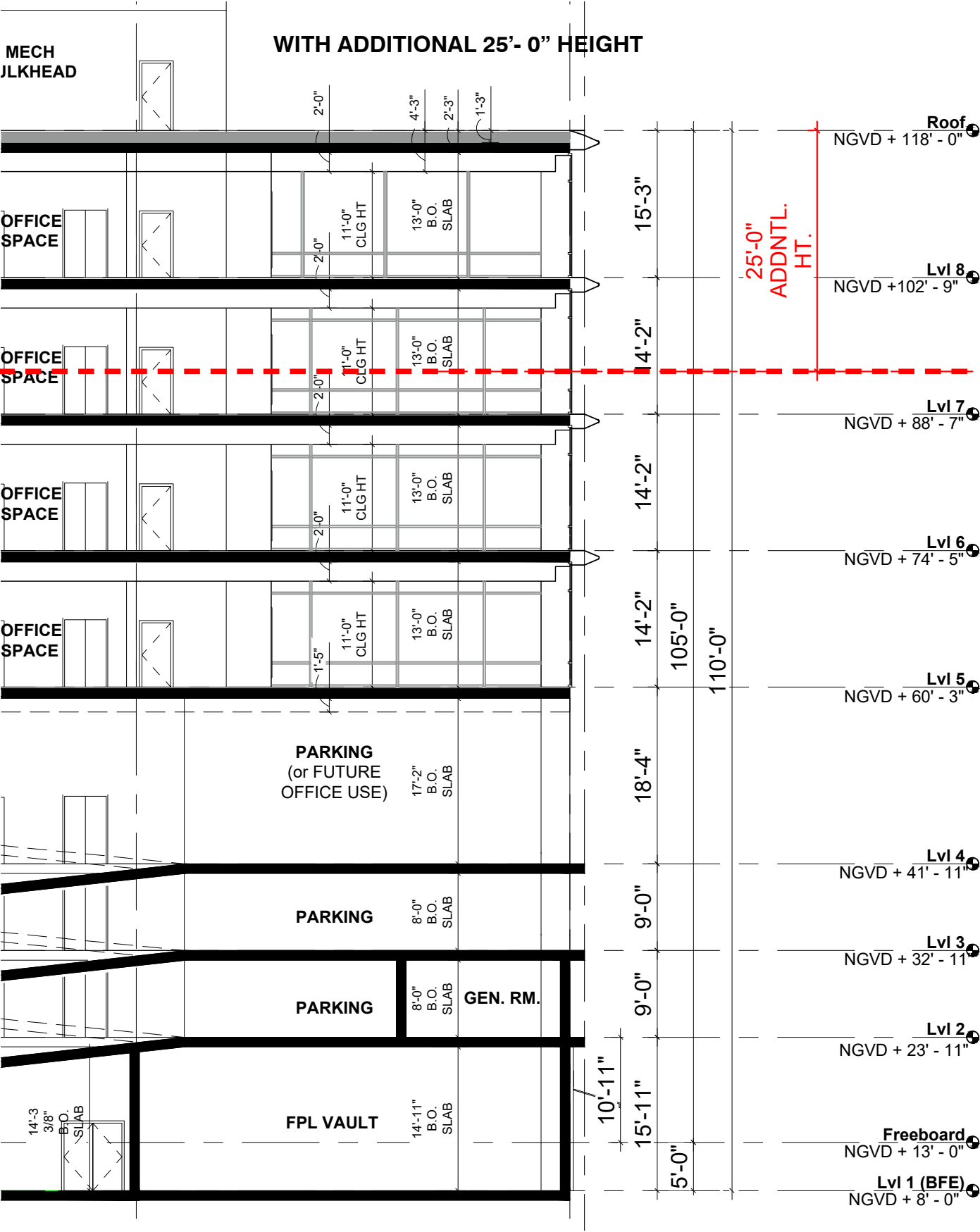
