

## SURFACE LOTS P25 & P26

Integra

Starwood Capital

The Comras Company



Proposed  
Project

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- **P25:** 1680 Lenox Avenue (Across Yard House)
  - **P26:** 1080 Lincoln Lane North (Nike/Apple)
  - **Combined Lot size** - approximately 85,000 sf
  - **As-is fee simple appraised value:** \$59.6M
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- 99-year lease; 51 yr initial, + Two (2) 24-yr renewals
  - Will be governed by **two (2) ground leases**, 1 (one) for each parcel, but one Development Agreement
  - 6 stories on P25 and 8 stories on P26
  - **Height:** 100 ft
  - **Uses:** Class A Office, Ground Floor Retail, Replacement Parking, and Private Parking for Office
    - Parking garage with full replacement of **192 existing public parking spaces**
    - Public parking on lower floors
    - No loss of parking onsite during construction
    - **135,853 sf** Class A office space
    - **24,612 sf** ground floor retail to activate street fronts
    - **Public landscaped space**
    - **1,000 sq. ft. RENT FREE space** for cultural not for profit
    - **Construction Timeline:**
      - TCO P25 – 63 months
      - TCO P26 – 82 months
      - Parking TCO – 54 months



Financial  
Benefits

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- **Rent** = The greater of guaranteed base rent or 5% of Effective Gross Income (EGI)
  - **Minimum Guaranteed Rent to the City:** \$210M
  - **Potential with Percentage Rent (EGI):** \$470M
  - City will not provide any funding or financing for project
  - City retains **100% net revenues** for public parking
  - **Annual Rent Growth:** 2% or CPI (w/CPI cap at 3%)
  - **Rent Reset:** Years 51 and 75 (base year escalated by higher of 2% or CPI uncapped)
  - **Transaction Rent** upon transfer sale by Lessee
  - **Lump Sum Payments:** \$3.5M
    - (1) At Referendum - \$2.5M;
    - (2) At P25 TCO - \$500,000; and
    - (3) At P26 TCO - \$500,000
  - **Annual Construction Rent:**
    - Year 2: \$650,000
    - Year 3-4: \$725,000
    - Year 5-6: \$750,000
  - **Base Rent:** \$750,000 annually
  - **Approx. \$500k-\$600k** in annual ad valorem taxes
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**Lincoln Lane - Timeline of Public Meetings and Information**

Date		Meeting	Subject Matter / Action Taken
<b>Request for Letters of Interest 2021-029-KB (the "RFLI")</b>			
1.	12/11/2019	City Commission*	Requested preparation of RFLI during discussion of office development to attract targeted industries
	10/09/2020	<i>City issues RFLI</i>	Deadline for receipt of letters of interest: February 11, 2021 (extended three times upon request of industry stakeholders)
2.	10/13/2020	LTC 359-2020: RFLI 2021-029-KB for Class A Office Development	Informed City Commission of issuance of RFLI and attached industry reports of increased demand for Class A office space
3.	02/12/2021	LTC 063-2021: Update - RFLI 2021-029-KB Class A Office Development	RFLI results (18 letters of interest) and Administration's strategic marketing / digital advertising campaign targeting out-of-state business industry (\$8,000 budget)
4.	02/19/2021	Finance & Economic Resiliency Committee	Recommended (4-0) that Administration begin to prepare an RFP and the City Commission authorize the RFP
5.	02/24/2021	City Commission*	Discussed RFLI results and 17 <sup>th</sup> Street Garage in RFP scope
<b>Request for Proposals 2021-173-KB (the "RFP")</b>			
6.	03/17/2021	City Commission*	Reso. 2021-31617 authorized preparation of an RFP
7.	04/08/2021	Public Meeting: "Class A Office Development"	Interactive webinar to promote RFP and solicit industry input, with 85 (non-City staff/consultant) participants
8.	04/19/2021	LTC 165-2021: Class A Office Market Conditions	Provided background and analyzed office market conditions, and attached office market industry reports
9.	05/21/2021	Finance & Economic Resiliency Committee	Expressed support for upcoming RFP issuance during discussion of measures to attract business
10.	06/23/2021	City Commission*	Approved (7-0) issuance of RFP 2021-173-KB
	06/25/2021	<i>City issues RFP</i>	Deadline for receipt of proposals: Jan. 12, 2022 (extended three times from August 24, 2021 upon request of potential proposers)
11.	07/14/2021	Pre-Proposal Meeting	Publicly noticed conference to respond to proper questions, with 35 (non-City staff/consultant) participants
12.	12/06/2021	LTC 515-2021: Evaluation Committee Relative to RFP 2021-173-KB	Update on Evaluation Committee selection, including representation from Lincoln Road BID Board of Directors and Palm View Neighborhood Association
	02/01/2022	<i>Evaluation Committee</i>	Evaluation Committee convenes publicly to score proposals
13.	02/23/2022	City Commission*	Reso. 2022-32054 accepted City Manager's recommendation and authorized negotiations with Parties
14.	02/25/2022	Finance & Economic Resiliency Committee*	Discussed resident participation in RFP via referendum
<b>Lease Negotiations pursuant to RFP</b>			
15.	03/30/2022	Finance & Economic Resiliency Committee*	Reviewed project information and provided direction
16.	04/08/2022	Land Use & Sustainability Committee*	Approved (2-1) Land Use Amendments
17.	04/19/2022	Finance & Economic Resiliency Committee*	Reviewed Term Sheets and provided direction
18.	04/26/2022	Planning Board*	Approved (7-0) Land Use Amendments
19.	04/29/2022	Finance & Economic Resiliency Committee*	Approved Term Sheets and recommended preparation of Ground Leases
20.	05/04/2022	City Commission*	Resos. 2022-32163 and 2022-32164 approved Term Sheets; authorized preparation of DAs and Ground Leases
21.	05/24/2022	Planning Board*	Approved (5-1) the proposed land uses in both DAs
22.	06/22/2022	City Commission*	Approved (5-1) DAs, Ground Leases on First Reading and approved Land Use Amendments on Second Reading
			<b>Publicly Noticed Meetings: 18</b> <b>Letters to Commission: 4</b>