

Exhibit B

11/30/18

FCWPC Memo

MIAMI BEACH

COMMITTEE MEMORANDUM

TO: Finance and Citywide Projects Committee Members

FROM: Jimmy L. Morales, City Manager

DATE: November 30, 2018

SUBJECT: **DISCUSSION REGARDING THE PARKING GARAGE/RETAIL DEVELOPMENT PROPOSAL, INVOLVING CITY-OWNED PARKING LOTS IN NORTH BEACH, SUBMITTED BY NORTH BEACH TOWN CENTER DEVELOPMENT, LLC, AN AFFILIATE OF PACIFIC STAR CAPITAL, LLC**

HISTORY:

North Beach Town Center Development, LLC ("Developer" or "NBTC") initially proposed for the City to convey two of its Parking Lots (P80 and P84) in North Beach to the Developer, in exchange for the Developer's conveyance to the City of a separate, stand-alone public parking garage unit or structure, which would be constructed as part of the Developer's proposed mixed use project between Abbott Avenue and Byron Avenue. The City currently owns the five parcels outlined in red on Exhibit "A" (Parcel Map), which contain 83 surface parking spaces, and the Developer owns the parcels outlined in yellow. The Developer would convey its five parcels outlined in blue to the City for use for the Town Center Garage.

The appraisal submitted by the City's appraiser estimated the value of the two City parking lots at \$10 million, and the value of the Developer parcels at \$9.2 million, resulting in a variance of \$800,000 between the City properties and Developer properties.

Until April 6, 2018, Developer's concept plan for the Project assumed that Developer would have ownership of property the Developer currently does not own (the Prima Pasta site). The prior versions of the term sheet reviewed by Finance and Citywide projects Committee (FCWPC) at its February 23, 2018, March 13, 2018, and March 26, 2018 meeting, involved, among other terms, the following:

1. An exchange of Developer and City parcels, with developer to pay the City at closing for the difference in the appraised values between the properties being exchanged;
2. The project would be developed as two separate building structures, to include 126,627 SF of retail use and **459 parking spaces**, with 359 parking spaces to be owned and operated by the City as a municipal parking garage, and **100 parking spaces to be owned and operated by the Developer** for the benefit of its retail tenants;
3. **City to provide limited two hour free parking rights at the municipal parking garage for up to ten (10) years** for the benefit of Developer's retail tenants, through a parking validation system, with Developer to make operating payments to the City, to replace lost revenue and the

estimated losses that the City anticipates would be experienced at the garage as a result of the two hour free parking;

4. City to pay Developer for the City's portion of the design and construction costs for the Project, pursuant to **separate stand-alone contracts for design and construction** of the City garage, to avoid a commingling of funds and a separation of responsibilities (including separate performance bond, etc.) for the City's portion of the project; and
5. The garage would be designed in accordance with City's design criteria for convertibility to other uses (to take into account anticipated continued declines in parking demand), with no convertibility in the first ten years following the opening of the garage, and thresholds (limits) on any potential conversion by the City, between the tenth and twentieth year following opening of the garage; and
6. At completion of construction, at which time the garage project would be condominiumized, with the City to own the City parking garage condominium unit, and Developer to own the remaining condo units within the garage for retail and loading.

At the April 11, 2018 City Commission meeting, consideration of the proposed transaction was deferred, as the Developer submitted that he no longer anticipated having control of the Prima Pasta site.

On July 19, 2018, following months of discussion of the various issues raised by Developer's new proposal (which would not include the existing Prima Pasta site), NBTC provided a revised Concept Plan and a Summary of Land Swap and Retail Condo Values as well as a revised term sheet on July 20, 2018. The terms of the proposed transaction were discussed at the July 27, 2018 FCWPC meeting. The FCWPC was unsatisfied with the proposed transaction and advised the Developer to reconsider the proposed terms and conditions and to provide its best and final offer.

Subsequently, the City has met multiple times with the Developer, its legal counsel and architects. On November 7, 2018, the Administration met with NBTC to discuss its latest submittal. Following multiple exchanges, **the Developer has provided its best and final offer attached hereto as Exhibit "B"**. Also, the Revised Concept Plan and Summary of Land Swap and Retail Condo Values are attached hereto as Exhibits "C" and "D".

ANALYSIS:

Some of the noteworthy changes from prior versions of the term sheet reviewed by Finance Committee include, but are not limited to, the items below:

(1) The Developer is now proposing for the project between Abbott Avenue and Byron Avenue to be constructed as a single building structure (as opposed to two building structures) with condominiums containing 80,378 s.f. of retail owned by the developer. The City has the option of paying for the development rights (for spaces on Developer's site) and for the cost to design and construct either (1) a 358 parking space garage; or (2) a 479 parking space garage, with all of the parking spaces to be owned and operated by the City (and, as set forth more fully below, with Developer not providing, or paying for, the design or construction costs of, any parking spaces dedicated for its retail tenants). The single structure of retail and parking would no longer be considered a main use garage. After the proposed swap, the underlying land would remain separately owned by Developer and the City until the project is completed and condominiumized.

