ALEXANDER I. TACHMES
PARTNER
Shutts & Bowen LLP
200 South Biscayne Boulevard
Suite 4100
Miami, FL 33131
DIRECT (305) 347-7341
EMAIL ATachmes@shutts.com

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Chairman and Members of the Land Use and Sustainability Committee
City of Miami Beach
1700 Convention Center Drive
Miami Beach, FL 33139

PRIVILEGED SETTLEMENT COMMUNICATION

RE: Clevelander/Essex Project – Meeting with Planning Staff

Dear Mr. Chairman and Members:

We represent the Jesta Group, which owns the Clevelander and Essex House hotels in Miami Beach. As you are aware, in an attempt to settle our litigation with the City, we are proposing to abandon our CUP for outdoor live entertainment, close the largest outdoor bar on Ocean Drive and invest hundreds of millions in the development of a luxury residential and hotel project that will be the catalyst to transform Ocean Drive to a more balanced neighborhood. We appreciate the productive discussion of our item during the most recent meeting of the Land Use and Sustainability Committee and the positive and intelligent dialogue we have had with you and various community groups over the past several months.

In response to the direction of the Committee, Planning Staff met with our client, architects and other team members on a video call two weeks ago. Based on our discussion at Land Use, we were looking forward to having a collaborative working session with Planning Staff relating to our unique project. While we sincerely appreciate the time that Planning Staff spent with us, the meeting was not the "hands-on" working session we were envisioning. Planning Staff generally told us that they had already reviewed the concept of additional height on Ocean Drive and Collins Avenue several years ago and could not support any new construction on either the Clevelander or the Essex exceeding 75-feet in height. Planning Staff generally approached our discussion as a meeting to consider a generic development proposal in MXE, without regard to the special factors involved in our case.

Considering that our current proposal for a settlement is 150 feet in height for our project (down substantially from our current Live Local project application which is at 200 feet), we are too far apart from Staff's position proposing a maximum height of 75 feet. It is our view that, among other factors, the neighborhood context studies showing buildings within 2 blocks of our

project at 12 stories (Council Towers) and 159 feet (The Tides Hotel) support the height compatibility of our proposed project.

As one last effort to find a collaborative approach to this redevelopment, we have taken the last two weeks to once again revise our development massing in an attempt to eliminate as much height as is commercially reasonable. We will display this latest massing study to you at the upcoming May 1 Land Use and Sustainability Committee.

If you would like to discuss this matter further or have any questions, we are happy to speak with you at any time. Thank you.

Sincerely,

Shutts & Bowen LLP



Alexander I. Tachmes

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