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COMMISSION MEMORANDUM

TO: Honorable Mayor Steven Meiner and Members of the City Commission

FROM: Alina T. Hudak, City Manager

DATE: January 31, 2024

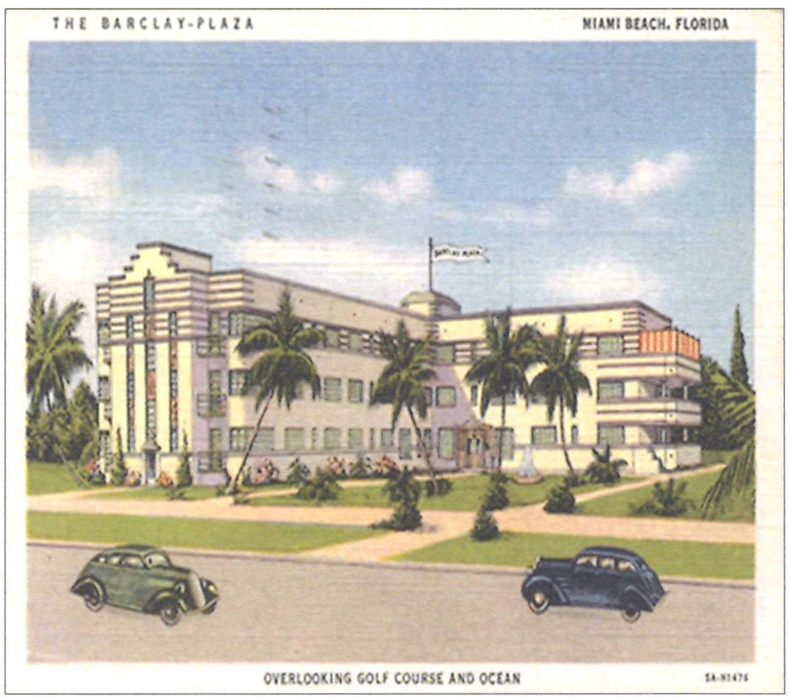
SUBJECT: **UPDATE ON NEGOTIATIONS PURSUANT TO REQUEST FOR PROPOSALS (RFP) 2023-115-KB FOR THE REDEVELOPMENT OF THE CITY-OWNED PROPERTY LOCATED AT 1940 PARK AVENUE (THE BARCLAY)**

RECOMMENDATION

The Administration recommends that the Mayor and Commission consider the updated development proposal submitted by Legacy Real Estate Development, LLC pursuant to Request for Proposal (RFP) 2023-115-KB. Subject to the policy and business issues presented, it is recommended that the Mayor and Commission also consider the alternative development options described herein.

BACKGROUND

The Barclay Plaza property, located at 1940 Park Avenue (the "Property"), is distinguished by its architectural, historic, and geographic attributes. Architectural firm Kiehnel & Elliott, also known as the architects for the Coconut Grove Playhouse and the Shorecrest Hotel, 1535 Collins Avenue, designed the Barclay for transient use. Constructed in 1935, the three-story, L-shaped building is oriented with a main entrance on Park Avenue. Designed with a terrazzo lobby floor and façade detail that is representative of traditional Art Deco design, the Property is a contributing structure in the Museum Historic District and Miami Beach Architectural District.



A prime geographic location in the Collins Park neighborhood, the Property is immediately adjacent to another City-owned residential property, the London House Apartments, currently providing 24 affordable housing units and operated and managed by the Office of Housing and Community Services. Abutting Washington Avenue and situated directly across from the Miami Beach Convention Center, the Property is within walking distance of the Collins Park Cultural Arts District, Lincoln Road, and the beachfront.

Per City Code, real property owned by the City automatically assumes GU (Government Use) zoning. The Land Development Regulations (LDRs) of the City Code provide that zoning for GU properties, i.e., setbacks, floor area ratio (FAR), signs, parking, etc., shall be the average of the requirements contained in the surrounding zoning districts[1], which, in this case, are RM-2 (Residential Multifamily Medium Intensity) and CCC (Convention Center District). As exists today, the approximately 27,505 sf, three (3)-story, 38-foot-high building once provided 66 efficiency units, each with a kitchen and bathroom. The site is well below its maximum development capacity with an existing FAR of 0.9 as compared with the permitted FAR of 2.37 where GU zoning would allow for more than double the existing floor area and up to 75 feet in height (plus an additional three (3) feet as may be approved by the Historic Preservation Board (HPB)).

Property History

The Property operated as the bustling Barclay Plaza Hotel from 1935 to 1942, when the United States Army Air Forces Training Command took control of the commercial property to house soldiers training in Miami Beach. The Property reverted to hotel use following World War II, until 1957, when it was converted to apartment use. The Property continued to operate as residential apartments until it was no longer suitable for tenants and later acquired vacant by the City in 2015.

A. MBCDC Ownership (2007 – 2015)

Within the City Center/Historic Convention Village (City Center) Redevelopment and Revitalization Area Plan, adopted by the City Commission and Miami Beach Redevelopment Agency (the RDA) on February 12, 1993, a primary objective for promoting redevelopment is the renovation and preservation of historically designated structures.

On April 23, 2007, the City's sole community housing development organization (or CHDO), the not-for-profit Miami Beach Community Development Corporation (MBCDC), obtained title to the Barclay Plaza Apartments property. Consistent with the redevelopment activities outlined in the City Center RDA Redevelopment Plan, and specifically authorized by RDA Resolution Nos. 540-2007 and 545-2007, property acquisition funds totaling $13.7 million were authorized to be loaned (as a forgivable loan) to the MBCDC by the RDA for the purchase and rehabilitation of the Barclay and the adjacent Allen and London House apartments. With respect to the Barclay, the principal amount of the Loan Agreement between the RDA and MBCDC, using the Barclay as collateral, was $5,692,400.[2] As a stipulation of the forgivable loan, MBCDC, via a recorded restrictive covenant, was required to maintain the property as affordable housing for a thirty-year period, which covenant may be released by the City. The sale price was consistent with a July 2005 appraisal, attached to RDA Resolution No. 545-2007, which estimated the property's "as-is" value at $5,124,545.

In addition to funding property acquisition costs, the City awarded U.S. Department of Housing and Urban Development (HUD) funds to the MBCDC, the City's largest HUD-funded beneficiary at the time, to renovate the property, including modernizing the elevator and upgrading the electrical systems to meet the requirements of the 40-Year Building Recertification. Based on engineering inspection reports obtained by MBCDC, concrete rebar spalling was observed in the basement areas and the plumbing and electrical systems were widely deteriorated and required replacement to comply with City Code. The July 2005 property appraisal described the Barclay building as in "Fair-Poor" condition.

[1] Resiliency Code Section 7.2.16
[2] The Miami-Dade County Property Appraiser reflects the purchase price of the Barclay by MBCDC in 2007 as $5,668,000.

City / MBCDC Funding Agreements for the Barclay		
Amount	*Agreement*	*Parties*
$ 5,692,400	Loan Agreement & Promissory Note (with RDA)	RDA and MBCDC: The Barclay, LLC
$ 500,000	Home Investment Partnership Program (HOME) Program Agreement, secured by Mortgage and Security Agreement	City and MBCDC
$ 75,018	Community Development Block Grant (CDBG) Agreement	City and MBCDC
$ 6,267,418	**TOTAL**	
Source: Release Agreement between the City and MBCDC: The Barclay LLC, dated January 30, 2015		

B. Property Acquisition by the City of Miami Beach (2015)

Under MBCDC ownership, certain operational and compliance lapses jeopardized MBCDC's affordable housing portfolio and raised concerns regarding MBCDC's operational capacity, including at the Barclay, where the City's Building Department expressed concern over ongoing violations that threatened the displacement of tenants. On September 17, 2014, via Resolution No. 2014-28756, the City Commission authorized the City Manager to acquire five (5) affordable housing apartment buildings (Allen, Barclay, Lottie, Madeleine Village, and Neptune) from MBCDC [3], to ensure the well-being of tenants housed by MBCDC and to secure the City's investment in these assets. MBCDC voluntarily surrendered the five (5) properties to the City, with the City responsible for closing costs (approximately $79,530 for the Barclay). Pursuant to a release agreement between the City and MBCDC, in exchange for five (5) properties, the City (and RDA) released the MBCDC of any obligations and penalties related to the loan agreement and entitlement funds associated with maintaining and operating the property as provided by HUD via the City.

Using $113,105 of uncommitted Community Development Block Grant (CDBG) funds toward closing costs associated with acquisition of the Allen Apartments and Barclay Plaza Apartments, the City recorded a declaration of restrictive covenants against the Property, requiring its use as an affordable rental property during a fifteen (15) year affordability period commencing from January 30, 2015 (i.e., the date of acquisition by the City). This restrictive covenant exists today in Miami-Dade County Official Records, but no requirement, from HUD or otherwise, will prevent the City from rescinding it, as may be required, prior to expiration of the covenant in 2030.

As a condition to City acquisition of the Barclay on January 30, 2015, all operational agreements (management, leasing, and service contracts) and tenant leases were terminated, and the City assumed responsibility for relocating the Barclay's existing residential tenants. According to closing documents, at the time of the City's acquisition of title, the City assumed responsibility for twelve (12) open code and building violations attached to the Property, with outstanding liens and assessments totaling $197,645. Due to the condition of the Property, these violations remain unresolved today, including Miami-Dade County Unsafe Structures Panel and Special Magistrate violations for failure to comply with the required recertification of a 40-year-old building and for operating as an apartment

[3] The City did not ultimately acquire the Allen Apartments.

without a certificate of occupancy (CO) and certificate of use (CU). The Property had fallen into disrepair, became non-compliant with 40-year recertification requirements, and was declared unfit for residential tenancy before the City acquired the Property in 2015.

On February 2, 2015, immediately after City acquisition, the Barclay was the victim of arson and criminal mischief causing extensive damage to the building's lobby and electrical system. Following the damage, the Property's estimated repair and renovation costs were approximately $6,000,000 and the City's then-existing and anticipated affordable housing funds were insufficient to make the necessary repairs to rehabilitate the property and maintain it as affordable housing within HUD's required timeframe controlling the use of HUD funds. As a result, the use of HUD funds for the Barclay would not adequately meet HUD program objectives or provide its intended benefits.

In 2016, HUD's Office of Inspector General prepared an independent audit report of the City's HOME Investment Partnership (HOME) program, which resulted in the recapture and reallocation of funds in the amount of $300,278 from the Barclay Plaza to the London House Apartments project via Resolution No. 2015-29080.

C. Fiscal Year (FY) 2018 Request for Proposal (RFP 2018-021-KB)

On October 22, 2014, via Resolution No. 2014-28794, the City Commission accepted the recommendation of the Neighborhoods/Community Affairs Committee (NCAC) to identify a property for development as workforce housing. At its March 20, 2015 meeting, the NCAC unanimously endorsed the Property, contingent upon it being free of HUD funding and/or use restrictions, as a potential site for workforce housing.

On May 6, 2015, via Resolution No. 2015-29017, the City Commission accepted the NCAC recommendation to issue a RFP to identify a public-private partnership (P3) for workforce housing redevelopment of the Barclay, serving tenants earning between 120% and 140% Area Median Income (AMI) and employed in the public safety, education, and municipal sectors.

On May 11, 2016, the City Commission approved issuing Request for Qualifications (RFQ) No. 2016-097-KB for Consulting Services for Public-Private Partnerships (P3) for Workforce/ Affordable Housing Projects, which RFQ cited the Barclay first among projects within a scope of engagement. On September 14, 2016, via Resolution No. 2016-29547, the City Commission authorized an agreement for P3 consulting services with the RFQ's top-ranked proposer, the Concourse Group.

On January 25, 2017, at its Workforce/Affordable Housing Workshop, the City Commission offered direction for a Barclay RFP, to coincide with the Concourse Group's analysis of the Barclay site in anticipation of the RFP process.

On July 27, 2017, via Resolution No. 2017-29925, the City Commission accepted recommendations made by the Finance and Citywide Projects Committee (FCWPC) on March 31, 2017 and June 16, 2017 regarding certain parameters for the Barclay P3 RFP.

1. Projected rents at 30% of targeted AMI ranges and adjusted for unit size.
2. Units with minimum onsite amenities (such as laundry facilities), with the RFP providing survey data to aid developers in adequately gauging tenants' needs. (The Resolution attached neighborhood analysis compiled by the Concourse Group, to be included in the RFP issuance.)
3. Prospective P3 partners must demonstrate sufficient experience with projects of comparable size and scope, and demonstrate financial capacity to fully finance the project.
4. Project *must* include rehabilitation of existing building to ensure historic preservation, and *may* include the construction of an accessory building on the existing parking lot to maximize site development.

On October 18, 2017, the City Commission authorized the City Administration to issue the RFP and provide notice to the City Commission via Letter to Commission (LTC). Accordingly, LTC 566-2017, announced the issuance of RFP 2018-021-KB Barclay Plaza Apartments Lease, dated November 17, 2017, and summarized the RFP scope to include:

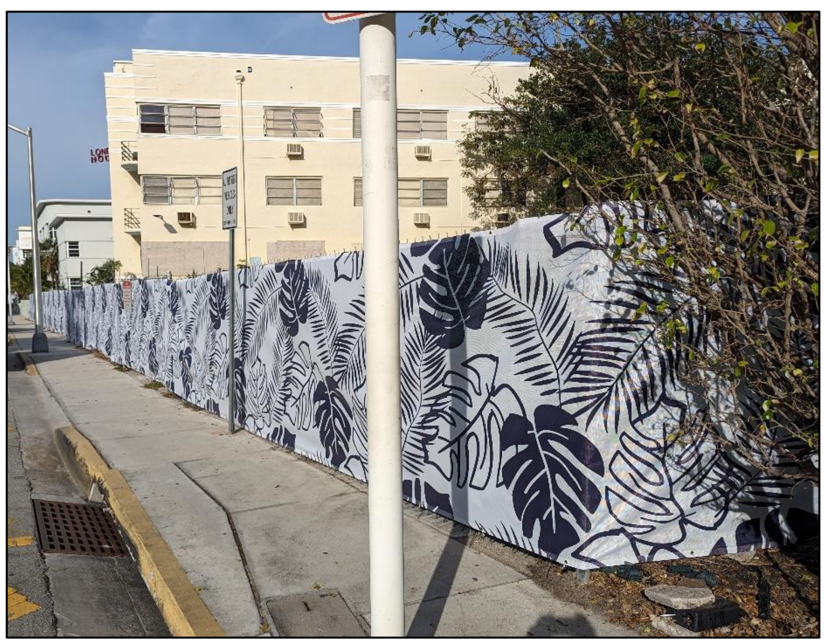
1. No public funding or public financing for the Project.
2. Developer solely responsible for all costs and expenses associated with the development, design, construction, equipping, and installation of all FF&E and other improvements. Developer responsible for subsequent operation or use, and all alterations, repairs, or replacements thereof.
3. Developer must repay $485,832.22 to HUD for HUD funds previously invested in the property.