Noteworthy, the retail portion of the project was 50 percent larger in earlier versions than in the current term sheet, which likely would have resulted in significantly greater economic impact in North Beach.

(2) Instead of Developer providing a minimum of 100 parking spaces, which would be located on the 2nd floor and dedicated to the grocer tenant, **Developer has proposed that it be responsible for zero parking spaces for the entire project, with the City to pay for the entire cost of all parking to support Developer's mixed use project.** Instead, Developer has proposed to build approximately 41,000 SF of retail space on the entire 2nd floor, with parking to now be located on Floors 3, 4 and the roof (358 space option), or on Floors 3, 4, 5 and the roof (479 space option).

The Cost of the 358 Space City Parking Garage Option

Due to the configuration of the parking, under the 358 space option, the City would now pay the Developer \$3,201,000 for the real estate value of the parking condo unit located on Developer's parcel. The City would receive from the Developer \$2,519,965 for the real estate value of the retail condo unit located on City's parcel, and \$800,000 for the higher value of the City's parcels for the land swap. This results in a developer net payment to the City in the amount of \$118,965, which will slightly offset the City's \$12,172,000 construction cost of the garage.

Accordingly, the net out-of-pocket cost to the City for the 358 spaces is \$12,053,035 (\$33,668 per space) versus \$10,459,680 (\$29,136 per space) for 359 spaces under the prior proposal, resulting in a significantly more expensive project for the City.

The Cost of the 479 space City Parking Garage Option

Due to the configuration of the parking, under the 479 space option, the City would now pay the Developer \$4,268,000 for the real estate value of the parking condo unit located on Developer's parcel. The City would receive from the Developer \$2,519,965 for the real estate value of the retail condo unit located on City's parcel, and \$800,000 for the higher value of the City's parcels for the land swap. This results in the City owing the Developer a net payment of \$948,035; however, the Developer has agreed to waive this payment.

Accordingly, the net out-of-pocket cost to the City for the 479 spaces is \$16,286,000 (\$34,000 per space) versus \$10,459,680 (\$29,136 per space) for 359 spaces under the prior proposal, resulting in a significantly more expensive project for the City.

(3) In earlier FCWPC meetings, the Developer proposed the City provide up to ten (10) years of two-hour free parking. As presented at the July 27, 2018 FCWPC meeting, the Developer proposed the City provide 2-hour free parking for up to 20 years through a ticket validation system, with the Developer paying for any operating losses in the Town Center garage in addition to an annual contribution of \$66,000 for replacement of the revenue associated with the City owned lots. Commencing in the 5th year, instead of Developer making validation payments for the full amount of tickets validated if retail occupancy exceeds 70%, Developer proposed to make validation payments if retail occupancy exceeded 90%, a significantly higher threshold. **The Developer's current proposal includes a ticket validation system for the benefit of Developer's retail tenants. The Developer shall pay the cost of procuring and implementing the validation system for developer's retail tenants. The developer shall pay, on an annual basis, an amount equal to the amount of all tickets validated for Developer's retail tenants, at the City's generally applicable garage parking rates.**

(4) In earlier term sheets, the Developer provided for flexibility for the City to convert the garage to other purposes after ten (10) years if parking utilization falls below specified thresholds (limiting City), **but the City had the ability to convert the garage after 20 years in its sole discretion.** At the July 27, 2018 FCWPC meeting, the Developer proposed convertibility of the garage only after a minimum of 20 years, and the Developer proposed that, if the City decided to convert the garage based on agreed upon occupancy thresholds, the Developer would have a right of first refusal to purchase the to-be-converted areas at fair market value, without regard to any other public uses that the City Commission may contemplate for such spaces. The Developer currently proposes convertibility of the garage only after a minimum of 10 years, and only in the event total transient (hourly) transactions are less than certain specified thresholds "Convertibility Thresholds" as follows:

a. A decrease of 50% or more in Garage Occupancy in any one year period, as compared to Garage

Occupancy for any other one (1) year period since the Opening Date, based on hours of operation between 10AM and 6PM; or

b. A decrease of 10% or more in Garage Occupancy, in each of three consecutive years, as compared to any one (1) year of Garage Occupancy since the Opening Date, based on hours of operation between 10AM and 6PM; or

c. Any year in which Garage Occupancy during the year consists of a total number of transient (hourly) transactions of less than 40,000 transactions.

The Developer shall have a right of first refusal to purchase the to-be-converted area at Fair Market Value, after Year 10. After Year 20, Developer shall have a right of first refusal to the purchase of the to-be-converted area at Fair Market Value, only if the City decides to sell the property.