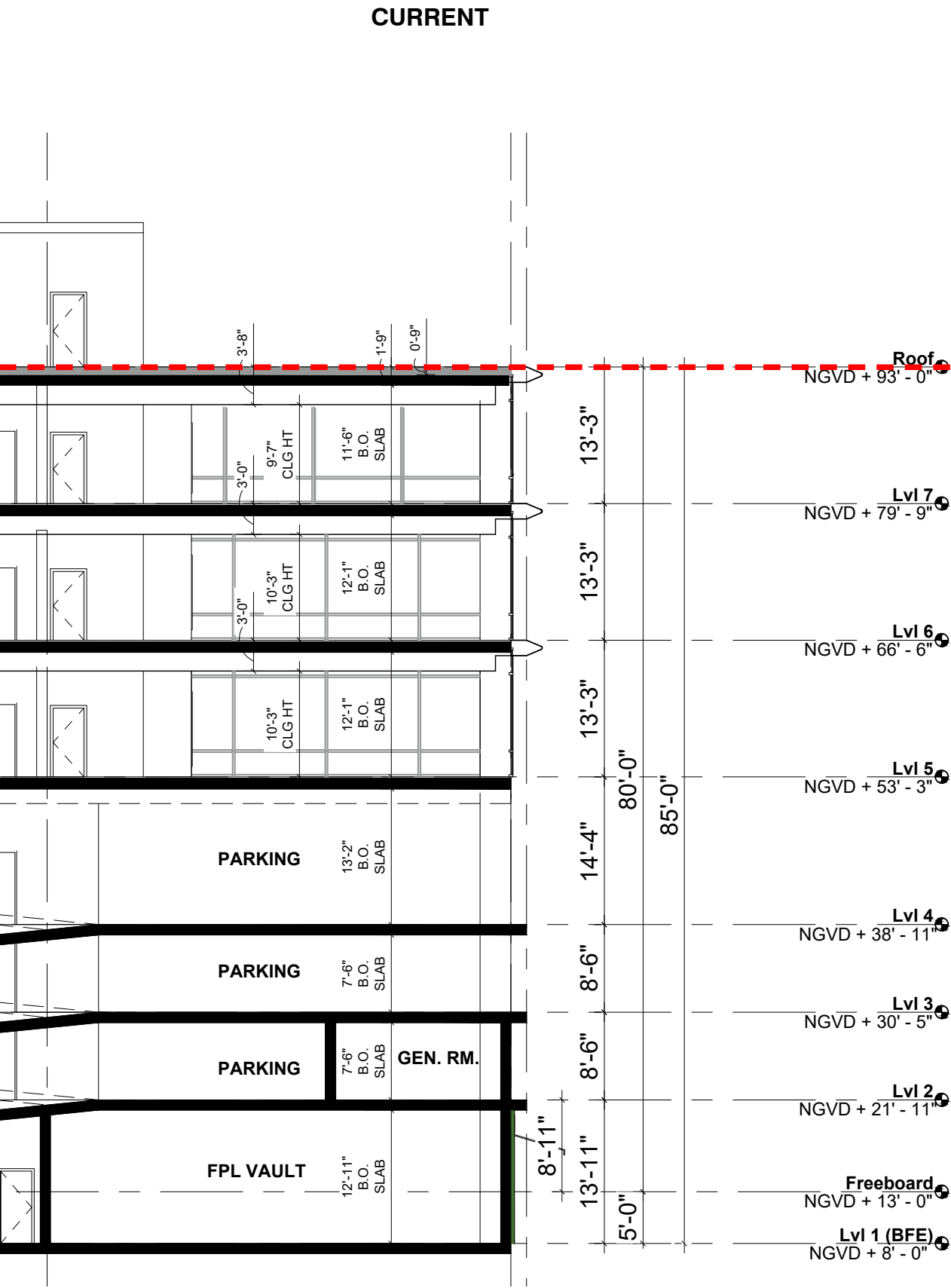