Subsequently, LTC 367-2018, dated June 28, 2018, reported that, despite 91 prospective bidders accessing the advertised solicitation, the City received one (1) response to the RFP, which proposal was deemed non-responsive.

D. Fiscal Year (FY) 2019 Request for Proposal (RFP 2019-098-KB)

On January 16, 2019, the Mayor and City Commission approved the issuance of RFP 2019-098-KB for the Development of the Barclay Workforce Housing Project, and the City received three (3) responses. On October 16, 2019, Resolution No. 2019-31020 authorized negotiations for a Development and Ground Lease Agreement with top-ranked proposer Atlantic Pacific Communities, LLC (Atlantic Pacific), with the final material terms for the project subject to prior approval of the City Commission. Atlantic Pacific proposed multiple development scenarios, each requiring a combination of funding sources including a financial contribution from the City. The City commenced the negotiation process with Atlantic Pacific in early 2020. With onset of the COVID-19 pandemic soon thereafter, the City prioritized urgent issues with a focus on maintaining fiscal stability and public safety. On March 17, 2021, during an update discussion about the Property, the Finance and Economic Resiliency Committee (FERC) recommended exploring all available options for its future use, including site analysis with a pending feasibility study and an appraisal of the Property's real estate value for potential sale on the market. The City has since obtained an initial and updated property appraisal prepared by Cushman & Wakefield in 2021 and 2022. The 2022 appraisal reported an as-is, fee simple value of $9.1 million.

E. Current Maintenance and Public Safety Services



Since the date the City acquired the asset, it was anticipated that restoration of the Barclay would be extensive, due to the building being poorly maintained over the years prior to City ownership and noncompliance with the 40-year recertification. This was further exacerbated by the fire within its historic lobby shortly after acquisition by the City. Over the years, trespassing vagrants have vandalized or destroyed electrical wiring, windows, and access points. Notwithstanding efforts to plan for redevelopment of the site, the City has continued to ensure proper and adequate funding for ongoing maintenance and lossprevention initiatives including, but not limited to, fencing of the site, boarding-up of access points, debris removal, etc.

Though the City had already implemented certain strategies, on May 17, 2023, the Miami-Dade County Unsafe Structures Board ratified a Compliance Agreement stipulating that the City shall secure the property, shutter the building, and maintain the tidiness of the grounds, with quarterly updates to the Special Magistrate, until such redevelopment plans bring the property into compliance. To maintain and secure the site on an ongoing basis, City records show that, in FY 2023, the City expended approximately $14,050 on insurance and landscaping services, among others, and $19,002 for internal maintenance and repair services by the Facilities and Fleet Management Department.

The Miami Beach Police Department (MBPD) has implemented regular monitoring of the site and the City has also recently upgraded the fence to enhance aesthetics.

F. Fiscal Year (FY) 2023 Request for Proposal (RFP) 2023-115-KB

Following discussion in 2021 about listing City real estate assets for sale including the Barclay, on April 6, 2022, the City Commission accepted the recommendation of the FERC and directed parallel tracks of (1) preparing a new competitive solicitation and (2) listing the property for sale. On October 26, 2022, the City Commission provided scope parameters for the solicitation and, on November 16, 2022, authorized issuance of RFP 2023-115-KB (the "RFP").

Through this RFP, the City sought proposals from parties interested in entering into a public-private partnership via development and ground lease agreements to design, build, operate and maintain the site. Developments could involve residential apartments or other zoning-appropriate uses including, but not limited to office (e.g., general office space, tech hub), school campuses, etc. The City acknowledged that some of the proposed uses may require amendments to the LDRs. **The RFP noted that the City would consider the designation of a number of units as workforce housing as additional consideration and public benefit and that the City would consider other conditional uses, subject to approval by the City's boards and the Mayor and City Commission.**

Approximately 107 prospective bidders accessed the advertised solicitation, demonstrating sufficient notice and initial interest in the RFP. Nevertheless, upon the February 23, 2023 submission deadline, the City received only one (1) proposal from a joint venture between Urban American and Legacy Real Estate Development, LLC (the "Developer" or "Legacy").

On September 13, 2023, the City Commission unanimously directed separate, simultaneous discussions with RFP proposer Legacy, and the Housing Authority of the City of Miami Beach (the "HACMB" or Housing Authority"), who had not submitted a proposal pursuant to the RFP. The City Commission requested that the Administration determine which entity could provide the City with the most affordable and/or workforce housing units (not microunits) and which provides the City with the best economic benefits. The City Commission also referred an item to the FERC to review a proposal from each entity as well as a referral to the Affordable Housing Advisory Committee (AHAC).

At the December 13, 2023 City Commission meeting, Commissioner Rosen Gonzalez sponsored a resolution to terminate the RFP and refer an item to FERC to discuss identification of funds including possible use of Arts and Culture General Obligation (G.O.) Bond funding earmarked for affordable and workforce housing, to enable the City to fully renovate the Barclay as a City capital project, with the goal of creating new workforce and affordable housing units, with the completed project to be managed on the City's behalf by the Housing Authority. The proposed resolution also directed the Administration to identify revenue bond funding options for the project and state and federal grant opportunities to supplement City funding for the renovation of the Barclay.

After discussion by the City Commission and representatives of Legacy, the Housing Authority, and the Administration, the Mayor and Commission voted to defer the item for one month.

ANALYSIS

The section below describes Legacy's updated proposal following discussions with the City, and further provides information on discussions with the Housing Authority. Additionally, the Administration has begun exploration of a potential City development scenario, outlined further below. The section concludes with discussion of a structural demolition alternative.

A. Legacy Updated Proposal dated January 5, 2024

Legacy's RFP Proposal consisted of three (3) separate design options each with a specific financial proposal. Still subject to the Cone of Silence, since the September 13, 2023 City Commission meeting, the Administration has held discussions with Legacy, as directed by the City Commission, on eight (8) occasions.

The Developer has modified some terms as shown in the updated proposal dated January 5, 2024 (Updated Proposal) (Exhibit A). Regarding design, as with one of the proposed options in the RFP Proposal, Legacy has incorporated a new construction tower in addition to renovation of the existing structure.

As to programming, the Updated Proposal enhances tenant diversity by expanding affordability options. The proposal now includes a greater affordability range (25 affordable and 21 workforce units), with increased unit type options that include studios and 2-bedroom workforce units (the RFP proposal only offered workforce units as studios). Additionally, the income ranges are better spread throughout the Project site. Although only three (3) feet above the permitted height, the Updated Proposal design incorporates a new seven (7)-story building, up from the five (5) stories contemplated in the RFP Proposal.

In the Updated Proposal's financial offering, Legacy has increased its Initial Rent Payment to the City to $344,000 (up from $300,000 in the RFP Proposal), payable at start of construction. While the range of affordability and overall number of units has increased since the RFP Proposal, the proposed Annual Guaranteed Rent of $50,000 payable at CO, reflects the low end of the range as compared with the three (3) options offered in the RFP Proposal ($50k, $100k and $200k).

The RFP Proposal included 3% of effective gross income (EGI) if greater than the Annual Guaranteed Rent. Though discussed with Legacy, the Updated Proposal does not include this financial provision. Notably, the RFP Proposal provided for annual 1.5% escalation of the Annual Guaranteed Rent throughout the lease term, whereas now the Updated Proposal provides for annual escalations tied to Consumer Price Index (CPI) with a maximum of 3% and a minimum of 2%. Legacy's revenue growth assumption in the RFP Proposal was 2% and has increased to 2.8% in the Updated Proposal. Total rent payments (initial and annual guaranteed) to the City over the lease term is approximately $15.5 million in the Updated Proposal, as compared with $11.4M for Option 1, $22.5M for Option 2, and $44.8M for Option 3 in the RFP Proposal.

<table>
<tr><th colspan="2">Key Terms
Legacy Updated Proposal dated January 5, 2024</th></tr>
<tr><td>Developer Team</td><td>• A potential joint venture among:
  o Legacy Real Estate Development (65%)
  o Urban American (25%), and
  o LSN (10%)
(referred to as “Developer” or “Legacy”)</td></tr>
<tr><td>Lease Term & Structure</td><td>• 99 years.
• The City retains ownership of the land.
• City’s fee interest shall be senior, and not subordinated, to any financing obtained by Ground Lessee (Developer) and non-recourse to the City.</td></tr>
<tr><td>Property</td><td>• Address: 1940 Park Avenue
• Lot Size: 30,359 sf
• Zoning District: GU
• Existing Structure: 3-story contributing building
• Construction Year: 1935
• Historic District: Museum Historic District and Miami Beach Architectural District</td></tr>
<tr><td>Design Site Plan</td><td>52,656 gross sq. ft. mixed-use residential development with 71 residential units and estimated 1.73 FAR
1. <u>Renovation of existing Historic Structure</u>:
• 38 feet / 3 stories
• Restoration of Art Deco façade & other historic elements
• Ground floor commercial spaces (restaurant/café and artist studios)
• 40 studios: 25 affordable (20 @ 30% AMI & 5 @ 80% AMI) & 15 Workforce units (10 @ 140% AMI & 5 @ 120% AMI)
2. <u>New Construction Addition</u>:
• 78 feet / 7 stories (requires 3 ft variance by HPB)
• Ground floor parking (approximately 48 spaces which may include the stacking of cars) *
• 31 residential units (6 workforce & 25 market rate): 16 studios (13 market rate & 3 Workforce 120% AMI), 12 one-bedroom (market rate), 3 two-bedroom (Workforce 140% AMI) to be built above site of existing swimming pool & parking area.
• Analysis of proposed Site Plan’s conformity with Land Development Regulations is subject to Developer’s preparation of schematic drawings.
• Off-street Parking Requirement cannot yet be verified by the City as detailed architectural plans have not yet been provided.</td></tr>
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<table>
<tr><th colspan="2">Key Terms
Legacy Updated Proposal dated January 5, 2024</th></tr>
<tr><td rowspan="2">Compensation to City</td><td>• Initial Rent Payment * — $ 344,000
• Annual Guaranteed Rent ** — $ 50,000
• Total Rent Payment Over Term — $ 15.5 million
• Annual Rent Escalation — CPI ; 2% min / 3% max
• Participation in Net Operating Income — 1%
• Projected NOI Participation (99 years) — $ 7,120,915
• Participation in Sale or Transfer — 1%</td></tr>
<tr><td>* Initial Rent Payment due at Construction Commencement, anticipated in Developer Timeline around 15 months after Lease approval.
** Annual Rent commences in the year that Certificate of Occupancy obtained, estimated by Developer as 23 months after Construction Commencement.</td></tr>
<tr><td>Residential Unit Mix</td><td>• 71 units: 56 studios, 12 one-bedroom, 3 two-bedroom
• Affordability ratio: 65% affordable/workforce (46 units)
35% market rate (25 units)
• Studios:
○ 18 Workforce @ 120% AMI (8) and 140% AMI (10) @ 400 sf
○ 25 Affordable @ 30% AMI (20) and 80% AMI (5) @ 400 sf
○ 13 market rate @ 575 sf
• 1-Bedroom: 12 market rate units @ 744 sf
• 2-bedroom: 3 Workforce @ 140% AMI @ 919 sf
• The 25 Affordable units @ 30% AMI are comprised of Project-Based Vouchers (PBVs)
• Prohibition on short-term rentals</td></tr>
<tr><td>Affordability</td><td>• Ground Lease and Development Agreement to incorporate affordable and workforce housing requirements of City Code Chapter 58, provided, however, that Ground Lease restrictions relating to the affordable and workforce housing shall run with the land for the entire Lease Term.
• Affordable and workforce housing units restricted to rent limits (according to household size and number of bedrooms in unit), published annually by the Florida Housing Finance Corporation (FHFC), based upon HUD figures.</td></tr>
<tr><td>Project Approvals</td><td>• Subject to review of Lease Terms by the FERC, City Commission approves DA and Ground Lease with Concept Plan design. Developer responsible for necessary design approvals (HPB, PB, etc.).
• After regulatory approvals, City Manager approves final Plans to ensure consistency with Concept Plan design and Project Requirements
• Voter Referendum not required per City Charter.</td></tr>
<tr><td>Construction Timeline</td><td>• Required target dates to achieve Project milestones subject to negotiation if the City Commission authorizes Lease negotiations. The City has not been provided with an updated milestone schedule as the Project design has modified for the Updated Proposal.
• The RFP Proposal provided an aggressive schedule, with Construction Commencement approximately 15 months after City Commission approval of the Lease and Construction Completion approximately 35-43 months after approval of the Lease.</td></tr>
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Key Terms Legacy Updated Proposal dated January 5, 2024	
Insurance, Taxes, Utilities	• Triple net lease (NNN), with Lessee to be solely responsible for all real estate taxes, utilities, assessments, or other public charges, insurance, common area maintenance, and all other costs and expenses associated with operation of the project.
Project Financing	• Developer term sheet states no public grants are contemplated. Proforma does not suggest public funding sources. • Developer estimates total project costs at $27.5 million including $17.8 million in hard costs. • Proforma indicates Developer's initial equity contribution to the Project is 45% (or $12.4 million) of total project costs. • City's contribution limited to providing use of land. • In no event shall the City's fee interest in the Property be subordinate to any mortgage or liens and the City shall have first priority right of payment of rent at all times.
Termination for Convenience	• No Developer termination for convenience following the Possession Date (i.e., after all Project regulatory approvals and financing for the Project have been obtained, and Developer takes possession of the property under the Ground Lease). • City will not have the right to terminate the Development Agreement for convenience. However, City will have the right to terminate for cause, as a result of any default by Developer, which continues beyond the expiration of any applicable notice and cure period.
Developer's Proposed Public Benefits	• Direct and indirect jobs and local hiring objectives. • Renovation, for long-term sustainability and resiliency, of existing historic building and LEED accreditation. • Property tax or other tax revenue to the City. • Public safety. • Community amenities, public infrastructure, and/or open space(s) accessible to the public. • Contribution to Miami Beach ideals, vision, and brand. • Affordable and workforce housing responds to City's significant need for greater supply of attainable housing for those who live and work in the city. • Military veteran leasing preference in residential and commercial spaces. • Upon authorization to negotiate, the City would seek to refine a comprehensive package of resident and community benefits.