(5) The Developer's current term sheet now includes accommodations in an effort to allow the Prima Pasta restaurant to continue to operate. These accommodations are pending ongoing refinement by NBTC, and are subject to review by the Fire Department and Building Department. The Administration has not confirmed whether Prima Pasta is satisfied that these provisions sufficiently protect Prima Pasta's interests.

(6) At the request of the City, NBTC has modified the concept plan to provide for a single delivery/service drive from Abbott Avenue to Byron Avenue, to address the loading concerns previously raised by the Planning Department on multiple occasions.

(7) The Developer's current proposal is for the project to be built as a single building structure, on land that is both publicly owned and privately owned, with the project to be condominiumized at completion. This legal structure is significantly different from the prior proposal, which contemplated the City garage being built as a separate structure, pursuant to a separate stand-alone construction contract, on separately owned land. The new structure raises certain complexities in connection with lender financing (as the project will partially be built on public land and cannot be liened or mortgaged) and in the event the Developer defaults.

Given the Developer's proposed structure, Developer has agreed that (1) the entire project between Abbott Avenue and Byron Avenue cannot be liened or encumbered; (2) Developer's construction loan will identify collateral other than the Project, (3) Developer has further agreed that as a condition of closing, Developer will provide evidence of lender's agreement to continue to fund the project (and thereby provide a "completion guarantee") in the event the Developer defaults and the lender forecloses on that separate collateral; and (4) the Developer entity will be constituted as a "bankruptcy remote" entity with independent directors, to ensure that any decision to seek bankruptcy protection is made in good faith and is not arbitrary. In this regard, although as discussed more fully below, the Administration's preference is for a structure that involves less development risk to the City (i.e., sell the City parcels to the Developer and be paid the full appraised value at closing (\$10 million), with the City to purchase the City parking condominium unit upon completion of the Project, so that City's funds are not expended until the City is assured that the parking units would be completed and delivered to the City), the Developer has attempted to address the City's issues to the extent possible.

On July 20, 2018, the Developer submitted an Economic Assessment prepared by the RMA Economic Development Department (RMA) on behalf of Pacific Star Capital (Exhibit "E"). In summary, the highlights of the economic impacts of the Developer investments estimated by RMA are as follows:

- The estimated Ad Valorem impact to the City of Miami Beach for the project is estimated at \$312,333 in the first year, and \$3.5 million over 10 years.

- The proposed City investment is \$9,758,480. This investment will result in both direct, and more importantly indirect and stimulated economic benefits for North Beach and the City. The total estimated cost of the project is \$80 million, which will have a positive economic impact of over \$92 million during construction. Following construction, the project will include retail, restaurant, office and residential uses which will generate over \$59 million annually in the local economy.

- This economic activity will include an estimated almost \$50 million annually in retail sales. This is retail spending that without this project, would likely occur outside of Miami Beach.
- The project is estimated to generate \$1.115 million in Building Permit Fees and \$863,682 in Transportation Concurrency Fees, in addition to \$220,000 in Art in Public Places funding. [Note: Building fees offset the cost of building permitting and inspection services and, therefore represent no net revenues to the City. Transportation Concurrency fees similarly represent the development's share of transportation improvements associated with the number of trips generated by the development.]

The report also puts forward the premise that other projects will follow this project and may easily represent an additional \$81 million in new investment into the area, creating new residential units and business opportunities, and supporting the City's tax base with an additional +\$8 million in Ad Valorem Taxes over the next twenty years. The report has not been updated for the more recent changes.

Concerns

While the Administration and the Developer have made progress in certain regards, there are still noteworthy concerns, and deviations from prior versions of the term sheet reviewed by the Finance Committee including, but not limited to, the items below:

(1) The Developer is no longer providing any parking spaces to support the Developer's project, which currently consists of 80,378 SF of retail space, including a 30,151 SF grocery tenant. The Administration is concerned that it would be spending \$12.053 million (358 space option) or \$16.286 million (479 space option) for construction of all of the parking for this project, with the possibility that there will be no excess parking to serve the surrounding community, beyond the parking that is, as a practical matter, required to serve big box tenants and a grocery tenant (358 space option).

- Based on practical requirements of 3 spaces/1,000 SF for typical retail tenants and 5 spaces/1,000 SF for the grocery tenant, the parking requirement is 301 spaces just to support the on-site tenants. Therefore, under the 358 space option, most of the parking spaces paid for and owned by the City are just to support the Developer. Inclusive of the 83 spaces lost from existing City lots that serve Prima Pasta and the Byron Carlyle, this results in a **net deficit of 26 spaces** in the area due to the development. Under the 479 space option, inclusive of the 83 spaces lost from existing City lots that serve Prima Pasta and the Byron Carlyle, there is only a **net gain of 95 spaces** in the area due to the development.

Under the March 26, 2018 term sheet reviewed by FCWPC, the Developer was providing and paying for 100 of the spaces, 21.7% of the 3.77 spaces/1000 sq. ft (459 space/121.693 sq. ft). Under the 358 option in the current term sheet, the City would be paying for 100% of 4.45 spaces/1000 sq. ft (358/80.378) and even more under the 479 option.