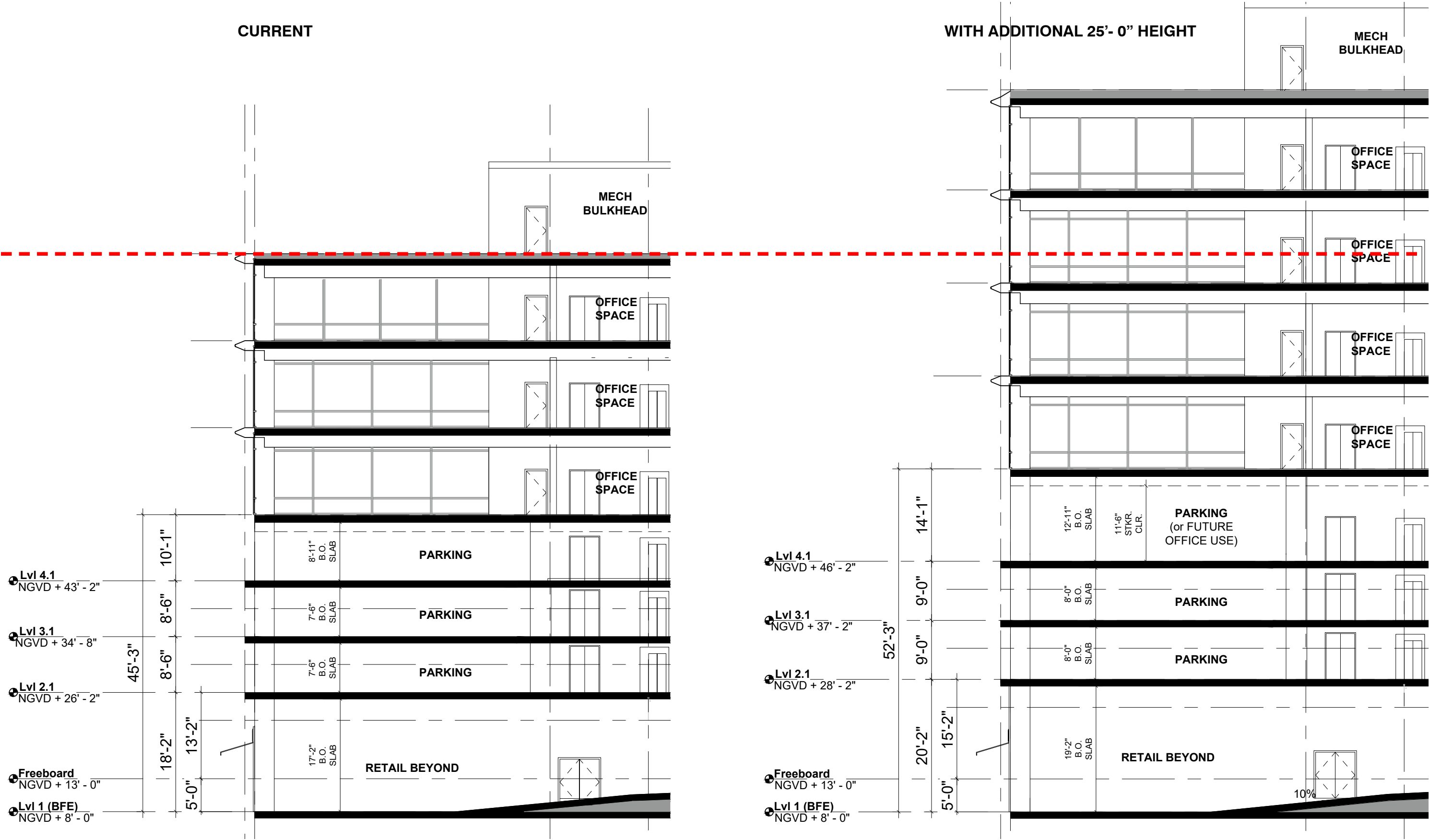
P26 Section Diagram: w/ additional 25 ft height