i. Lease Term and Structure

As with the two (2) previous Barclay RFPs (in 2018 and 2019), the 2023 RFP invited proposals in which developers would assume responsibility for designing, financing, constructing, delivering, and operating the project. All three (3) issued RFPs contemplated that the City would retain ownership and title to the land and the Developer (Ground Lessee) would operate the project under a 99-year ground lease. This project delivery model is well-suited when the City desires limited participation, risk, and financial responsibility during and after project development. The Ground Lease shall be "triple net" (NNN), with the Ground Lessee solely responsible for all real estate taxes, utilities, assessments, and all other costs and expenses associated with the operation of the Project. The

City's fee simple interest would be senior, and not subordinated to, any financing obtained by the Ground Lessee, and shall be non-recourse to the City.

ii. Design and Site Plan

Legacy proposes a 52,686-sf mixed-use development with 71 housing units in two (2) structures. Renovation of the 3-story historic structure within the existing building envelope will convert the 66 efficiency units into 40 studio units on the second and third floors serving affordable and workforce households. On the ground floor, the historic lobby will be preserved for commercial use, including an open-style restaurant/café and commercial art studios. A proposed 7-story addition is slated to be built at the site of the existing swimming pool and parking area. The addition's ground floor will be used for parking, with 31 residential units located above: sixteen (16) studios, twelve (12) 1-bedroom units, and three (3) 2-bedroom units serving both workforce and market rate households. The addition will be connected to the historic building via an elevator and staircase.

Although detailed architectural drawings have not been shared by the Developer, the Developer suggests, and City staff cannot confirm at this time, that the Project design will not rely on City Code /Comprehensive Plan amendments or special Commission action. The Developer proposes that all residential units will meet the minimum unit size requirements in the City Code. As proposed, the Project would require a 3-foot height variance, which is within the purview of the HPB and is not an uncommon request with applications involving legal nonconforming structures in historic districts, such as the Barclay. Zoning information reflecting the RFP Proposal and Updated Proposal is provided below.

Zoning Information						
	Permitted GU Zoning Regulations	Existing Property	RFP Option 1	RFP Option 2	RFP Option 3	Updated Proposal 1/5/2024
Gross Floor Area (sf)	82,880	27,505	34,000	34,000	unknown	52,686
Estimated FAR	2.37	0.9	unknown	unknown	unknown	1.73
Total Buildings	n/a	1	1	1	2	2
Height	75'	38'	38'	38'	50'	78'
Stories	n/a	3	3	3	5	7

iii. Residential Unit Mix and Affordability

Together, the affordable (25 units) and workforce (21 units) constitute 65% of the proposed units, interspersed between both buildings and serving eligible households ranging from 30% AMI to 140% AMI. These 46 affordable/workforce units would observe rent limits (determined by household size and number of bedrooms per unit) published by the FHFC, based on values provided by HUD. The Ground Lease would incorporate the affordable and workforce housing requirements of Chapter 58 of the City Code, with restrictions requiring the affordable and workforce housing units to remain as such for the entire term of the Ground Lease. In addition to affordability, the Developer proposes to support military veterans with a leasing preference in both commercial and residential occupancy.

Unit Mix				
	RFP Option 1	**RFP Option 2**	**RFP Option 3**	**Updated Proposal 1/5/2024**
Total Units	31	31	51	71
% Market Rate	~52%	~81%	~80%	35%
% Affordable/Workforce	~48%	~19%	~20%	65%
140% AMI	0	0	0	13
120% AMI	~15	~6	~10	8
80% AMI	0	0	0	5
30% AMI	0	0	0	20
Total Studios	16	16	16	56
Total 1BR	13	13	33	12
Total 2BR	2	2	2	3

iv. Compensation to the City

Legacy's updated financial proposal consists of an initial rent payment of $344,000 to the City upon construction commencement, an annual rent payment of $50,000, with annual increases during the 99-year lease term tied to the CPI, with a minimum of 2% and a maximum of 3% annually. Annual Guaranteed Rent is abated until the issuance of the CO, anticipated by the Developer as occurring in Year 3, in which case the first annual rent payment would be $52,020 assuming 2% escalation annually. Additional compensation to the City includes 1% participation in net operating income (NOI) and 1% participation in any sale or transfer after the initial sale. Based on the Annual Guaranteed Rent and the Initial Rent Payment, the City is guaranteed to receive a minimum of $15.5 million over the term of the Ground Lease. With NOI at 1%, the City would receive an additional estimated $7,120,915 over the 99-years of the Lease Term. Note that the Developer anticipates total project costs of approximately $27.5 million.

Financial Proposal				
	RFP Option 1	**RFP Option 2**	**RFP Option 3**	**Proposal 1/5/2024**
Initial Rent Payment	$ 300,000	$ 300,000	$ 300,000	$ 344,000
Annual Guaranteed Rent	The greater of $50,000 or 3% EGI	The greater of $100,000 or 3% EGI	The greater of $200,000 or 3% EGI	$ 50,000
Total Rent (Initial and Annual)	$11.4 million	$22.5 million	$44.8 million	$15.5 million
Annual Escalation	1.5%	1.5%	1.5%	CPI Min 2%/ Max 3%
Transfer Participation	1%	1%	1%	1%
NOI Participation	0%	1%	1%	1%
% Market Rate	~52%	~81%	~80%	35%
% Affordable/Workforce	~48%	~19%	~20%	65%
Total Units	31	31	51	71

As shown in the above table, as compared to the RFP Proposal, the Updated Proposal prioritizes the quantity and range of affordable and workforce housing units above revenue generated to the City. Though the Developer has engaged in discussions with staff, at the direction of the City Commission, it should be noted that the City Commission has not formally awarded the procurement or authorized negotiations with the Developer. Therefore, the Updated Proposal shall not be construed to reflect the developer's best and final offer regarding the financial terms of the deal.

B. Housing Authority Proposal

The Housing Authority exists pursuant to Chapter 421, Florida Statutes, the "Housing Authorities Law", which authorizes the creation of local housing authorities empowered to exercise "the public and essential governmental functions" set forth in Chapter 421, Florida Statutes, which includes, among others, the power to contract, rent and lease dwellings, operate housing projects, and invest funds not required for immediate disbursement in certain property or securities. Created by enabling legislation of the Miami Beach City Commission (Resolution 7031 dated October 6, 1949), the Housing Authority is a not-for-profit social service provider that administers HUD-funded programs and is exempt from taxation. The Housing Authority has an established relationship with the City in providing housing and community services to Miami Beach residents and the Mayor appoints the Housing Authority's Board of Commissioners. As a quasi-governmental entity, the Housing Authority observes Sunshine Law protocol, e.g., its board convenes to take action in the Sunshine at regularly noticed and advertised public meetings.

Following Commission direction provided at the September 13, 2023 City Commission meeting, the Administration met with Housing Authority staff on two (2) occasions. Both the Housing Authority and Legacy were provided equal opportunities by City staff to conduct discussions and exchange correspondence. Although it was the direction of the City Commission to engage in discussions with the Housing Authority and allow the submittal of a development proposal or terms, the Housing Authority has yet to provide the Administration with any proposal terms, project concept or detailed analysis.

The City has, however, been advised by both Legacy and Housing Authority staff that the two (2) entities could potentially partner, in some capacity, on the Barclay project. While it is speculative to presume how the Housing Authority's participation would impact a Legacy-managed project, it is possible that it could provide the project with access to funding through participation in a housing voucher program serving tenant households at 30% AMI.

The Housing Authority is a sub-recipient of Federal and State funds made available by the City. Over the past five (5) years, the Housing Authority has been awarded $3,681,513 in funding from the City through HUD entitlement allocations. The Housing Authority has utilized these funds for a range of projects and programs including those pertaining to the operations and maintenance of affordable housing units. If the Housing Authority operates the Barclay independently, and without Legacy, as suggested by proposed City Commission legislation, the Housing Authority will likely continue to rely on City assistance on an ongoing basis in accessing and obtaining operational funding.

C. City Development Scenario

The P3 transaction approach can be attractive because it enables the City to transfer risk and responsibility to private sector partners during some or all key stages of development: design/construction (project concept planning, delivery schedule, and construction management), financing (allocation of resources, funding financial close, asset ownership structure), and the operational stage (obligations for asset management, programming, and maintenance). Without a

P3 partner to develop and lease the Property, the City will have total responsibility to finance, construct, and operate the facility.

Nonetheless, there are advantages and disadvantages to retaining complete control over how projects are planned, developed, operated and maintained. One advantage associated with a City-developed project is continuous control of the land. Under a 99-year ground lease model, as contemplated in the RFP Proposal and Updated Proposal, the City would not have control of the property for 99 years. This extensive time period would limit the City's ability to modify activities and uses at the site, or potentially sell the property at its discretion. Furthermore, adding and maintaining occupied residential buildings within the City's portfolio would promote a holistic approach to delivering housing services and encourage affordable and workforce units as outlined in the City's 2040 Comprehensive Plan and 2019 Strategic Plan. The City is equipped with the knowledge base, infrastructure and exposure to renovating, managing, operating and maintaining affordable housing assets through the Offices of Capital Improvement Projects and Housing and Community Services. As such, the City does not necessarily need to outsource development, operations and facility management for the Barclay.

However, when comparing a P3 to a development scenario in which the City controls project construction and subsequent facility operations and management, the City could benefit from private sector organizational efficiencies, as the City is often constrained by procurement requirements and other processes, the impact of compliance with laws regulating government function, funding priorities and limitations, and the operational capacity of City staff. As a result, a project built and operated solely by the City could potentially take longer to develop and possibly be more expensive to build, with a substantially greater reliance on taxpayer funding. The City's former P3 consultant, the Concourse Group, recommended the City leverage the private sector's comparative advantages to deliver the same project result in less time and with less cost to taxpayers. For the foregoing reasons, the City's three (3) procurements over the past five (5) years sought public-private partnership opportunities for Barclay redevelopment.

i. City Development Scenario – Financing

In November 2021, the City's consultant, M.C. Harry and Associates, prepared a detailed conditions assessment and feasibility study for redevelopment of the property for purely residential use. The rough order of magnitude cost estimate, updated by the consultant in May 2023, was approximately $14.5 million. In September 2023, another consultant, Nova Consulting, estimated the construction hard costs for the same rehabilitation to be about $17.2 million, when factoring in environmental remediation and other known contingencies. The table below lists potential funding sources that could be explored for financing a City-developed project, completion of which is estimated to cost, at a minimum, approximately $26.62 million including hard and soft costs. This estimate is based on conversion of the 66 existing efficiencies into approximately 31 housing units. See Exhibit B (City Development Project Budget Estimate). By comparison, Legacy's 71-housing unit proposal suggests a construction financing cost of $27.5 million, including renovation of the existing building and construction of a new seven (7)-story building.

Without the availability of private partner equity and financing, the City would explore funding from Federal and State affordable housing programs (City entitlements and competitive programs) including those administered by HUD and/or the FHFC. Miami-Dade County may also serve as a funding source through annual, competitive funding programs such as the Documentary Stamp Surtax Program. An outline of Federal, State, and County entitlement funds and other grant programs is attached (Exhibit C: Entitlement Funds and State Programs). Some of these programs are not guaranteed funding sources, as developers and affordable housing providers compete in a process that rewards projects that leverage or match potential award funds with other funding sources such as local contributions. The following table provides a preliminary, conceptual outline of the entitlements, loan programs, bonds, competitive grants and other potential funding opportunities that together, could provide the funding required for a City-developed project.

City Development Scenario: Potential Funding Sources			
	Award	*Source*	*Notes*
1	$ 4,000,000	Arts & Culture G.O. Bond Grant	Assumes grant award by Commission; funding already available as approved by Miami Beach voters in 2022
2	$ 1,352,681	Existing CDBG/HOME Entitlement Allocations	Funds currently secured
3	$ 4,675,905	Section 108 Loan Program	Funds not currently secured and requires future application and award; reflects an advance of up to 5x the City's annual entitlement allocation; funds repaid over 20 years (at the latest)
4	$ 5,000,000	County Surtax Loan	Competitive low-interest loan program for gap funding; award amount based on estimated funding allocation from Miami-Dade County
5	$ 11,100,000	Miami Beach Redevelopment Agency (RDA)	Requires 6th Amendment to the Interlocal Agreement to access excess RDA revenue; subject to approval by Miami-Dade County, City and RDA
6	$ 500,000	Florida Div. Historical Resources Special Category Grant	Competitive grant program Assumes maximum award amount; award requires 1:1 match
	$ 26.62 million	*Subtotal - Potential Funding Sources*	

$ 26.62 million	Estimated Minimum Construction Cost
- $ 26.62 million	Total Potential Funding Sources
$ 0	**Required Gap Financing**

Additional competitive funding programs including requests for applications (RFAs) may be offered on a rotational basis through FHFC. Note that many of these programs are geared toward the private and not-for-profit sector to provide affordable housing inventory statewide. The **Live Local Act** is Florida's response to the ongoing affordable housing crisis and provides tax incentives, credits and low-interest loans to developers who dedicate 40%, or a minimum of 71 residential units, for tenants earning at or below 120% AMI. The law also overrides certain local zoning and density regulations with the aim of encouraging developers to add more units to their projects.

Several of FHFC's FY23 RFAs for Live Local Act funding were designated for not-for-profit applicants and contained other eligibility requirements that did not apply to a potential redevelopment of the Barclay by the City. The Administration continues to monitor RFAs published by FHFC during the FY24 program cycle.