- Developer compares this project to Sunset Harbour, but as noted below, the vast majority of Sunset Harbour garage was additional parking to support future development. In addition, Sunset Harbour garage also does not service a large, big box retailer or grocery store. The two grocery stores nearby have their own, dedicated parking.

Sunset Harbour garage contains 439 total parking spaces and only 30,000 SF of retail space. The Sunset Harbour transaction anticipated retail demand at 4.3 spaces/1,000 SF, (or 130 parking spaces) leaving 309 spaces for general municipal use. **This contrasts with the Town Center Garage, where the entire 287 spaces result in 3.6 spaces/1000 SF of retail, and which will likely result in net deficit of spaces to the surrounding community. Even if the Developer provided the 100 spaces as originally proposed, this would result in 4.8 spaces/1000 SF of retail and would likely not provide any excess parking for the area.**

The RMA study contends that due to low car ownership in the area, use of trolleys, etc., the parking demand by the retail will be less, thus providing excess parking spaces that will be needed by the North Beach Master Plan.

(2) Developer now proposes no free parking rights with the Developer paying for the validated parking. The Administration is in agreement with this provision.

Updated pro formas for the proposed NBTC garage based on revenues and expenditures similar to Sunset Harbour, and at 100% occupancy as proposed by the developer, as well as with and without 2-hour free parking are shown in Exhibit "F", resulting in a net profit prior to depreciation of \$79,000 and \$235,000 for the 358 and 479 options, respectively. Comparatives to Sunset Harbour, Collins Park and Alton and 5th are shown in Exhibit "G".

(3) Developer proposes no convertibility of the garage for a minimum of 10 years, and only in the event total transient (hourly) transactions are less than certain specified "Convertibility Thresholds". As noted above, prior term versions provided for convertibility without limitation after 20 years.

The RMA quotes Walker Parking Consultants that parking demand will remain at 100 percent through 2049, despite impacts from ride share networks or autonomous vehicles, due to demand growth in the area, in which case, the Developer should consider convertibility a low risk scenario. The RMA also quotes Walker Parking Consultants that designers and operators should also consider flexibility in parking facility design, allowing for the adaptive reuse of spaces into non-parking land uses.

(4) The Administration previously recommended that the term sheet include the terms for accommodating the Prima Pasta access, life safety, loading, grease trap/utilities, waste removal and related issues. The Developer has included considerations for these items in the term sheet and concept plan. Terms should be confirmed with Prima Pasta to ensure there are no material objections. Life Safety and related issues must be confirmed by Fire and Building.

(5) While the proposed term sheet has addressed the potential bankruptcy issues, the structure is complex and may involve the City taking on more development risk that may be necessary for the City to participate in the project. Although the developer has general real estate experience and appears to have the financial wherewithal to proceed with the project, the Developer does not appear to have any prior experience with the development of a public project. A simpler alternative structure could be for the City to sell the City parcels to the Developer and be paid the full appraised value at closing (\$10 million), with the City to pay the full value of the City parking condominium unit upon completion of the Project, so that City's funds are not expended until the City is assured that the parking units would be completed and delivered to the City. Developer does not agree to the proposed alternative.

CONCLUSION:

Given that the City would be utilizing \$10 million in land value and incurring \$12.053 million in construction costs for 358 spaces that could potentially primarily serve this retail development, along with the loss of surface lot spaces, the Administration would not recommend proceeding with this project on its merits solely as a parking garage project. The Developer argues that the City's investment is critical for this project to move forward, and therefore serve as a catalyst for economic activity in North beach. There is no question that North Beach has lacked economic development for many years. The City has attempted to provide incentives through the increase in FAR in Town Center and the North Beach Town Center overlay. If the FCWPC determines that the proposed project provides a significant economic development benefit to the City sufficient to offset the costs and risks outlined above, the Developer has proposed the terms as outlined in the attached Term Sheet. In determining whether to proceed with the project, the FCWPC should take into account that the construction costs would use much of the available parking funds except for \$5 million in mid-beach parking impact fees, and therefore, proceeding with this project would mean that the City will not have sufficient parking funds to contribute to, or develop, any other parking projects for the foreseeable

future except in mid-beach.

The Administration seeks direction from the Finance and Citywide Projects Committee.

