

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, APPROVING, FOLLOWING FIRST READING, AS AUTHORIZED UNDER SECTION 82-37 OF THE CITY CODE AND SECTION 1.03(B)(2) OF THE CITY CHARTER, A LEASE AGREEMENT BETWEEN THE CITY OF MIAMI BEACH ("CITY") AND LINCOLN ROAD PROPERTY OWNER, L.P. ("LESSEE") OF THE CITY-OWNED SURFACE PARKING LOT P25 (CONSISTING OF FIVE (5) TAX FOLIOS: 02-3234-004-0870, 02-3234-004-0880, 02-3234-004-0890, 02-3234-004-0900 AND 02-3234-004-0910) LOCATED IN MIAMI BEACH, FLORIDA AND A LEASE AGREEMENT BETWEEN THE CITY AND LESSEE OF THE CITY-OWNED SURFACE PARKING LOT P26 (CONSISTING OF SIX (6) TAX FOLIOS: 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) LOCATED IN MIAMI BEACH, FLORIDA (TOGETHER, THE "LEASES"), FOR THE CONSTRUCTION OF MIXED-USE DEVELOPMENTS CONSISTING OF (1) CLASS A OFFICE SPACE, (2) GROUND FLOOR RETAIL, (3) PUBLIC PARKING TO REPLACE THE EXISTING PUBLIC PARKING SPACES ON BOTH PARKING LOTS P25 AND P26, AND (4) ADDITIONAL PARKING TO SATISFY OFF-STREET PARKING REQUIREMENTS FOR THE OFFICE USES (THE "PROJECT"); SUCH LEASES BEING SUBJECT TO AND CONTINGENT UPON APPROVAL BY THE CITY COMMISSION PURSUANT TO SECTION 82-37(A) AND APPROVAL BY A MAJORITY VOTE OF THE VOTERS IN A CITY-WIDE REFERENDUM PURSUANT TO SECTION 1.03(B)(2) OF THE CITY CHARTER; FURTHER, PROVIDING FOR THE PROJECT TO BE DEVELOPED, DESIGNED, FINANCED, CONSTRUCTED, AND OPERATED IN ACCORDANCE WITH THE TERMS OF THE LEASES AND THE DEVELOPMENT AGREEMENT FOR THE PROJECT BETWEEN THE CITY AND LESSEE, APPROVED PURSUANT TO RESOLUTION NO. 2022-\_\_\_\_\_; AND FURTHER PROVIDING FOR A MAXIMUM TERM OF NINETY-NINE (99) YEARS, WITH AN INITIAL TERM OF FIFTY-ONE (51) YEARS, AND TWO (2) RENEWAL TERMS, FOR A PERIOD OF TWENTY-FOUR (24) YEARS EACH, AT THE LESSEE'S OPTION.

**WHEREAS**, the City Commission has expressed an interest in diversifying the City's economy and its revenue sources by capitalizing on the economic growth opportunities presented by the current and projected business growth in the region, particularly by making a concerted effort to attract the financial services and technology industries; and

**WHEREAS**, in furtherance of this objective, the City Commission has discussed the need to increase Class A office space inventory throughout the City; and

**WHEREAS**, at its December 11, 2019 meeting, the City Commission discussed the possibility of making available certain surface parking lots north of Lincoln Road to promote the development of Class A office space in the City Center area; and

**WHEREAS**, on October 9, 2020, the Administration issued Request for Letters of Interest 2021-029-KB, seeking expression of interest from developers interested in building Class A office developments on the surface parking lots P25, P26, and P27 immediately north of Lincoln Road

(the "RFLI") and the RFLI yielded significant interest, including expression of interest from eighteen (18) respondents; and

**WHEREAS**, on March 17, 2021, the City Commission adopted Resolution No. 2021-31617, authorizing the preparation of a Request for Proposals for mixed-use development incorporating Class A office space at three City-owned sites near Lincoln Lane North and the 17<sup>th</sup> Street parking garage (G5)(the "RFP"); and