It should not be assumed that any or all competitive or application-based funding sources can be obtained, expediently or otherwise, by the City. If all the identified funding sources in the table above are not secured by the City, the financial stack would fall short of covering the initial construction outlay, without giving any consideration to ongoing costs to operate the Project until it reaches stabilization (revenue generation). Therefore, the shortfall in the estimated project cost would need additional Project financing and likely require the City to access **municipal reserve funds**. Pursuant to Resolution No. 2019-30954, the General Fund Reserve Policy includes a required emergency reserve of 17% in addition to a goal to also maintain a reserve for contingencies of 8%, for a total of 25% (3 months). However, should any of the potential funding sources fall through, in part or in whole, the City Commission may consider municipal reserve funds through the budget development process.

Alternatively (or additionally), the City Commission could consider a **revenue bond** to access capital upfront and pledge future project revenue (once stabilized) to cover repayment of the bond. **Revenue projections and project proformas would be required as part of a revenue bond initiative. Potential project revenue would largely be based on the development and operational program (as discussed in the section below). To further explore the potential for a City Development Project, a formal financing plan would need to be developed, perhaps with the guidance of the FERC.**

Notwithstanding the foregoing, the City's assumption of risk in employing a City-development model could be offset by the potential reward. If the City invests (has equity in the project), an analysis of the potential cash flow would be required to estimate how soon the City could recover its investment. A development proforma based on a program (as discussed below), would aid the City in comparing a City development scenario with the Legacy terms, as proposed and as may be negotiated.

ii. City Development Scenario – Program

To date, preliminary cost estimates prepared on behalf of the City have primarily focused on a renovation of the existing structure for residential use, without any additional height, density, or variances. To facilitate the development of a finance plan for a City Development Project, a determination of project parameters and priorities is critical. Not only does the combination of commercial and residential uses have an impact on the feasibility of securing certain funding sources and generating revenue, but the balance of these uses can also impact quality of life for project users and neighboring residents.

Existing market conditions, the types of revenue-generating leases, and the mix and balance of uses and tenants influence project viability. Projects with 100% residential use may or may not yield the community impact or revenue associated with a mixed-use development inclusive of rentable commercial space. The quantity and type of residential units (size, income eligibility) is also a major factor in projecting project revenue.

iii. City Development Scenario – Timeline

Compared with construction projects managed by the City, the private sector is often able to deliver more closely on schedule and budget, with less significant delays and cost overruns. The potential project funding identified from Federal, State, and Local sources is not yet secured and would be contingent on competitive application and award processes through multiple public agencies. Use of the City's earmarked entitlement funds, and/or applying for competitive awards, could involve required public comment periods, amending action plans, and rigorous HUD application and compliance processes, all before securing financing prior to construction commencement. **Legacy's RFP proposal timeline projected approximately 35 to 43 months for design and construction following City Commission approval and has not been modified with the Updated Proposal and would need to be clarified further. This process would conservatively span no less than 60-72 months if managed by the City. However, there is no guarantee that either Legacy or the City would secure financing within these proposed timelines. The ability of Legacy or the City to obtain financing in a timely manner would impact the construction schedule.**

D. Structural Demolition Alternative

Given the deteriorating conditions of the building, any extended delay may diminish the economic viability of property rehabilitation. Demolition of the structure is a consideration that could be investigated. Though not ideal, the demolition alternative could allow the City to maximize development design on the irregularly shaped parcel.

The Building Official has the authority to order an emergency demolition of an unsafe structure. However, under the City Code, because this would not observe the customary process of first receiving a recommendation on a Certificate of Appropriateness (CoA) for demolition from the HPB and the issuance of a CoA for demolition by the City Commission, an Emergency Demolition Order could trigger the rebuttable presumption that any future structure developed onsite be limited to the height, massing, and floor area of the original Barclay structure. However, there is no reason to believe, at this time, that the HPB and City Commission would not give due consideration to a CoA application submitted by the City to demolish the existing structure and redevelop the Property for public housing. Since this is a City-owned property, the approval of a CoA for demolition rests with the City Commission.

SUPPORTING SURVEY DATA

According to the City's 2022 Community Satisfaction Survey, 67.4% of participating residents describe Miami Beach as a favorable place to live (down from 78.6% in 2019), whereas only 32.7% of polled residents are satisfied with the City's efforts to plan for growth (compared with 45.9% in 2019). The need for workforce and affordable housing is identified as a key objective in the City's 2019 Strategic Plan Through the Lens of Resilience. The City's 2040 Comprehensive Plan also prioritizes affordable housing, with the express goal "to encourage redevelopment that provides workforce and affordable housing" within the City.

CONCLUSION

Whether through the ongoing RFP process with Legacy or a City Development Project, given the City's potential financial participation and projected timeframe for project completion, **it is necessary for the City Commission to clearly define the City's underlying objectives and goals for pursuing the Project.**

The Administration seeks direction as to the policy and business issues outlined in this Memorandum. Based on the development objectives for the Barclay articulated by the City Commission, the Administration is prepared to proceed on any of the following options:

1. Award the RFP and direct the Administration to officially negotiate with Legacy. The Administration would formally commence negotiation of terms more favorable to the City's interest, which interests and objectives should be clearly defined by the City Commission, to yield the greatest public benefit. Negotiated terms would be presented to the FERC and the City Commission for consideration and approval.
2. Reject the Legacy bid proposal pursuant to RFP 2023-115-KB.
3. Direct the Administration to explore City-funded and managed redevelopment options based on the identification, by the City Commission, of desirable development program parameters and goals. The Administration will prepare a financing plan to include any and all available funding to offset project development costs for presentation to the FERC and the City Commission for consideration.

Attachments

A. Legacy Proposal dated January 5, 2024
B. Entitlement Funds and State Programs
C. City Development Project Budget Estimate

EXHIBIT A

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PROPOSAL FOR THE BARCLAY

01/05/2024

Project Description: The Barclay is set to be a 52,686 GSF development featuring two structures. The first structure involves the restoration of the original historical building, which will be redeveloped to accommodate 40 studio units. These studio units will be situated on the second and third floors. The ground floor will house commercial spaces, including a restaurant, a cafe, and art studios. The public will be welcome to enjoy the preserved lobby, while the cafe and restaurant will have open-style spaces that interact with the lobby. Our strategically located art studios, in front of the Miami Beach Convention Center, will enable us to participate in residency programs, contributing to the artistic vibrancy of the Miami Beach area.

In the second building (new construction building), the entire ground floor will be designated for parking. We aim to establish interconnectivity between the two buildings with a staircase and an elevator, carefully designed to avoid any impact on the historic Barclay Lobby. We aspire to maintain the elegance of The Barclay's facade. To enhance public and resident enjoyment, we plan to include gardens and art in public spaces strategically located around the property so that they can be enjoyed and admired by residents as well as the public. This new construction building will have 16 studios, 12 1-bedroom, and 3 2-bedroom units with a total of 31 units.

Our Proposal to the City: We seek a partnership with the City of Miami Beach to develop this property. Our offer includes an initial payment of $344,000 to the city of Miami Beach upon the commencement of construction. Additionally, we propose an annual rent of $50,000 with CPI floor of 2% and a roof of 3% annual escalation, beginning in the year of the Certificate of Occupancy. The city of Miami Beach will also be participating in 1% of NOI. We are also proposing the city 1% compensation for any sale or transfer after the initial sale.

Zoning Requests that go beyond GU Zoning

- Slight variance for height
  2-3 Feet

TERM SHEET OUTLINE **(Subject to Modification)**

1. **Proposer Development Entity.**
   a. Developer Team. Identify the developer entity, or joint venture to be formed, if applicable, in connection with the Project and any development partners involved with the Project, whether in relation to Request for Proposals 2023-115 (the "RFP"), Term Sheet negotiations, or development, construction, and/or operation of the Project. For any joint venture or special purpose entity formed, include a disclosure of interest for all owners, managers, members, etc., and percentage of ownership held by each.

JV Entity | 1940 Barclay Partners, LLC.

- **LRED Barclay, LLC (65%)**
- **Urban American Management, LLC (25%)**
- **LSN (10%)**

   b. Key Personnel. Submit a list of all principals for the Developer and all key team member firms (including developer partners, general contractor, key architecture/engineering firms, management/operation firms, and firms providing capital/financing.)

Legacy Real Estate Development – Donahue Peebles III (Chairman)

Urban American – Joshua Eisenberg (CEO)

Housing Authority

Operations: Trident – George Zamora (Broker)

Financing: Berkadia Mortgage Banking – Mathew Baptiste (Managing Director)

Construction: OHLA – Bernardo Pérez (EVP)

Journey – Clifford Moore (CEO)

Land Use Council: LSN – Tracy Slavens

Planning & Permitting: E.L. Waters & Company – Elbert L. Waters (Principal)

Consultants: Spinnaker Group – Jesse Rittenhouse (CEO)

Heritage Consulting Group – Cindy Hamilton (President)

Design – Stuart Architecture – Stuart Anson (CEO)

Brooks + Scarpa – Jeffrey Huber (Principal)

Engineers: Feller Engineering – Musa Yanni (CEO), Green Coastal Engineering – Morteza Khatib (CEO), Dynamic Engineering – Hanna Khouri (CEO).

2. **Project Description.**
   a. Ground Lease Term and Structure. Indicate desired length and structure of lease terms. The duration of the lease term shall be no greater than 99 years. The lease shall be a "triple net" lease (NNN), with lessee to be solely responsible for all real estate taxes, utilities, assessments or other public charges, insurance, common area maintenance, and all other costs and expenses associated with the operation of the project. The City’s fee simple interest shall be senior, and not subordinated to, any financing obtained by the Ground Lessee, and shall be non-recourse to the City.

The ground lease will begin with an upfront payment of $344,000. The annual rent will be $50,000 with an annual escalation with a floor of 2% and a roof of 3% Annual rent will begin being charged after certificate of occupancy. The development team anticipates a year 3 certificate of occupancy. See attached mode (The Barclay – 40 Year Proforma – 010424)

Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
		$52,020	$53,060	$54,122	$55,204	$56,308	$57,434	$ 58,583	$59,755	$60,950	$62,169	$63,412	$64,680	$65,974	$67,293	$68,639	$70,012	$71,412	$72,841
Year 21	Year 22	Year 23	Year 24	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30	Year 31	Year 32	Year 33	Year 34	Year 35	Year 36	Year 37	Year 38	Year 39	Year 40
$74,297	$75,783	$77,29 9	$78,845	$80,422	$82,030	$83,671	$85,344	$87,051	$88,792	$90,568	$92,379	$94,227	$96,112	$98,034	$99,994	$101,994	$104,034	$106,115	$108,237
Year 41	Year 42	Year 43	Year 44	Year 45	Year 46	Year 47	Year 48	Year 49	Year 50	Year 51	Year 52	Year 53	Year 54	Year 55	Year 56	Year 57	Year 58	Year 59	Year 60
$110,402	$112,610	$114,862	$ 117,159	$119,503	$121,893	$124,331	$126,817	$129,354	$131,941	$ 134,579	$137,271	$140,016	$142,817	$145,673	$148,587	$151,558	$154,589	$157,681	$160,835
Year 61	Year 62	Year 63	Year 64	Year 65	Year 66	Year 67	Year 68	Year 69	Year 70	Year 71	Year 72	Year 73	Year 74	Year 75	Year 76	Year 77	Year 78	Year 79	Year 80
$164,052	$167,333	$170,679	$ 174,093	$177,575	$181,126	$184,749	$188,444	$192,213	$196,057	$ 199,978	$203,977	$208,057	$212,218	$216,463	$220,792	$225,208	$229,712	$234,306	$238,992
Year 81	Year 82	Year 83	Year 84	Year 85	Year 86	Year 87	Year 88	Year 89	Year 90	Year 91	Year 92	Year 93	Year 94	Year 95	Year 96	Year 97	Year 98	Year 99	
$243,772	$248,647	$253,620	$258,693	$263,867	$269,144	$274,527	$280,017	$285,618	$291,330	$297,157	$303,100	$309,162	$315,345	$321,652	$328,085	$334,647	$341,340	$348,166	

   b. Zoning Data. Provide a zoning data table summarizing the required zoning elements for the Project and broken down for each Project component or proposed use. The table should include, but not be limited to: floor area, FAR, unit sizes, height, and number of stories.
   c. Specify any proposed zoning or design that does not conform to applicable Land Development Regulations (LDRs) within the zoning district.

Requested Zoning	
Zoning	GU
Uses	Mixed Use
FAR	1.73
Height	78
Stories	7
Minimum Unit Size	400 SF/Workforce

*Variance for 2 - 3 feet

Current Zoning	
Zoning	RM-2
Uses	Residential Multifamily
FAR	2.0
Height	50 FT
Stories	5
Minimum Unit Size	400 SF/Workforce

Historic Dsitrict*

CCC Civic Zoning (Convention Center)	
Zoning	CCC Civic
Uses	Commercial
FAR	2.75
Height	100 FT

P3 Zoning	
Zoning	GU
Uses	Mixed Use
Far	2.375
Height	75 FT

Required for proposed development table reflects what is needed for the proposed development*

Mixed use specifically for restaurant, café, and office space on the ground floor*

d. Proposed programming for each floor, the floor area, and percentage of the building's entire floor area correlating with the intended uses(s).

SF Breakdown						
Location	SF	Parking	Residential	Commerical General/Amentities		Efficiency
Parking Area	8,779 SF	8,779 SF				
Floor 2 GSF	3,669 SF		3,082 SF		587 SF	84%
Floor 3 GSF	3,669 SF		3,082 SF		587 SF	84%
Floor 4 GSF	6,836 SF		4,785 SF		2,051 SF	70%
Floor 5 GSF	3,669 SF		3,082 SF		587 SF	84%
Floor 6 GSF	3,669 SF		3,082 SF		587 SF	84%
Floor 7 GSF	3,669 SF		3,082 SF		587 SF	84%
Gross Residential Area New Construction	**25,181 SF**		**20,195 SF**		**4,986 SF**	**80%**
Gross Floor Area New Construction (Inlcuding GF Parking)	**33,960 SF**	**8,779 SF**				
Ground Floor	7,835 SF			6408 SF	1427 SF	82%
Floor 2 GSF	9,835 SF		7,875 SF		1,960 SF	80%
Floor 3 GSF	9,835 SF		7,875 SF		1,960 SF	80%
Gross Residential Area Original Construction	**19,670 SF**		**15750 SF**		**3920 SF**	**80%**
Gross Floor Area Original Building (Inlcuding GF Uses)	**27,505 SF**			**6408 SF**	**1427 SF**	
Gross Residential Floor Area	44,851 SF					
Total Gross Floor Area	61,465 SF					
Total Gross SF	52,686 SF					
Carve out from 1st floor	2,000 SF					
Floor Area Inlcuding Parking	**61,465 SF**	**8,779 SF**				
Actual GSF	**52,686 SF**		**35945 SF**	**6408 SF**	**10333 SF**	**80%**

Architects have finished schematics and site plan for our proposed development*

e. Residential Units. Providing complete answers for each of the following numbered items is mandatory. Please specify:

i. Total number of residential units. 71 units.

ii. Total number of each unit type, e.g. number of rooms (studios, 1BD, 2BD, etc.). 56 studios and 15 1BD

iii. Unit size of all unit types (if unit size varies among the same unit type, please specify the number of units at each varying unit size).

