

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 (THE "LEASE") BETWEEN THE CITY OF MIAMI BEACH ("CITY") AND 1664 MERIDIAN AVENUE, LLC ("LESSEE") OF THE CITY-OWNED SURFACE PARKING LOT P27 (CONSISTING OF 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) LOCATED IN MIAMI BEACH, FLORIDA FOR THE CONSTRUCTION OF A MIXED-USE DEVELOPMENT CONSISTING OF (1) CLASS A OFFICE SPACE, (2) GROUND FLOOR RETAIL, (3) RENTAL APARTMENTS, (4) PUBLIC PARKING TO REPLACE THE EXISTING PUBLIC PARKING SPACES ON PARKING LOT P27, AND (5) ADDITIONAL PARKING TO SATISFY OFF-STREET PARKING REQUIREMENTS FOR THE OFFICE AND RESIDENTIAL USES (THE "PROJECT"); SUCH LEASE 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 LEASE 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 (the "RFP") for mixed-use

development incorporating Class A office space at three City-owned sites near Lincoln Lane North and the 17th Street parking garage (G5); 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 is referred to as “TPC” or “Developer”); 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 “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 “Integra 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, TPC 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 on P27 of a six-story building with three levels of Class A office space, two levels of market rate residential units, ground floor retail, required parking for the private uses, and a public parking component; and

WHEREAS, as proposed in the Term Sheet, the City and TPC will enter a long-term ground lease for P27 (the “Ground Lease”), and a development agreement (the “Development Agreement”), with TPC 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 Lease with TPC for the City Commission's consideration and approval; and

WHEREAS, on May 4, 2022, the City Commission adopted Resolution No. 2022-32163, 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 Lease with TPC, 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 Lease, 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 Lease of the property, and a copy of the appraisal is attached as an exhibit to the Commission Memorandum accompanying this Resolution; and

WHEREAS, the current draft of the Ground Lease is attached as an exhibit to the Commission Memorandum accompanying this Resolution and includes terms consistent with the Term Sheet; and

WHEREAS, negotiations of the Ground Lease 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 Lease with TPC, 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 (the "Lease") between the City of Miami Beach ("City") and 1664 Meridian Avenue, LLC ("Lessee") of the City-owned surface Parking Lot P27 (consisting of 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) located in Miami Beach, Florida for the construction of a mixed-use development consisting of (1) Class A office space, (2) ground floor retail, (3) rental apartments, (4) public parking to replace the existing public parking spaces on Parking Lot P27, and (5) additional parking to satisfy off-street parking requirements for the office and residential uses (the "Project"); such Lease 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 Lease 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