ATTACHMENTS:

Description	Type
☐ Exhibit A - Parcel Map	Memo
☐ Exhibit B - November 21, 2018 Term Sheet (Best and Final)	Memo
☐ Exhibit C - Revised Concept Plan	Memo
☐ Exhibit D - Summary of Land Swap and Retail Condo Values	Memo
☐ Exhibit E - Economic Assessment	Memo
☐ Exhibit F - NBTC Garage Pro Forma	Memo
☐ Exhibit G - Comparative Pro Forma	Memo

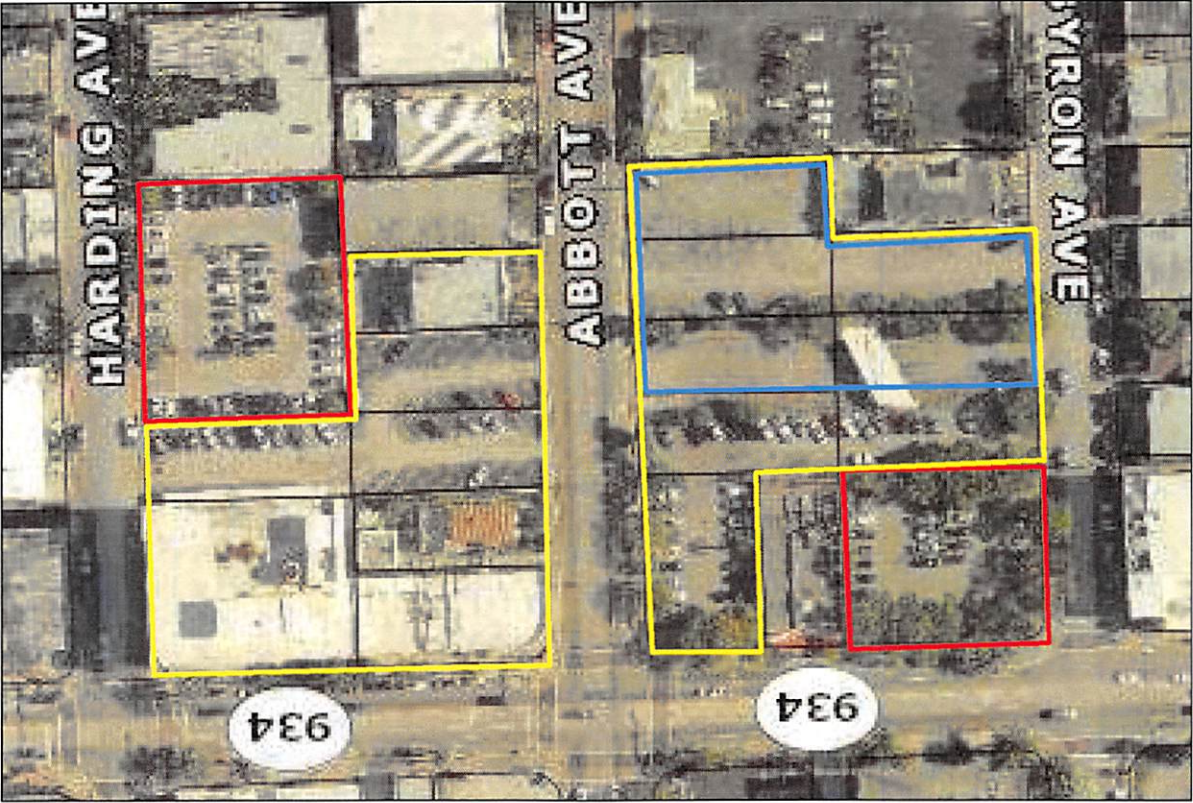


Exhibit A

71st Street Town Center Development Term Sheet

A. The Project

1. The City currently owns the five parcels outlined in red on Exhibit "A" which contain 83 surface parking spaces. North Beach Town Center Development, LLC ("Developer") owns the parcels outlined in yellow on Exhibit "A."

2. The portion of the project between Abbott and Byron would consist of one structure, consisting of 80,378 SF of retail in two stories (the "Developer Uses") and a garage with approximately 358-spaces.¹ Approximately 358 of the parking spaces would be gated public parking spaces in a City-owned parking structure (the "Town Center Garage").² The Town Center Garage property would include approximately 19,633 sq. ft. ground floor retail and loading space (and mechanical rooms) and 14,065 sq. ft. of space on the second floor for the use of Developer. The single structure will be a condominium similar to the garage and Shops at Sunset Harbor; one condominium unit will be the portion of the garage owned by the City (the Town Center Garage) and the other units will be the remaining portions of the building which will be owned by Developer.

3. The portion of the project between Abbott and Harding would consist of existing office buildings at 42,456 SF, and new a 134-unit residential building with 42,538 SF of ground floor retail uses and a 275-space parking garage, to serve the residential building and office tenants. City's participation in the project between Abbott and Harding would be limited to City's conveyance of the City-owned property located therein.

4. The City would convey its five parcels to Developer, and Developer would convey its parcels outlined in blue on Exhibit "A" to the City (the "Developer-to-City Parcels"), for use for the Town Center Garage as more particularly described in Section E and the development agreement.

5. Developer will be responsible for designing, developing, permitting and constructing the Town Center Garage, with the City to reimburse Developer as provided in Section B.2 below.