Studio – Workforce Housing – 23 units

Studio – Extremely Low Income (ELI) - 20 Units

Studio – Market Rate – 13 units

1-Bedroom – Market Rate – 12 units

2-Bedroom Workforce – 3 Units

iv. Total number of market-rate units and total number of non-market rate units.

Market rate – 25

Non-market rate – 46

v. For non-market rate units, specify the tenant income mix, i.e., within units dedicated to non-market rate housing, indicate all target income levels and, for each targeted income level proposed, indicate the number of units, the number of unit types, and the number of unit sizes allocated to that income level. [1]

	Unit Mix						
	Unit Type	**Affordability**	**AMI**	**SF**	**Unit Count**	**Rent**	
14%	Studio	Workforce Housing	140%	400 SF	**10**	$2,530	
7%	Studio	Workforce Housing	120%	400 SF	**5**	$2,169	
7%	Studio	Workforce Housing	80%	400 SF	**5**	$1,445	
28%	Studio	Extremely Low Icome (ELI)	30%	400 SF	**20**	$1,851	PBV*
18%	Studio	Market Rate	MR	575 SF	**13**	$3,242	
4%	Studio	Workforce Housing	120%	400 SF	**3**	$2,169	
17%	1-Bedroom	Market Rate	MR	744 SF	**12**	$3,909	
4%	2-Bedroom	Workforce Housing	140%	919 SF	**3**	$3,251	
	Total	**Mixed Income**		**36,360 SF**	**71**	**$185,704**	

	Original Building
	New Construction
65%	Affordable
35%	Market Rate

vi. Specify where market rate and non-market rate units will be allocated within the residential component (including which floors).

The market rate units will be located within the new construction portion of the development.

Affordable and ground floor commercial (office/studio, café and restaurant) will be located within the original historic structure.

Workforce housing units will be both in the original building as well as the new construction building.

vii. Estimated monthly rental rates for all market-rate units.

Monthly rates:

	Unit Mix						
	Unit Type	Affordability	AMI	SF	Unit Count	Rent	
14%	Studio	Workforce Housing	140%	400 SF	10	$2,530	
7%	Studio	Workforce Housing	120%	400 SF	5	$2,169	
7%	Studio	Workforce Housing	80%	400 SF	5	$1,445	
28%	Studio	Extremely Low Icome (ELI)	30%	400 SF	20	$1,851	PBV*
18%	Studio	Market Rate	MR	575 SF	13	$3,242	
4%	Studio	Workforce Housing	120%	400 SF	3	$2,169	
17%	1-Bedroom	Market Rate	MR	744 SF	12	$3,909	
4%	2-Bedroom	Workforce Housing	140%	919 SF	3	$3,251	
	Total	**Mixed Income**		**36,360 SF**	**71**	**$185,704**	

	Original Building
	New Construction
65%	Affordable
35%	Market Rate

viii. Number, unit type, and unit size of co-living and/or micro-unit arrangements, if any.

The project does not need any arrangements for unit number or unit size.

ix. Short-term rentals of residential units shall be prohibited.

Agreed

f. Ground floor activation, including floor area, allocated for retail, commercial, or other nonresidential uses, excluding parking, on the ground floor.

The ground floor of the new construction will be used as a parking lot. To fit more parking in the lot we will be required to carve out about 2,000 SF out of the ground floor in the original building on the site. This carve-out will reduce the ground floor of the original building from about 9,835 SF to about 8,835 SF. We are considering allocating some of that space to ground floor studio/office, restaurant, and café use. We are also considering reserving the rest of that space for the lobby.

g. Any other elements of program, amenity spaces, parking etc.

Aside from the parking area on the ground floor of the new construction, we are also going to include parking on the side street (easement) that is located north of the development site. In total we will be able to fit around 48 parking spots on site. Not including the potential for stackers, which will be able to increase that number to around 68. Stackers could potentially be included in the parking units that are on the parking lot on the ground floor of the new construction.

However, we are only required to provide parking for the new construction which consists of 43 units, leaving us with 17 more units than the required amount. If we believe it would be beneficial to the project to provide more parking, we may do so using stackers and/or a third-party valet.

Parking Breakdown		
Location	**Spaces**	**Category**
Parking Lot	23	Off Street
Easement	14	Off Street
Park Ave	7	On Street
Wngtn Ave	4	On Street

Off Street	37
On Street	11

Total Prkng	48

Amenities such as gym and/or small spa will be located on the 4th floor of the new construction.

There is also space for adding a platform above the garage where we can fit a garden and/or a small pool. That area can be accessible from the amenity space section of the fourth floor.

3. **Development Budget / Operating Budget.**
   a. Design and construction including hard/soft costs, 2% Art in Public Places (AIPP) fee per City Code Sec. 82-537, contingency and escalation, and any developer fees.

Art in public spaces: $534,095

Hard Cost Contingency: $1,785,614

Soft Cost Contingency: $254,248

Escalation: $267,048

Developer Fees: $1,078,573

   b. Operation and maintenance.

Stabalized Operating Expenses			
Expenses	Unit/Year	Total	% Fixed
Payroll	$1,500	$106,500	80%
General & Administrative	$2,101	$149,171	50%
Marketing	$109	$7,739	100%
Repairs & Maintenance	$435	$30,885	30%
Turnover	$300	$21,300	0%
Contract Services	$278	$19,738	80%
Utilities	$271	$19,241	20%
Utility Bill-Back	($25)	($1,775)	0%
Valet	$0	$0	0%
Insurance	$2,000	$142,000	100%
Total	$6,969	$494,799	68%

   c. Pro forma demonstrating annual operating plan and budget for a minimum of 20 years, including all debt, fees, and reserves.

See Exhibit E

4. **Project Financing.**
   a. Sources. Public or private funding sources of any kind, including any grant funding, tax credits, or local, state and/or federal government funding or subsidies.
      i. Through the General Obligation (G.O.) Bond for Arts & Culture, the City may consider funding a portion of the project that is solely designated for affordable/workforce housing for individuals employed directly by the City's arts and cultural institutions.

We are currently not assuming any grants in our proforma. However, we will be having a conversation with the Miami City Ballet and other arts and cultural institutions to house their employees.

b. <u>Finance Plan</u>. Developer team and third-party equity participation in the project, if any, and proposed loan/equity ratio; expected financing role of the manager/operator; the structure for and amount of third-party debt

Sources (Construction Financing)	
Equity	$12,364,699
Debt	$15,112,410
Total	$27,477,109

c. <u>Proforma</u>. Provide a detailed financial proforma for the project (including assumptions for the amortization period of any debt service and, at a minimum, modeling for the initial 20 years of cash flow) and details of planned capital investment(s).

Please see the attached model (The Barclay – 40 Year Proforma – 010424).

5. Financial Proposal.

a. Remuneration to the City, as applicable:

i. Desired lease term.

99-Year lease term

ii. Initial upfront payment to the city.

$344,000

iii. Schedule of proposed minimum guaranteed rent, annual escalator, and percentage gross revenues throughout the term.

The ground lease will begin with an upfront payment of $344,000. The annual rent will be $50,000 with an annual escalation tied to CPI with a floor 2% and roof of 3%. Annual rent will begin being charged after certificate of occupancy. The development team anticipates a year 3 certificate of occupancy.

Hold Period Ground Lease											99 Year								
Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
[redacted]		$52,020	$53,060	$54,122	$55,204	$56,308	$57,434	$58,583	$59,755	$60,950	$62,169	$63,412	$64,680	$65,974	$67,293	$68,639	$70,012	$71,412	$72,841

Year 21	Year 22	Year 23	Year 24	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30	Year 31	Year 32	Year 33	Year 34	Year 35	Year 36	Year 37	Year 38	Year 39	Year 40
$74,297	$75,783	$77,299	$78,845	$80,422	$82,030	$83,671	$85,344	$87,051	$88,792	$90,568	$92,379	$94,227	$96,112	$98,034	$99,994	$101,994	$104,034	$106,115	$108,237

Year 41	Year 42	Year 43	Year 44	Year 45	Year 46	Year 47	Year 48	Year 49	Year 50	Year 51	Year 52	Year 53	Year 54	Year 55	Year 56	Year 57	Year 58	Year 59	Year 60
$110,402	$112,610	$114,862	$117,159	$119,503	$121,893	$124,331	$126,817	$129,354	$131,941	$134,579	$137,271	$140,016	$142,817	$145,673	$148,587	$151,558	$154,589	$157,681	$160,835

Year 61	Year 62	Year 63	Year 64	Year 65	Year 66	Year 67	Year 68	Year 69	Year 70	Year 71	Year 72	Year 73	Year 74	Year 75	Year 76	Year 77	Year 78	Year 79	Year 80
$164,052	$167,333	$170,679	$174,093	$177,575	$181,126	$184,749	$188,444	$192,213	$196,057	$199,978	$203,977	$208,057	$212,218	$216,463	$220,792	$225,208	$229,712	$234,306	$238,992

Year 81	Year 82	Year 83	Year 84	Year 85	Year 86	Year 87	Year 88	Year 89	Year 90	Year 91	Year 92	Year 93	Year 94	Year 95	Year 96	Year 97	Year 98	Year 99
$243,772	$248,647	$253,620	$258,693	$263,867	$269,144	$274,527	$280,017	$285,618	$291,330	$297,157	$303,100	$309,162	$315,345	$321,652	$328,085	$334,647	$341,340	$348,166

iv. Summary of any other payments or compensation proposed.

- **Proposed compensation in connection with any sale or transfer. 1% on any 3rd party transfer after the initial sale.**
- **NOI participation of 1%**
- **Annual Ground Lease: 50,000 annually with escalation CPI with a floor of 2% and a roof of 3%**
- **Upfront Rent: $344,000**

6. **Additional Public Benefits.**

   Other public benefits proposed including, but not limited to:

   a. **Direct and indirect jobs and local hiring objectives.**
   b. **Renovation, for long term sustainability and resiliency, of existing historic building and LEED accreditation.**
   c. **Property tax or other tax revenue to the City.**
   d. **Public safety.**
   e. **Community amenities, public infrastructure, and/or open space(s) accessible to the public.**
   f. **Contribution to Miami Beach ideals, vision, and brand.**
   g. **Other community benefits.**

Our goal is to:

- **Increase energy efficiency in buildings and reduce greenhouse gas production and emissions.**
- **M/WBE Participation**
- **Encourage water and resource conservation.**
- **Reduce waste generated by construction projects.**
- **Reduce long-term building operating and maintenance costs.**
- **Reserving workforce and affordable housing units for City of Miami Beach arts and culture employees**
- **Improve indoor air quality and occupant health.**
- **Maximize the use of green and blue infrastructure to treat, retain and manage stormwater.**
- **Utilize native vegetation and trees to maximize natural infrastructure throughout the site.**
- **We will address the stresses of climate change, including extreme heat and frequency and severity of storms when designing for function and form.**
- **We will utilize the South Florida Climate Change Compacts Unified Sea Level Rise Projection when considering elevations of the site.**
- **Utilize public art and placemaking opportunities to enhance the resiliency of the site.**

- **Placemaking should incorporate business and marketing opportunities; community aesthetics, cultural identity, and cohesion; and serve to brand the City of Miami Beach as a resilient City.**
- **Retaining at least the 100th percentile of local rainfall events using Low Impact Design and/or Green Infrastructure will be a priority considering the increase in severity of storms in Miami Beach.**
- **To reduce heat island effects, landscaping, high SRI pavers, light colored concrete, covered parking, and high SRI roofing will be strategies incorporated into the project.**
- **We will participate in Art in Public Places, a City of Miami Beach program for curating and commissioning public art. We have designated public art space throughout the campus.**

As stated in the RFP:

1.- Workforce & Affordable Housing: The creation of workforce and affordable housing in 65% of the units at The Barclay site provides a significant community benefit. Miami Beach has a particular need for affordable housing, and the inclusion of workforce housing in this development helps to address that need. By providing affordable housing, more members of the community can live and work in Miami Beach, promoting economic growth and diversity.

In addition to addressing the need for affordable housing, our team is committed to supporting Veterans by offering a leasing preference for both commercial and residential occupancy. We will work with the local Veteran Affairs office and the local Military recruiting office to source candidates on an ongoing basis.

The inclusion of workforce housing in The Barclay development is an opportunity to address a pressing need in the community while also promoting economic growth and diversity. Our team is committed to making a positive impact in Miami Beach, and we believe that this project can make a difference in the lives of many community members.

2.- Reoccurring Tax Revenue: The addition of The Barclay to the tax rolls will provide significant economic benefits to Miami Beach. Property taxes generated from the project will be a crucial source of recurring revenue for the city. This revenue can help to fund local government services and infrastructure, which can

lead to an improved quality of life for residents. Furthermore, the project will help to revitalize the area and create new economic opportunities for businesses and individuals.

During the construction phase, The Barclay will serve as an economic catalyst by creating job opportunities for local residents and businesses. This will not only provide income for those involved in the construction process but will also create a ripple effect throughout the local economy.

Overall, The Barclay project is a significant opportunity for Miami Beach to generate recurring tax revenue, support local government services and infrastructure, and create new economic opportunities for individuals and businesses in the community.

3.- Public Safety: The safety and security of the community is of the utmost importance, and our team at The Barclay is committed to enhancing public safety in the area. Our plans for the project include the installation of new lighting, security cameras, and other safety features that will provide a safer environment for residents and visitors.