**WHEREAS**, the City received proposals from the following three firms: (1) Infinity Collective LLC; (2) Lincoln Road Property Owner, L.P., a Delaware limited partnership and joint venture among Integra Investments, Starwood Capital, and The Comras Company (for clarity, Lincoln Road Property Owner, L.P. is referred to as "Integra" or "Lessee"); and (3) Lincoln Road Holdings LLC, a Florida limited liability company and joint venture among The Peebles Corporation, Baron Corporation, and Scott Robins Companies, Inc., such joint venture partners now having formed 1664 Meridian Avenue LLC, an affiliated special purpose entity (for clarity, 1664 Meridian Avenue LLC, which, for clarity, is referred to as "TPC"); and

**WHEREAS**, after reviewing the various proposals submitted, the process and rankings of an Evaluation Committee appointed by the City Manager, and the assessments of staff and the City's consultant, the City Manager determined that the best RFP options for the City to pursue were Option 3 (Parking Lot P27) with TPC and Option 5 (Parking Lots P25 and P26 combined) with Integra, and the City Manager recommended that the Mayor and City Commission authorize the commencement of negotiations with these bidders; and

**WHEREAS**, on February 23, 2022, the City Commission adopted Resolution 2022-32054, authorizing the Administration:

- (a) to enter into negotiations for a ground lease and development agreement with TPC with respect to Parking Lot P27 (RFP Option 3)(the "TPC project"); and
- (b) to enter into negotiations for a ground lease and development agreement with Integra with respect to Parking Lots P25 and P26 (RFP Option 5)(the "Project"); and
- (c) refer both proposed projects and three accompanying amendments to the City's Land Development Regulations and/or Comprehensive Plan for review by the Finance and Economic Resiliency Committee, the Land Use and Sustainability Committee, and the Planning Board, in accordance with the requirements of the City Code; and
- (d) direct the Administration to maintain the RFP as open and subject to the Cone of Silence with respect to Option 4 (Garage G5) for a period of one (1) year from the date of adoption, February 23, 2022; and

**WHEREAS**, Integra and the Administration negotiated a term sheet dated April 26, 2022 (the "Term Sheet"), which provided, assuming the adoption of certain land use amendments related to the Project, the development of:

- (a) on P25, a six-story building with three levels of Class A office space, ground floor retail, required parking associated with the office use, and a public parking component; and
- (b) on P26, an eight-story building with four levels of Class A office space, ground floor retail, required parking associated with the office use, and a public parking component; and

**WHEREAS**, as proposed in the Term Sheet, the City and Integra will enter a long-term ground lease for P25 and a long-term ground lease for P26 (together, the “Ground Leases”), and a development agreement (the “Development Agreement”) to govern the development of both sites, with Integra responsible for financing the design and construction of the Project, with the proposed rent structure and other key terms more fully described in the Term Sheet; and

**WHEREAS**, pursuant to Section 1.03(b)(2) of the City Charter governing leases of ten years or longer of the City-owned property referred to therein as the Lincoln Road Parking Lots, the Ground Leases require approval by a majority vote of the voters in a City-wide referendum; and

**WHEREAS**, on March 30, 2022, the Finance and Economic Resiliency Committee received an update on the negotiations from the Administration; and

**WHEREAS**, on April 8, 2022, the Land Use and Sustainability Committee considered the three legislative amendments requested in support of the two projects, and transmitted the proposed ordinances to the City Commission for consideration; and

**WHEREAS**, on April 29, 2022, the Finance and Economic Resiliency Committee reviewed the Project’s proposed terms and recommended that the City Commission direct the Administration to prepare a Development Agreement and Ground Leases with Integra for the City Commission’s consideration and approval; and

**WHEREAS**, on May 4, 2022, the City Commission adopted Resolution No. 2022-32164, accepting the recommendation of the Finance and Economic Resiliency Committee, approving the Term Sheet, and directing the Administration to prepare the Development Agreement and Ground Leases with Integra, to include terms consistent with the Term Sheet and such other terms and conditions as are customary or otherwise necessary or desirable (as determined by the Administration), subject to the prior approval of the City Commission, and further, referring the proposed Project and the associated Development Agreement to the Planning Board for review, in accordance with the requirements of the City Charter and City Code; and