6. Once the Developer completes the construction of the Town Center Garage, the City will condominiumize the City-owned parcels (outlined in blue in Exhibit "A"), with the City to own the Town Center Garage, and the Developer to own the approximate 19,633 sq. ft. ground floor retail and loading space (and mechanical rooms) and 14,065 sq. ft. second floor space of the Town Center Garage.

¹ The Developer will reimburse the City for operating expenses and common area maintenance (CAM) for the Developer's condominium units per terms in a condominium declaration to be created per the Development Agreement between City and Developer.

² City has option to increase the parking count to 483 parking spaces by adding another floor of parking to the parking structure. The cost of this structure would be \$16,422,000.

B. Financial Terms

1. **Developer's Payments to the City.** In consideration for the various benefits the Developer will receive as part of the transaction, the Developer will pay the City a total purchase price of \$118,965, consisting of the following:

a. \$800,000, consisting of the difference in the appraisal values between the City's parcels and the parcels the Developer will convey to the City (City's properties are appraised at \$800,000 higher than Developer's parcels).

b. \$1,570,640 at the appraised value of \$80/SF, for Developer's purchase of a condominium unit for the approximate 19,633 SF retail space and loading and mechanical and trash compactor area (consisting of 4 loading spaces and 1 trash compactors) (the "Retail Condominium Unit") on the first floor of the Town Center Garage.

c. \$949,325, at the appraised value of \$65/SF, for Developer's purchase of a condominium unit for the approximately 14,065 square foot retail space on the second floor of the Town Center Garage (the "Second Floor Condominium Unit").

d. \$3,201,000, at the appraised value of \$40/SF, as a credit to Developer for City's purchase of a condominium unit for the approximately 80,025 square foot space on the third and fourth floor and roof of the Town Center Garage (the "Garage Condominium Unit").

e. The City will provide a ticket validation system, for the benefit of Developer's retail tenants in the Developer's Retail Condominium Unit and Second Floor Condominium Unit (the "Retail Tenants"). Developer to pay for the costs associated with procuring and implementing the validation system for the Developer's Retail Tenants. Commencing on the date the Town Center Garage is in operation and open to the general public ("Opening Date"), the Developer shall pay an amount equal to the amount of all parking tickets validated for the Retail Tenants during such calendar year (the "Validation Payment"). (The Validation Payment shall be calculated at City's generally applicable garage parking rates, as the same may be amended from time to time. City to provide the amounts due for the Validation Payment for any given year, within thirty (30) days following the end of the year, and Developer shall pay the Validation Payment within thirty (30) days thereafter. .

g. Developer to pay the City 1.5% of construction costs for the Town Center Garage (approximately \$222,000), as required by the Art in Public Places (AiPP) Ordinance, set forth in Section 82-587 of the City Code. Such Funds to be used for the City Parking Garage or in the vicinity of the Town Center Garage, on City-owned property or City-owned rights-of-way, for public viewing. The Developer shall pay the Public Art Contribution to the City no later than thirty (30) days after the Developer obtains all necessary Building Permits for the Developer's Project. The City will pay for its portion of the AiPP Fee for its parking structure.

h. In addition to covering the expenses in Section B.1.e above, Developer to pay Developer's proportionate share of common area maintenance, including Developer's proportionate share of capital improvements for repairs to common areas ("CAM"), for the condominium units through a Declaration of Condominium (final terms re: condominium to be determined in the Development Agreement).

i. Developer to pay all of City's outside attorneys' fees and transaction costs, as referenced more fully in Section E.5 below.

j. Developer to provide an additional public benefit in the form of an annual payment of \$25,000 for five years following the issuance of all necessary building permits for the Developer's project, to be applied toward after school programs at Biscayne Elementary School.

2. City's Payments to the Developer.

a. The City will pay Developer for the design, permitting and construction of the Town Center Garage, with a construction cost cap in the not-to-exceed amount of \$34,000 per space. Net of the payments due from the Developer under Section B.1 above, City to pay the Developer the not-to-exceed amount of \$12,053,035 to design, permit and construct the Town Center Garage (the "City Costs").³

b. Following substantial completion of the first and second floor of the Town Center Garage, the City will reimburse Developer for the City Costs, based on the progress of construction work completed for the Town Center Garage. The City shall not be responsible for the disbursement of any sums in excess of the City Costs, except for City-requested change orders, or if not requested, change orders approved by the City Commission. Should the Developer's actual total design, permitting and construction costs be less than the \$34,000 per space charge to the City (excluding the payments due from the Developer), Developer will receive credit for 1/2 of any such cost savings against amounts due under Section B.1.e above.

c. Developer to separately identify the schedule of values and the costs incurred for the Town Center Garage, and shall track all City Costs separately from the schedule of values or costs incurred for other portions of the Developer's project. The City Costs shall not include the costs to design, permit and construct the interior of the Retail Condominium Unit(s) (such costs shall be the sole responsibility of the Developer).