With these safety measures in place, individuals will feel more comfortable and secure when navigating the area, and law enforcement will have additional resources to ensure the safety of the community. The increased safety will also help to promote the neighborhood's cultural vibrancy by encouraging more foot traffic and increasing the likelihood of events and activities being held in the area.

We understand the importance of public safety and are committed to working with the city of Miami Beach and local law enforcement to ensure that The Barclay is a safe and welcoming environment for all. Our team takes the safety and security of the community seriously and will continue to make enhancements to the property to improve public safety in the area.

4.- Investment in Arts and Culture: The Barclay will not only be a beautiful and functional building, but it will also contribute to the arts and culture scene in Miami Beach. As part of the project, we plan to make a substantial investment in arts and culture. Our goal is to create an environment that is both functional and visually

stunning. We believe that the arts are an important part of any community, and we are committed to making The Barclay a space that is welcoming and inclusive to all.

We plan to partner with local arts-focused non-profit organizations to create opportunities for local artists to showcase their work. The community will have access to the artwork, and we will make sure to include public spaces to feature local artwork. We believe that by supporting local artists, we can help to strengthen the cultural fabric of Miami Beach. Our goal is to create an environment that is inclusive, diverse, and dynamic.

5.- Cultural Vibrancy: The Barclay project will significantly contribute to the cultural vibrancy of the Miami Beach community. By activating the street with new retail options, public art, and community amenities, the project will create a more vibrant and attractive neighborhood for both residents and visitors. The new retail options will provide local businesses with an opportunity to thrive, while the public art will enhance the aesthetic appeal of the area. The addition of community amenities will further strengthen the sense of community and create more opportunities for social interaction.

The cultural vibrancy created by The Barclay will not only enhance the overall quality of life for residents in the area but will also create a more appealing destination for tourists. As a result, the project has the potential to boost the local economy by increasing tourism and attracting new businesses to the area. The creation of a more vibrant and livelier neighborhood will also contribute to a sense of community pride and ownership, as residents take pride in the enhanced aesthetics and amenities of their neighborhood.

7. **Development Agreement.**

    a. Proposed term of the Development Agreement with the City, subject to extension for force majeure, and measuring for a period separate from the term of the Ground Lease.

    b. Proposed City Code/Comprehensive Plan amendments to accommodate the Project.

There is <u>no necessity</u> for any city code/comprehensive plan amendments to accommodate this project.

c. Increases to floor area or height (including a unified development site with any other abutting property or transfer of development rights).

This project <u>does not</u> require any increase in height or FAR beyond what is allowed through GU zoning.

d. City and County fee waivers or exemptions to be requested.

As this development is going to be in partnership with the City of Miami Beach, we believe it is reasonable to receive a governmental exemption for both City and County fees.

e. City Commission will approve the Concept Plan design and the Developer will be responsible for all design approvals (Historic Preservation Board (HPB) and Planning Board, if applicable). After regulatory approvals are obtained, the City Manager approves final Plans and Specifications to ensure the Project is being developed consistent with Concept Plan design and the Project requirements, and material modifications thereto.

The initial site plan & schematics can be observed in Exhibit-A at the end of the document.

f. Plans for public engagement and community outreach, including to resident/neighborhood associations, with advance notice to City staff. Bilingual outreach must address Developer's planned efforts for mitigation of adverse development impacts.

Plans for public engagement and community outreach

- **Include the option of reserving affordable/workforce housing for individuals employed directly by the City's arts and cultural institutions.**
- **Include the option of reserving ground floor commercial space for art studios that accommodate a residency program.**
  - **We are in conversation with a few different non-profit organizations.**
- **There will be Art in Public Spaces**
- **Ground floor activation will also bring relief to the local community that is upset with a neighborhood eyesore.**
- **Taxes generated from our project will also benefit the City of Miami Beach significantly.**

8. Development Schedule.

Proposed schedule for the following Project milestones, indicated in number of months following the approval of the Development Agreement.

a. City Commission approval (Development Agreement and Ground Lease)

b. HPB design approval
c. Closing on Project financing
d. Building permit
e. Possession Date
f. Commencement Date for construction and any phasing
g. Outside Date for Completion of Construction
h. Outside Opening Date
i. Stabilization Date

Please see Exhibit-B at the end of this document.

9. **Condition of Property/Environmental.**

   a. Property in AS IS condition, subject to review of the environmental Phase I and/or II, to be obtained for the Project by the Developer. Selection of vendor conducting environmental review is subject to reasonable approval of City.

10. **Management and Operation of Facility.**

    a. Marketing Plan. Narrative addressing marketing to eligible participants and, if applicable, how you will achieve the proposed mix of tenants within the range of AMI as set forth in your response to Section 2).

Introduction:

Our affordable housing development project aims to provide high-quality housing options to eligible participants within the range of Area Median Income (AMI) mentioned in section 2. Leveraging the expertise of our experienced teams, including Eklund Gomes in marketing Class A apartment buildings, Urban American, and Trident in managing workforce and affordable units, we are confident in achieving our goals. Additionally, we aspire to create a diverse community by offering housing options to city employees working in the arts and culture sectors.

Target Audience:

Our primary focus is on eligible participants falling within the specified range of AMI. 30% AMI extremely low-income housing, 140% AMI workforce housing, and market rate apartments.

Marketing Strategies:

Online Presence:

Develop a user-friendly website showcasing the amenities, floor plans, and application process.

Utilize social media platforms to engage with potential tenants and share regular updates about the project's progress.

Implement search engine optimization (SEO) techniques to ensure the project website ranks high in relevant online searches.

Collaborations and Partnerships:

Partner with local arts and culture organizations to promote our housing units among city employees in these sectors.

Collaborate with community influencers and advocates to spread awareness about the affordable housing options available.

Community Engagement:

Organize outreach events, workshops, and seminars to educate eligible participants about the application process, eligibility criteria, and benefits of living in our development.

Participate in local community fairs and events to interact with potential tenants directly.

Specialized Marketing:

Design tailored marketing materials highlighting the benefits of our housing units for city employees in arts and culture spaces.

Offer exclusive incentives, such as discounted rent for the first few months, to attract city employees working in specified sectors.

Innovative Marketing Campaigns:

Launch creative marketing campaigns, such as virtual reality tours of the housing units, to provide potential tenants with an immersive experience.

Develop engaging video content showcasing the development's amenities, neighborhood attractions, and testimonials from satisfied tenants.

Local Government Collaboration:

Collaborate with local government agencies to promote our housing units as a preferred option for city employees, emphasizing the convenience of living close to their workplaces.

Achieving the Mix of Tenants within AMI:

To ensure a balanced mix of tenants within the range of AMI, we will implement the following strategies:

Income-Based Eligibility Criteria:

Establish clear income-based eligibility criteria to categorize applicants into different income brackets.

Allocate a specific percentage of units for each income bracket to maintain a diverse community mix.

Transparent Application Process:

Implement a transparent application process where applicants are screened based on their income, ensuring that the allotted percentage of units for each income bracket is adhered to.

Regular Monitoring and Reporting:

Regularly monitor the income levels of existing tenants to ensure that they still qualify within the designated AMI brackets.

Generate periodic reports for stakeholders, demonstrating the diversity within the community in terms of income levels.

Conclusion:

By employing these marketing strategies and focusing on collaboration, community engagement, and specialized marketing efforts, we are confident in achieving a balanced mix of tenants within the specified range of AMI. Furthermore, our collaboration with local government agencies and targeted outreach to city employees in arts and culture spaces will contribute to the creation of a vibrant, diverse, and inclusive community within our affordable housing development.

b. Operational Plan. Narrative addressing Facility maintenance, utilities, and standards of operation, including but not limited to:

i. Maintenance/repairs

To ensure the longevity of the facility within budget constraints, we propose implementing a cost-effective maintenance schedule. This plan covers structural and equipment repairs,

addressing wear and tear, and prioritizing essential renovations to maintain functionality while managing expenses efficiently.

ii. Lighting

Our cost-effective lighting plan focuses on energy-efficient options for both interior and exterior areas. Regular inspections, maintenance, and thoughtful replacement strategies will allow us to ensure proper illumination without unnecessary expenditures.

iii. Landscaping

We propose a cost-conscious landscaping plan that includes routine lawn and garden care, tree and shrub maintenance, and economical solutions for walkway and outdoor space maintenance. This plan aims to create a pleasant outdoor environment without excessive spending.

iv. Electricity, telephone, internet and data, cable, sanitary sewer, water,

Efficient utility management is crucial to cost savings. We will maintain contracts with utility providers but also work on monitoring and conserving utility usage. To minimize expenses, we will establish contingency plans for potential disruptions and explore cost-effective waste management practices.

v. stormwater, trash and recyclables, exterior access door control,

To address stormwater management in a cost-effective manner, our proposal involves a proactive approach that ensures compliance with environmental regulations while managing costs responsibly. We will implement a system of drainage maintenance to prevent clogs and ensure the efficient flow of stormwater. This includes regular inspections of drains, gutters, and stormwater channels to clear any debris, and prompt repairs if any issues are identified. In addition, we will explore the use of permeable surfaces to minimize runoff and mitigate the risk of flooding.

Our plan for managing trash and recyclables focuses on efficient waste disposal and recycling practices to minimize expenses. We will partner with local waste management services to optimize collection schedules and explore cost-effective methods such as bulk disposal for larger items. Additionally, we will promote recycling among residents and staff, aiming to reduce waste and minimize disposal costs.

Security and safety are paramount in managing exterior access door control. Our proposal includes regular inspections and maintenance of access control systems, ensuring that they remain fully functional. We will also implement a cost-effective key management system and upgrade, or repair access control hardware as needed. While prioritizing security, we will consider budget-friendly options to maintain a secure and efficient exterior access door control system.

These approaches to stormwater management, trash and recyclables, and exterior access door control are designed to align with the facility's budgetary constraints while still

maintaining high standards of operation and safety. Cost-effective solutions will be a central theme in the execution of these elements, promoting sustainability and efficient resource management.

vi. Security

Prioritizing safety without overspending, our security plan involves judicious investments in access control systems, surveillance, and alarms. Regular security audits will ensure that resources are allocated wisely, and staff will be trained to respond effectively to security incidents.

vii. Parking

We plan on using a 3rd party valet service for both 58 (assuming stackers) on-site parking spots as well as off-site parking.

viii. Resident complaints/issues.

While prioritizing resident satisfaction, we will maintain an efficient procedure for residents to report complaints and issues. Our cost-effective approach ensures that we address concerns promptly and utilize resources judiciously. We will establish a tracking system to monitor complaint resolution without unnecessary costs.

ix. Penalties in lieu of default for failure to achieve maintenance and operation standards. This element is mandatory.

In accordance with our commitment to maintaining high standards of operation and efficiency, we acknowledge the need for a mechanism to address any deviations from these standards. While we strive to operate within budget constraints, we also understand the importance of accountability. To ensure compliance and uphold the agreed-upon maintenance and operation standards, we propose the implementation of a penalty framework for any significant lapses in performance.

These penalties will be designed to encourage timely corrective actions while considering the financial implications for the facility. Our objective is not to penalize but to maintain the highest quality of service. The penalties will be reasonable and transparent, ensuring that they provide a fair incentive for adherence to the established standards.

The details of the penalty structure will be defined in a separate document or agreement, clearly specifying the nature of infractions, the corresponding penalties, and the dispute resolution process. We will work closely with all stakeholders to finalize this framework, ensuring it aligns with the facility's goals and resources while still serving as a deterrent to any significant deviations from maintenance and operation standards.

By including this element, we aim to create a well-balanced operational plan that not only promotes cost-effective solutions but also enforces accountability to maintain the facility's excellence.

11. Use Restrictions/Project Requirements.

a. To the extent the Project includes a workforce housing component:

i. Development Agreement and Ground Lease will incorporate the workforce housing requirements of Chapter 58 of the City Code, provided, however, that the restrictive covenants relating to the workforce housing units shall run with the land for the entire term of the Ground Lease.

ii. affordable and workforce housing units shall not exceed rent limits (by number of bedrooms in unit), as published by the Florida Housing Finance Corporation (FHFC), based upon figures provided by the U.S. Department of Housing and Urban Development (HUD).

b. Prohibition on short-term rentals.

c. Leasehold condominium structure, if applicable.

12. City Participation.

a. City's contribution limited to providing use of the land, and City's preference is for limited or no City responsibility for any costs or expenses related to the development, financing, design, construction, operation, or maintenance of the Facility.

13. Termination Rights.

a. No Developer termination for convenience following the Possession Date (i.e., after all Project regulatory approvals and financing for the Project have been obtained, and Developer takes possession of the property under the Ground Lease).

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 for cause, as a result of any default by Developer, which continues beyond the expiration of any applicable notice and cure period.

c. In the event of a termination by Developer pursuant to Section 13.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 and (ii) the City shall have no further obligation to the Developer.

14. Transfer & Assignment.

a. Restrictions upon transfers of ownership interests in the Project will remain a material component of negotiations. Please indicate any desired language regarding the transfer and assignment of property interests.

15. Default.

a. 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.

b. 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. In connection with any such termination following the commencement of construction and prior to completion of construction, Developer shall return possession of the Property to the City 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.

16. Indemnification.

a. Each of the Development Agreement and Ground Lease shall contain such indemnity provisions as the City customarily requires for projects of this nature.

b. In addition, unless 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.

c. 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.

17. Additional Requirements.

a. Compliance with Laws. Developer shall comply with all applicable laws.

b. Approvals. Developer shall be responsible for obtaining approval for any applicable LDR and Comprehensive Plan amendments, as well as all required land use board approvals. Developer will pay for compliance with all provisions for required notice, including mailing notices to affected property owners and *Miami Herald* public hearing advertisements.

c. Legal Description. Developer shall procure a survey of the Property by a licensed surveyor approved by the City.

d. 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 any Development Agreement and Ground Lease including, without limitation: fees for the City's 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, to be executed between the parties.

e. Art in Public Places. Developer shall make a contribution to City's AIPP trust fund, in accordance with City's AIPP Ordinance.

f. Naming Rights. Naming rights for all or any portion of the Project shall require City Commission approval, which shall not be unreasonably withheld.

g. Prevailing Wages. Developer shall comply with Section 31-27 of the City Code and these requirements shall be attached as an exhibit to the Development Agreement and Ground Lease.