**WHEREAS**, on May 24, 2022, the Planning Board reviewed the proposed uses for both projects and recommended approval, with a unanimous companion motion recommending that: (1) the City Commission consider devoting a portion of revenues generated from any RFP project incorporating solely market rate residential uses be devoted to funding workforce housing initiatives; (2) the ground leases include a prohibition against big-box retail establishments in the Projects; and (3) the ground leases include provisions that underutilized parking spaces required for the projects’ private components (e.g. office uses) be made available for use by the public during nonpeak hours; and

**WHEREAS**, the Planning Department analysis of the Ground Leases, pursuant to Section 82-38 of the City Code, is attached as an exhibit to the Commission Memorandum accompanying this Resolution; and

**WHEREAS**, as required by Section 82-39 of the City Code, the City engaged an independent appraiser to estimate the fair market value of the Ground Leases of the properties, and a copy of the appraisal is attached as an exhibit to the Commission Memorandum accompanying this Resolution; and

**WHEREAS**, the current drafts of the Ground Leases are attached as an exhibit to the

Commission Memorandum accompanying this Resolution; and

**WHEREAS**, the Administration is supportive of the Project, in recognition of its several intended outcomes pursuant to the goals of the RFP, including encouraging the development of Class A office space and growing the economic base, enhancing the City's parking facilities, creating local jobs, activating Lincoln Lane North and Lincoln Road, and generating substantial community benefits and financial remuneration for the City; and

**WHEREAS**, negotiations of the Ground Leases have been substantially concluded and the Mayor and City Commission, after a duly noticed public hearing, determined that it is in the best interest of the City to enter into the Ground Leases with Integra, and have set a second reading/public hearing for July 20, 2022.

**NOW, THEREFORE, BE IT DULY RESOLVED BY THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA**, that the Mayor and City Commission hereby approve, following first reading, as authorized under section 82-37 of the City Code and section 1.03(b)(2) of the City Charter, a Lease Agreement between the City of Miami Beach ("City") and Lincoln Road Property Owner, L.P. ("Lessee") of the City-owned surface parking lot P25 (consisting of five (5) tax folios: 02-3234-004-0870, 02-3234-004-0880, 02-3234-004-0890, 02-3234-004-0900 and 02-3234-004-0910) located in Miami Beach, Florida and a Lease Agreement between the City and Lessee of the City-owned surface parking lot P26 (consisting of six (6) tax folios: 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) located in Miami Beach, Florida (together, the "Leases"), for the construction of mixed-use developments consisting of (1) Class A office space, (2) ground floor retail, (3) public parking to replace the existing public parking spaces on both parking lots P25 and P26, and (4) additional parking to satisfy off-street parking requirements for the office uses (the "Project"); such Leases being subject to and contingent upon approval by the City Commission pursuant to section 82-37(a) and approval by a majority vote of the voters in a City-wide referendum pursuant to section 1.03(b)(2) of the City Charter; further, providing for the Project to be developed, designed, financed, constructed, and operated in accordance with the terms of the Leases and the Development Agreement for the Project between the City and Lessee, approved pursuant to Resolution No. 2022-\_\_\_\_\_; and further providing for a maximum term of ninety-nine (99) years, with an initial term of fifty-one (51) years, and two (2) renewal terms, for a period of twenty-four (24) years each, at the Lessee's option.

**PASSED AND ADOPTED** this \_\_\_\_\_ day of June, 2022.

**ATTEST:**

\_\_\_\_\_  
RAFAEL E. GRANADO, CITY CLERK

\_\_\_\_\_  
DAN GELBER, MAYOR

APPROVED AS TO  
FORM & LANGUAGE  
& FOR EXECUTION



\_\_\_\_\_  
City Attorney

6-16-22  
\_\_\_\_\_  
Date