C. Design and Construction of the Town Center Garage.

1. The Developer and the City will work cooperatively to seek approval of the design and development of the Town Center Garage. The Developer will be responsible for submitting any required applications for development approvals, and for securing any and all final, non-appealable development approvals and permits.

2. The City shall have review over, and final approval of, the design and construction plans and specifications for the Town Center Garage to ensure that the Improvements are designed to meet the City's needs and standards. The City shall require a copy of all actual cost estimates, plans, and construction related contracts prior to and during construction.

3. The Town Center Garage will be designed in a way that the Garage Condominium Unit can be converted to other uses after an initial period of twenty years. Developer's charges include the costs associated with the City's design criteria for accomplishing a potential future conversion. Design criteria for conversion to future use will include the following: increased floor-to-floor heights (minimum ten foot clear); maximized flat area floor plates; reduced vehicular ramp footprints in order to minimize future non-convertible areas; structural design to accommodate change of use (increased loading); inclusion of vertical plumbing/waste chases or core for future use; larger elevator shaft to accommodate future cargo elevator and utility connection points for future use.

4. Commencing on the tenth anniversary of the Opening Date, if the total transient (hourly) transactions at the Town Center Garage ("Garage Occupancy") is less than any one of the three thresholds set

³ The final net not-to-exceed and net per space amounts set forth in Section B.2.a. shall be proportionately adjusted based on the final number of public parking spaces in the Town Center Garage, final size of the ground floor retail space and the final size of the loading and trash area. Specifically, design revisions, such as internalization of loading, or incorporation of City's design criteria for potential future conversion of the garage, may result in fewer total parking spaces at the Town Center Garage.

forth below in Subsections C.4.a, C.4.b, or C.4.c (each, a "Convertibility Threshold"), then the City has the right to convert any floor above the second floor of the Town Center Garage to another use if any Convertibility Threshold is met in any given year. The Convertibility Thresholds are as follows:

- a. A decrease of 50% or more in Garage Occupancy in any one year period, as compared to Garage Occupancy for any other one (1) year period since the Opening Date, based on hours of operation between 10AM and 6PM; or
- b. A decrease of 10% or more in Garage Occupancy, in each of three consecutive years, as compared to any one (1) year of Garage Occupancy since the Opening Date, based on hours of operation between 10AM and 6PM; or
- c. Any year in which Garage Occupancy during the year consists of a total number of transient (hourly) transactions of less than 40,000 transactions.

5. If the City makes a determination in writing that the City is going to convert one or more floors of the Town Center Garage (the "Converted Area"), the Developer shall have a right of first refusal to purchase the Converted Area at Fair Market Value, after Year 10. After Year 20, Developer shall have a right of first refusal to the purchase of the Converted Area at Fair Market Value, only if the City decides to sell the property.

6. The Developer shall deliver, for the City's review and approval, an estimated budget for the total cost (i.e. hard and soft costs) of the Town Center Garage, which budget shall be based upon the City-approved design and construction plans and specifications. In no event shall the City be responsible for costs in excess of the City Costs, nor shall the City have any obligation to pay any amounts in excess of the City Costs. At its sole option and discretion, the City may retain a consultant (i.e. such as a professional cost estimator) to verify the Developer's total estimated cost, with the cost of the consultant to be paid for by the Developer. Developer shall provide copies of all actual costs and invoices.

7. The Developer shall enter into a stand-alone fixed sum or Guaranteed Maximum Price agreement with an architect and a contractor (the "Contractors") to construct the Town Center Garage and Retail Condominium Unit and Second Floor Condominium Unit. The Developer shall select the Contractors pursuant to a competitive procurement process which will be developed, initiated, and overseen by the Developer; provided, however, that the City shall have the right to approve the recommended Contractors, which approval shall not be unreasonably withheld, and which approval shall be based upon mutually acceptable criteria for the contractor's qualifications and record of performance for a comparable project. The City shall also have the right to review and approve the contract with the selected General Contractor prior to such Contract being executed between the Developer and General Contractor.

8. The Developer shall provide, and shall cause its General Contractor to also provide, warranties, indemnities, and insurance in favor of the City. Prior to commencement of construction, the Developer shall cause the General Contractor to furnish City with a performance bond and payment bond, in a form acceptable to the City Attorney, and naming the City and the Developer as co-obligees. Developer and construction contractor shall ensure no liens are filed on City's property. The construction contract must be assignable to the City (i.e., in the event the Developer defaults), and City shall be a third party beneficiary to the construction contract.

9. The Developer shall develop a plan for construction staging in order to minimize disruptions to the area in the vicinity of the Town Center Garage. Such plan shall be subject to the City's prior approval, which shall not be unreasonably withheld, conditioned or delayed.