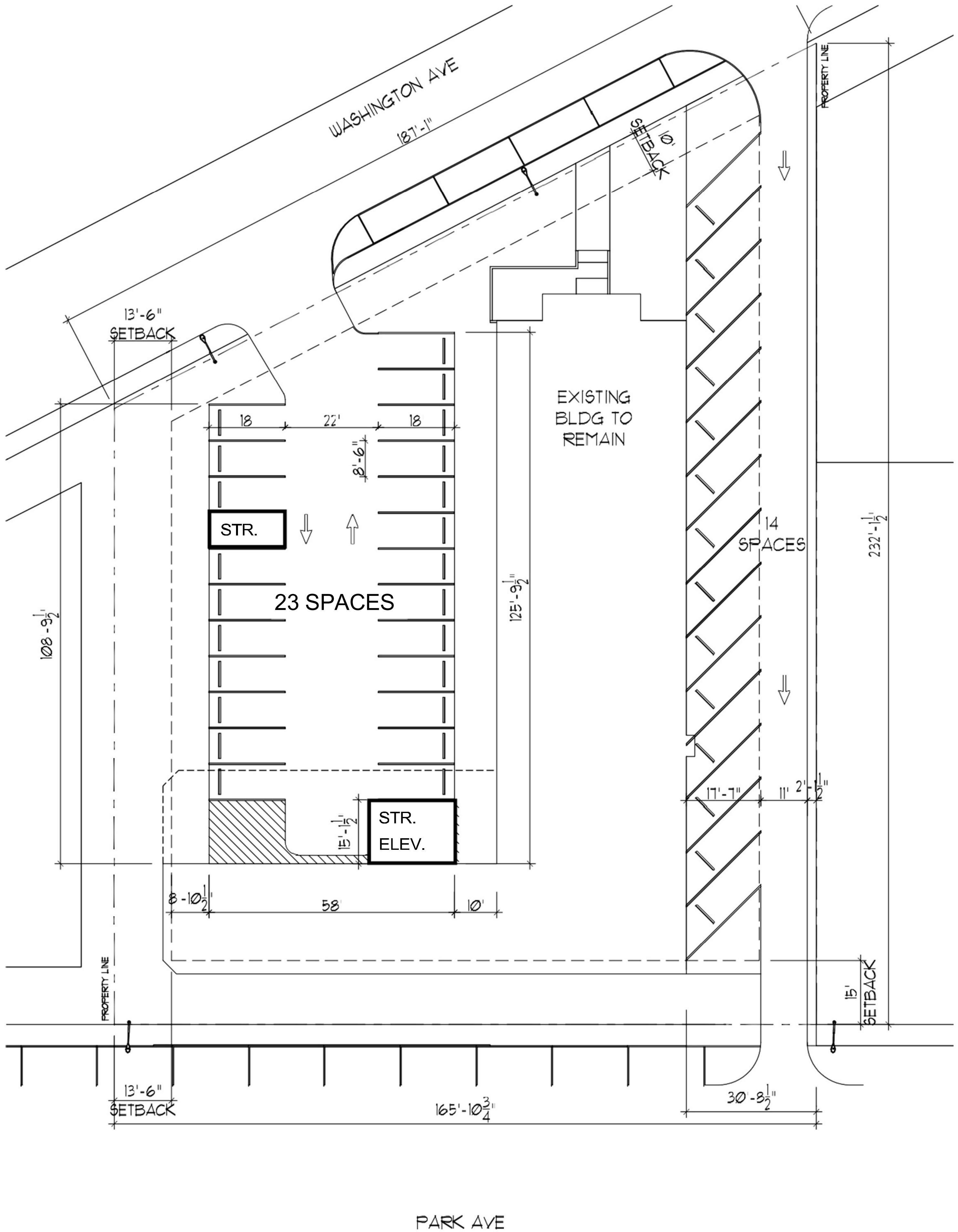
h. Local Workforce Participation Program. Developer shall cause its contractor to comply with Section 31-40 of the City Code and these requirements shall be attached as an exhibit to the Development Agreement and Ground Lease.

i. Incorporation by Reference. Whether or not included or referenced in this document, 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

Design

Parking Study/# Legacy - The Barclay



Parking

Gross Parking Area: 8,779.00 SF
No. Off Site Parking Spaces: 48

Parking Concept Image

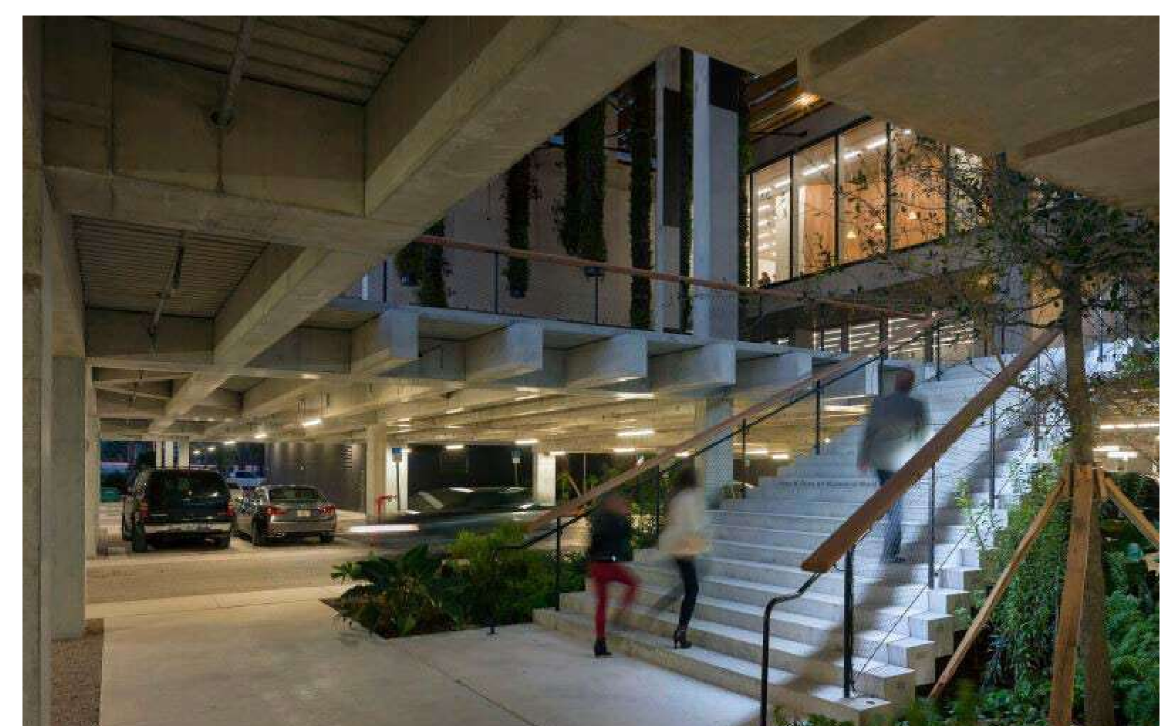
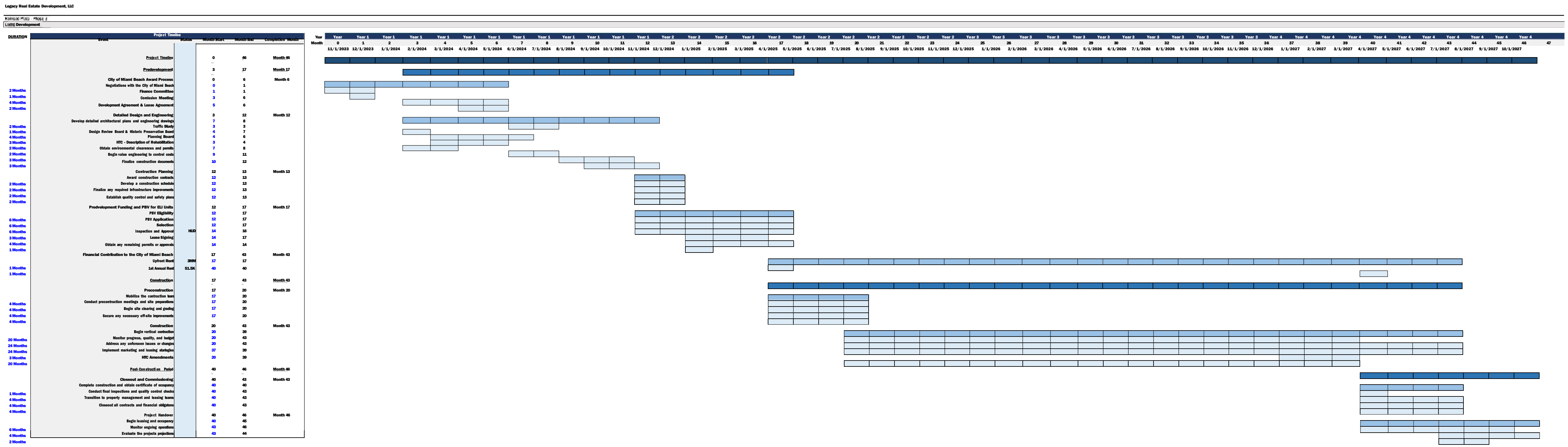


Exhibit-B

Development Schedule

Development Schedule



Proposed schedule for the following Project milestones, indicated in number of months following the approval of the Development Agreement.

a. City Commission approval (Development Agreement and Ground Lease): The lease is effective the date we pay the upfront payment which the respondent anticipates as the 1st or 2nd quarter of 2025
b. HPB design approval: We anticipate to have HPB approval by June 2024
c. Closing on Project financing: We anticipate to close on project financing when we 1st or 2nd quarter of 2025
d. Building permit: We anticipate to receive the building permit before we close on financing
e. Possession Date: We anticipate possession when the lease is signed and effective
f. Commencement Date for construction and any phasing: We anticipate construction to begin around June 2025
g. Outside Date for Completion of Construction: We are anticipating completion of construction to occur around March 2027
h. Outside Opening Date: We anticipate to receive Certificate of Occupancy around March 2027
i. Stabilization Date: We anticipate to receive Certificate of Occupancy around June or July 2027

Exhibit-C

SF Breakdown

SF Breakdown						
Location	**SF**	**Parking**	**Residential**	**Commercial**	**General/Amenities**	**Efficiency**
Parking Area	8,779 SF	8,779 SF				
Floor 2 GSF	3,669 SF		3,082 SF		587 SF	84%
Floor 3 GSF	3,669 SF		3,082 SF		587 SF	84%
Floor 4 GSF	6,836 SF		5,298 SF		1,538 SF	78%
Floor 5 GSF	3,669 SF		3,082 SF		587 SF	84%
Floor 6 GSF	3,669 SF		3,082 SF		587 SF	84%
Floor 7 GSF	3,669 SF		3,082 SF		587 SF	84%
Gross Residential Area New Construction	**25,181 SF**		**20,708 SF**		**4,473 SF**	**82%**
Gross Floor Area New Construction (Inlcuding GF Parking)	**33,960 SF**	**8,779 SF**				
Ground Floor	7,835 SF			6408 SF	1427 SF	82%
Floor 2 GSF	9,835 SF		7,875 SF		1,960 SF	80%
Floor 3 GSF	9,835 SF		7,875 SF		1,960 SF	80%
Gross Residential Area Original Construction	**19,670 SF**		**15750 SF**		**3920 SF**	**80%**
Gross Floor Area Original Building (Inlcuding GF Uses)	**27,505 SF**			**6408 SF**	**1427 SF**	
Gross Residential Floor Area	44,851 SF					
Total Gross Floor Area	61,465 SF					
Total Gross SF	52,686 SF					
Carve out from 1st floor	2,000 SF					
Floor Area Inlcuding Parking	**61,465 SF**	**8,779 SF**				
Actual GSF	**52,686 SF**		**36457.7 SF**	**6408 SF**	**9820.3 SF**	**81%**

	Unit Mix						
	Unit Type	**Affordability**	**AMI**	**SF**	**Unit Count**	**Rent**	
14%	Studio	Workforce Housing	140%	400 SF	**10**	$2,530	
7%	Studio	Workforce Housing	120%	400 SF	**5**	$2,169	
7%	Studio	Workforce Housing	80%	400 SF	**5**	$1,445	
28%	Studio	Extremely Low Icome (ELI)	30%	400 SF	**20**	$1,851	PBV*
18%	Studio	Market Rate	MR	575 SF	**13**	$3,242	
4%	Studio	Workforce Housing	120%	400 SF	**3**	$2,169	
17%	1-Bedroom	Market Rate	MR	744 SF	**12**	$3,909	
4%	2-Bedroom	Workforce Housing	140%	919 SF	**3**	$3,251	
	Total	**Mixed Income**		**36,360 SF**	**71**	**$185,704**	

	Original Building
	New Construction
65%	Affordable
35%	Market Rate

Requested Zoning	
Zoning	GU
Uses	Mixed Use
FAR	1.73
Height	78
Stories	7
Minimum Unit Size	400 SF/Workforce

*Variance for 2 - 3 feet

Current Zoning	
Zoning	RM-2
Uses	Residential Multifamily
FAR	2.0
Height	50 FT
Stories	5
Minimum Unit Size	400 SF/Workforce

Historic District*

CCC Civic Zoning (Convention Center)	
Zoning	CCC Civic
Uses	Commercial
FAR	2.75
Height	100 FT

P3 Zoning	
Zoning	GU
Uses	Mixed Use
Far	2.375
Height	75 FT

Exhibit-D

Proposal Comparison

The Barclay Proposal Comparison - Exhibit-D

Proposal -01/05/2024 | Current Proposal

	Unit Mix						
	Unit Type	Affordability	AMI	SF	Unit Count	Rent	
14%	Studio	Workforce Housing	140%	400 SF	**10**	$2,530	
7%	Studio	Workforce Housing	120%	400 SF	**5**	$2,169	
7%	Studio	Workforce Housing	80%	400 SF	**5**	$1,445	
28%	Studio	Extremely Low Income (ELI)	30%	400 SF	**20**	$1,851	PBV*
18%	Studio	Market Rate	MR	575 SF	**13**	$3,242	
4%	Studio	Workforce Housing	120%	400 SF	**3**	$2,169	
17%	1-Bedroom	Market Rate	MR	744 SF	**12**	$3,909	
4%	2-Bedroom	Workforce Housing	140%	919 SF	**3**	$3,251	
	Total	**Mixed Income**		**36,360 SF**	**71**	**$185,704**	

Contribution to the City of Miami Beach		
Upfront GL Payment	$300,000	
GL Payment	$50,000	(+) CPI with a floor of 2% and roof of 3%
Participation capital events	1%	
Participation in NOI	1%	

Workforce & Affordable	65%
Market Rate	35%

Proposal 2/23/2023 | Original RFP

Tab 3: Project Details and Programming. Option 1, Option 3, and Option 3.