P26 Section Diagram: Detail Comparison @ west of site



P26 Section Diagram: Detail Comparison @ east of site

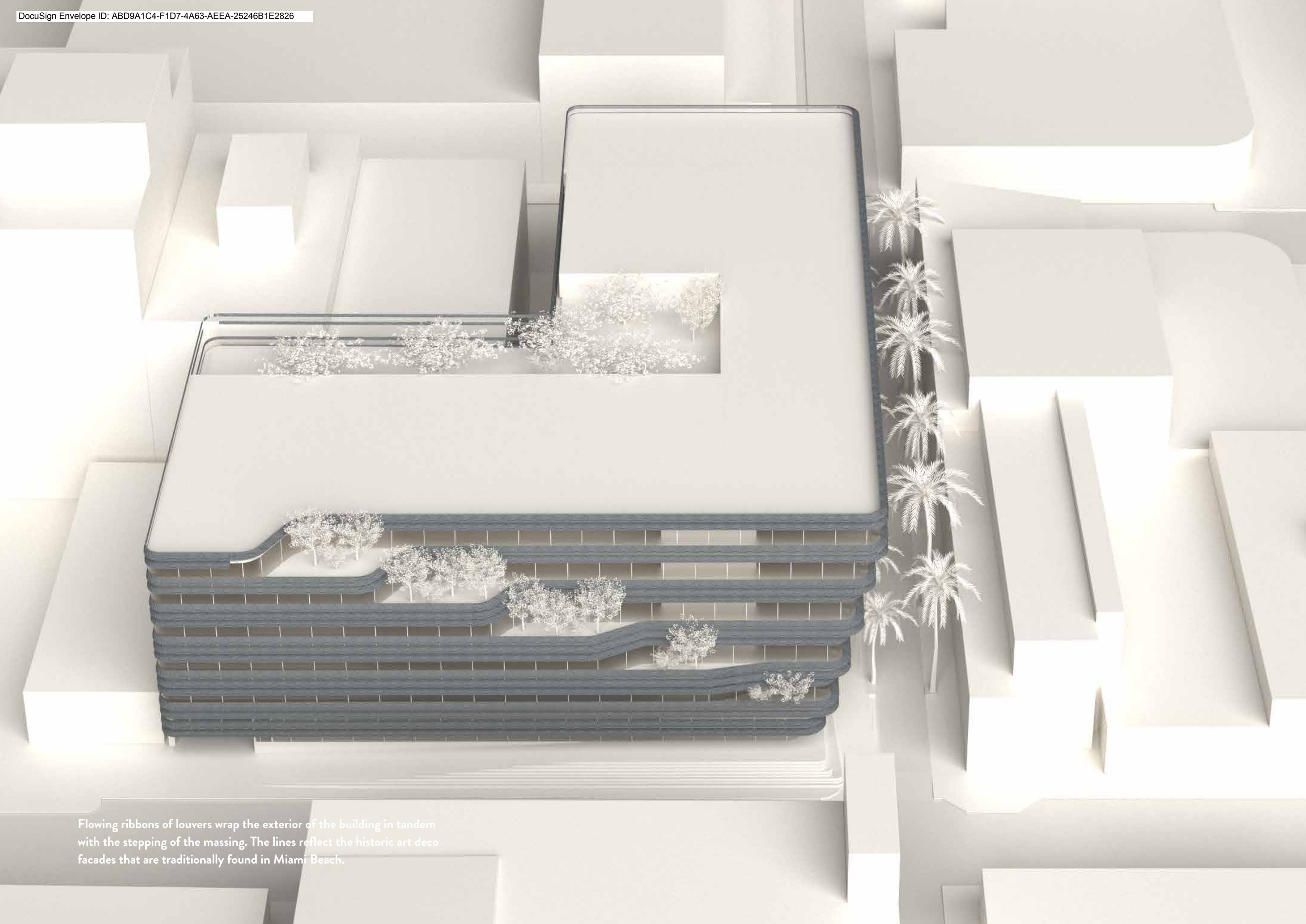




## Exhibit E.2: TPC Project Renderings







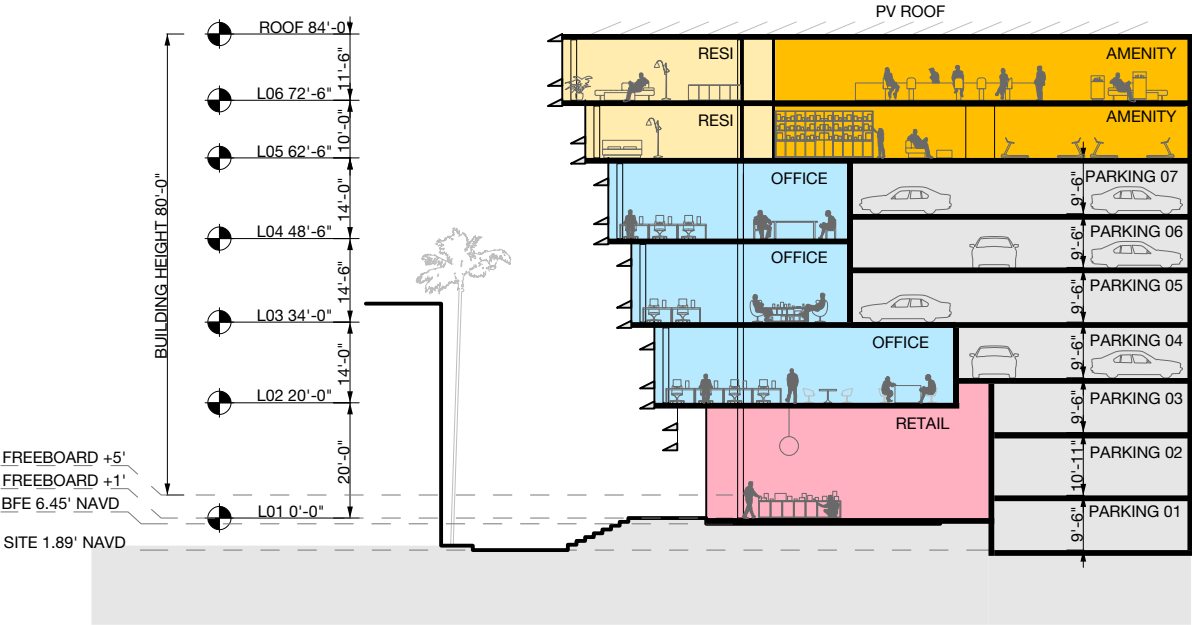
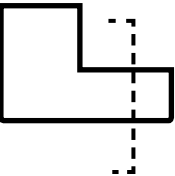
Flowing ribbons of louvers wrap the exterior of the building in tandem with the stepping of the massing. The lines reflect the historic art deco facades that are traditionally found in Miami Beach.







# E-W SECTION



- Parking
- Residential
- Office
- Retail