Option 1

Unit mix	Stabalized Rents	
%	# of Units	Unit Type
52%	16	Sudio
42%	13	1 Bedroom
6%	2	2 Bedroom
100%	31	

Workforce	50%
Market Rate	50%

Contribution to the City of Miami Beach: Option 1		
Upfront GL Payment	$300,000	
GL Payment	$50,000	(+) 1.5% Annually
Participation of Capital Events	1%	
Participation in NOI	0%	

Option2

Unit mix	Stabalized Rents	
%	# of Units	Unit Type
52%	16	Sudio
42%	13	1 Bedroom
6%	2	2 Bedroom
100%	31	

Workforce	20%
Market Rate	80%

Contribution to the City of Miami Beach: Option 2		
Upfront GL Payment	$300,000	
GL Payment	$100,000	(+) 1.5% Annually
Participation of Capital Events	1%	
Participation in NOI	1%	

Option 3

Unit mix	Stabalized Rents	
%	# of Units	Unit Type
31%	16	Sudio
25%	13	1 Bedroom
4%	2	2 bedroom
39%	20	1 bedroom (New Construction)
100%	51	

Workforce	20%
Market Rate	80%

Contribution to the City of Miami Beach: Option 3		
Upfront GL Payment	$300,000	
GL Payment	$200,000	(+) 1.5% Annually
Participation of Capital Events	1%	
Participation in NOI	1%	

Original Proposal (Tab 7 Financial Proposal: Renumeration to the City)

	Option 1	Option 2	Option 3
Lease Term	99 Years	99 Years	99 Years
Initial Upfront Payment to the City	$300,000	$300,000	$300,000
Schedule of Guaranteed Rent	$50,000	$100,000	$200,000
	Greater of base rent or 3% of effective gross income	Greater of base rent or 3% of effective gross income	Greater of base rent or 3% of effective gross income
Annual Escalations	1.50%	1.50%	1.50%
Proposed Compensation in connection with any sale or transfer	1% on any 3rd party transfer after the initial sale (or 10 years)	1% on any 3rd party transfer after the initial sale (or 10 years)	1% on any 3rd party transfer after the initial sale (or 10 years)
NOI Participation	0%	1%	1%

Current Proposal

Contribution to the City of Miami Beach	
Upfront GL Payment	$300,000
GL Payment	$50,000
Participation capital events	1%
Participation in NOI	1%

(+) annual escalation of CPI with a floor of 2% and a roof of 3%

Reasons why our current proposal is superior to our original proposal:

- We are offering 6 affordable units in the new construction.
- We are offering a better range of affordable unit types which include.
  - Studio units
  - 2-bedroom units
- We are offering more affordability and a better affordability range of AMI.
  - 30%
  - 80%
  - 120%
  - 140%

Exhibit-E
Proforma

Legacy Real Estate Development, LLC

The Barclay

Summary

Property Details	
Number of Units	71
Number of Buildings	2
Lot SF	30,415 SF
Net Rentable + Lobby	45,403 SF
Residential Rentable SF	37,568 SF
Commercial Rentable SF	6,408 SF
Total Net Rentable SF	43,976 SF
Lobby	1,427 SF
Ammenities + General Spaces	7,283 SF
Efficiency	83%
Average commercial SF/Unit	801 SF
Average residential SF/Unit	529 SF
Net Acres	0.6
Units Per Acre	118.33
Street Adress	1940 Park Ave
City/State/ZIP	Miami Beach, FL

Ground Lease Information	
Iniitial Upfront Payment to the City	$344,000
Base Ground Lease Payment	$50,000
Closing Costs (as % of land value)	1.00%
Closing Costs	$3,440
Landing Closing Date	1/31/2024

Construction Period Information	
Construction Start Date	Month 1
Construction End Date	Month 43
Construction Period	43 Months

Residential Lease - Up Infromation	
Lease - Up Period Begins	Month 42
Property Stabalization	Month 48
Lease-Up Period	6 Months

Commerical Lease - Up Infromation	
Lease - Up Period Begins	Month 42
Property Stabalization	Month 48
Lease-Up Period	6 Months

SF Breakdown	
Parking Area	8,779 SF
Floor 2 GSF	3,669 SF
Floor 3 GSF	3,669 SF
Floor 4 GSF	6,836 SF
Floor 5 GSF	3,669 SF
Floor 6 GSF	3,669 SF
Floor 7 GSF	3,669 SF
Gross Residential Area New Construction	25,181 SF
Gross Floor Area New Construction	33,960 SF
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Floor 2 GSF	9,835 SF
Floor 3 GSF	9,835 SF
Gross Residential Area Original Construction	19,670 SF
Gross Floor Area Original Building	27,505 SF
Gross Residential Floor Area	44,851 SF
Total Gross Floor Area	61,465 SF
Total Gross SF	52,686 SF
Carve out from 1st floor	2,000 SF
Floor Area Inlcuding Parking	**61,465 SF**
Actual GSF	**52,686 SF**

Consturction Finanicng	
Construction Loan Amount	$15,112,410
Loan-To-Cost (LTC)	55%
Interest Rate Index	SOFR
Interest Rate Spread	7.00%
Loan Fee (as a % of loan proceeds)	1.00%
Term Begins	Month 1
Term Ends	Month 43
Term period	42 Months

Permanent Financing Infromation	
Refinance Month	Month 43
Loan Amount	$18,213,087
Cap Rate Used for Valuation	5.75%
Loan-To-Value (LTV)	70%
Going-In DSCR	1.24X
Going-In Debt Yield	8.21%
Interest Rate Index	2.75%
Interest Rate Spread	2.50%
Interest-Only Period	24 Months
Loan Fee (as a % of the Loan Proceeds	1.25%
Amoritization	360 Months

Contribution to the City	
Upfront Payment	$344,000
99 Year Lease Value to the city	$15,155,486
Annual taxes to City of Miami Beach	$207,972

Contribution to the City of Miami Beach		
Upfront GL Payment	$300,000	
GL Payment	$50,000	CPI with a floor of 2% and a roof of 3%
Participation capital events	1%	
Participation in NOI	1%	

Total Cost Details	
Total Project Costs	$27,477,109
Total Project Costs/Unit	$387,002
Total Project Costs/SF	$605
Stabalized Return on Cost	7.30%

Sale Details	
Sale Price	$79,598,788
Sale Price/Unit	$1,121,110
Sale Price/SF	$1,810
Costs of Sale	$1,591,976
Closing Costs (as a % of the Sale Price)	2.00%
Miami Beach Particpation of Capital Event	1.00%
Exit Cap Rate	5.25%
Hold Period	450 Months

Circuit Breaker	
On/Off	Off

Uprfront Ground Lease Payment	$344,000
1st Annual Rental Payment	$52,020
Term:	99 Year
Other partcicipation	1% of any capital event after 10 years
Other particpation	1% of NOI
# of Total Units:	71
# of Affordable & Workforce Units	46
Annual taxes to the city of Miami Beach	$207,972

FAR Needed: 1.73

Sources (Contruction Financing)	
Equity	$12,364,699
Debt	$15,112,410
Total	**$27,477,109**

Sources (Permanent Financing)	
Equity	$9,264,022
Debt	$18,213,087
Total	**$27,477,109**

Uses (Contruction Financing)	
Up Font Payment	$344,000
Closing Costs	$3,440
Hard Costs	$17,856,143
Soft Costs	$5,390,788
Contigency	$2,055,154
Capitalized Interest	$1,575,815
Construction loan Fees	$151,124
Operating Epxense Shortfalls	$100,645
Total	**$27,477,109**

Return Metrics	
Average Stabilized Cash-on-Cash	8.92%
Trended YOC	7.30%
Untrended YOC	6.35%

EXHIBIT B

CIP (CONT.)

PROJECT NAME:	**PLANNING PHASE** **BARCLAY PLAZA (1940 PARK AVENUE)**	***Date: 1-25-24***
	PROJECT NO:	
	Construction Duration	**TBD**
A. CONSTRUCTION COST		
	A.1 New Const.: SPx /SF…………..=	
	A.2 Renovation: 0 SFx $ - /SF…………..=	$ 17,216,000
	A.3 Demolition: …………………………………………………... =	$ -
	A.4 Built In Equipment - Escalators, Elevators, Moving Walks, etc. =	$ -
	A.5 Civil Work - Roads, Aprons, Utilities, etc.	
	A.5.1 Stormwater…………………………………………………=	$ -
	A.5.2 Water………… ……………………………………………=	$ -
	A.5.3 Above Ground…………………………………………….=	$ -
	A.6 Environmental Remediation ……………………………………=	$ -
	A.7 SUBTOTAL A.1 Thru A.6 ………………………………………=	$ 17,216,000
	Cost Source (i.e. Est. resource book, A/E Est., Past Project or other) **Supporting Documents Must be Attached if Available**	
	A.8 Permitting Allowance % of A.7 ……………………………….= 4.0%	$ 689,000
	A.9 TOTAL CONSTRUCTION : A.7 + A.8 + A.9 ………..=	**$ 17,905,000**
B. FURNISHINGS, FIXTURES AND EQUIPMENT (MOVEABLE) ………..=		**$ -**
C. ART IN PUBLIC PLACES (APP)		
	(A.1 + A.4) X 100% X 2%……………………………………=	**$ -**
	(Applies to New Construction, Renovations with a value greater than $250K) **(Excludes Infrastructure Improvement Projects (water/sewer/stormwater) CMB Code 82-536**	
D. OTHER COSTS		
	Professional Fees (DCP) (actual)………………………………….=	$ -
	Design (Actual)……………………………………………………….=	$ 2,066,000
	CA Services (Actual)………………………………………………….=	$ 689,000
	LEED Commissioning Agent 3% of Design Fee (Actual) (if applicable) …...=	$ 62,000
	Constructability, Cost, Value Engineering 2.5% (Actual) (If applicable)	$ 100,000
	Surveys and testing % of A.7 …………………………………….= 1.5%	$ 259,000
	Public Information Officer Services **(ROW Projects $6,000/month) - (Vertical Projects $3,000/month)**	$ -
	RPR Services or CE&I Services (1 FTE)…………………………….= **(ROW Projects $16,700/month)**	$ -
	TOTAL OTHER COSTS …………………………………………….=	**$ 3,176,000**
	PROJECT COST SUBTOTAL	***$ 21,081,000***
E. PROJECT CONTINGENCY ……………………………………………………..=	20%	**$ 4,217,000**
	- CIP Fee ……………………………………………………………= 5.0%	$ 1,265,000
	- GOB CM 1.5% charges based on total GOB Project amount 1.5% (Only applies to GOB Projects)	$ 60,000
	TOTAL FEES……………………………………………………=	**$ 1,325,000**
	GRAND TOTAL =	***$ 26,623,000***

F. REMARKS: *Assumes City Commission waiver of fees associated with the Art in Public Places Program (AiPP).*

Note to Project Manager:

Please be advised that each line item must be evaluated to determine if the cost is applicable to the project. If the cost is not applicable where there is a formula, then you must remove it. If a cost does apply and there is no formula, then it is a field that needs your estimated or actual cost input. You can apply the formula to the cell or type in amount.

EXHIBIT C

Potential Funding: Entitlement Grants & State Programs

As a designated entitlement city, the City of Miami Beach automatically qualifies for an annual allocation of federal funding under U.S. Department of Housing and Urban Development (HUD) grant programs, including the Community Development Block Grant (CDBG) and the HOME Investment Partnership Program (HOME). Both programs serve persons of low- and moderate-income (LMI), defined as household income less than 80% of area median income (AMI) for Miami-Dade County. Thus, any project utilizing these funding sources would require inclusion of tenant households not exceeding 80% AMI.

Community Development Block Grant (CDBG)

Source	Funding Available	Expenditure Deadline	Current Activity	Requirements
CDBG FY17	$ 11.68	10/4/2025	Property Acquisition	• Requires 51% occupancy by low- to moderate-income households.
CDBG FY18	$ 1,386	10/3/2026	Property Acquisition	
CDBG FY19	$ 200,000	10/1/2027	Property Acquisition	
CDBG FY19	$ 2,727	10/2/2027	Property Acquisition	
CDBG FY 22	$ 432,058	9/29/2029	Property Acquisition	
CDBG FY 23	$ 607,866	9/30/2029	Property Acquisition	
CDBG FY 24	$ 607,866	9/30/2030	Expected 10/1/2024	
Total	**$1,851,915**			

Home Investment Partnerships Program (HOME)

Source	Funding Available	Expenditure Deadline	Current Activity	Requirements
HOME FY 16	$ 16,853	9/30/2024	Property Acquisition	• Initial occupancy 60% AMI, with 20% of units at 50% AMI
HOME FY 17	$ 12,751	9/30/2025	Property Acquisition	
HOME FY 18	$ 223,811	9/30/2026	Property Acquisition	
HOME FY 19	$ 43,379	9/30/2027	Property Acquisition	
HOME FY 24	$ 503,970	9/30/2030	Expected 10/1/2024	
Total	**$ 800,765**			

Community Development Block Grant (CDBG) Section 108

Source	Funding Available	Expenditure Deadline	Requirements
CDBG Section 108	$ 4,675,905	6 years	• HUD guarantees of up to five (5) times the annual CDBG entitlement allocation. • Must be repaid over 20 years. Current variable interest rate- 5.63%; one-time fixed fee payment 0.94%. • The source of repayment can be any CDBG funds or other local public or private resources. If the repayment is spread over 20 years using the City's annual CDBG allocation, the total amount withdrawn from that source would be *approximately* $233,795.25. • The application process is *approximately* six to nine months.