10. As a condition to closing of the swap of parcels referred to in Section A.4 above, Developer will provide the City with the term sheet or similar agreement executed between the Developer and the construction lender, which agreement shall be in form and substance satisfactory to the City Manager, to

ensure that, notwithstanding any default on the part of the Developer under the construction loan, the construction lender will continue to fund construction of the Project.

D. The Operation of the Town Center Garage.

1. The City will operate the Town Center Garage as a municipal parking garage. City to have a validation system for customers of retail tenants on Developer's property. Developer to pay for the costs of implementing the validation system for the benefit of its tenants.

2. The City will make available to North Beach residents monthly parking permits for the Town Center Garage, in the same manner as provided for residents in other City parking garages.

3. The Declaration of Condominium and/or Reciprocal Easement Agreement will, among other things, allocate CAM costs between the Developer and the City and grant appropriate easements between the Developer's project and the Developer's condominium units within the Town Center Garage and the Town Center Garage for access and circulation, including any easements and other rights necessary to allow the Developer's Retail Tenants to (i) utilize the ramp(s) and drive aisles within the Town Center Garage in order to access spaces on the Developer's Property, the Developer's Retail Building, and the parking spaces within the Town Center Garage; and (ii) access and use of Retail Condominium Unit and Second Floor Condominium Unit. In addition, the Declaration of Condominium and/or Reciprocal Easement Agreement shall expressly provide that, if the City repurposes the Town Center Garage in the future for non-parking uses, the easement rights granted to the Developer in the Declaration of Condominium and/or Reciprocal Easement Agreement shall nevertheless continue undisturbed, and the Developer shall assume the responsibility of maintaining in good condition and repair and in accordance with the Reciprocal Easement Agreement and/or Declaration of Condominium at the Developer's sole cost and expense, any easement areas that the Developer continues to require for its uses, but which, due to such repurposing, are no longer required for the City's uses, or if agreed in the Development Agreement, at City's option, such easement areas that are or become a separate condominium unit(s) may be conveyed by the City to the Developer for an agreed purchase price and the Developer will thereafter maintain such condominium unit(s) in good condition and repair in accordance with the Declaration of Condominium.

E. Other Terms.

1. The Closing for the exchange of properties shall take place within 30 days following the satisfaction of the following conditions: (i) the City Commission's adoption of all necessary amendments to the City's Comp Plan and Land Development Regulations required for the Project; (ii) the City Commission's appropriation for the City Costs to be paid to the Developer for the design, permitting, and construction of the Town Center Garage; (iii) issuance of all final, non-appealable development approvals for the Developer's Project; (iv) evidence of Developer equity and financing commitments sufficient to complete the Developer's overall project; and (v) an opinion of the City's Parking Bond rate consultant, as required by the bond covenants in the City's Parking Bond Resolution, that the transaction will not have a material adverse effect on the net revenues of the Parking System. Developer will not subject the Developer-to-City Parcels to any lien or mortgage. Developer can use other properties for collateral in a construction loan to build the project. Developer represents to City that Developer has adequate sources of capital fully to fund all of its obligations pursuant to this Term Sheet, and acknowledges and agrees that, during construction of the Project, it will have no right, power or authority to encumber, or to expose to any lien or encumbrance, any portion of the Project between Abbott and Byron, including, without limitation, any interest in any improvements thereon. Developer may terminate the Development Agreement for its convenience prior to the Closing, and in such event, neither party shall have or owe any further obligation to the other party.

2. At Closing, Developer to pay the City (i) the \$800,000 for the difference in the appraised value of the land, as set forth in Section B.1 above. The payments from Developer in subsections B.1.b and B.1.c

will be applied as credits against the amounts the City is otherwise obligated to pay the Developer for the design and construction of the Town Center Garage, as set forth more fully above in Section B.

3. The Development Agreement shall include permitted uses/prohibited uses for the Developer project, along with provisions regarding a quality tenant mix. Developer to provide, at its expense, loading corridor for 71st Street shops including Prima Pasta to access Byron, as shown on submitted site plan, and Developer will also provide a grease trap for Prima Pasta. Prima Pasta shall not have to pay any ongoing access or use fees.

4. Prior to the completion of the Project, any transfer of the property by the Developer (except a transfer to a related company) shall require approval by the City Commission. [Transfer/assignment provisions post-completion of Project to be further discussed, as (1) any successor in interest to Developer must assume all ongoing obligations of Developer, i.e., as to Operating Payment, Validation Payment, and any other post-completion obligations, and (2) City needs to ensure that any successor owner has financial wherewithal to deliver on obligations].

5. Developer reaffirms its commitment, pursuant to the Reimbursement Agreement dated on or about February 18, 2018, to pay for the City's transaction costs, including outside counsel, for the Project.

6. The Developer shall obtain the full building permit for the Town Center Garage within 24 months following the execution of the Development Agreement, subject to tolling in the event of litigation and/or force majeure. Final completion of the Town Center Garage shall occur within 24 months following issuance of full building permits subject to tolling in the event of litigation and/or force majeure.

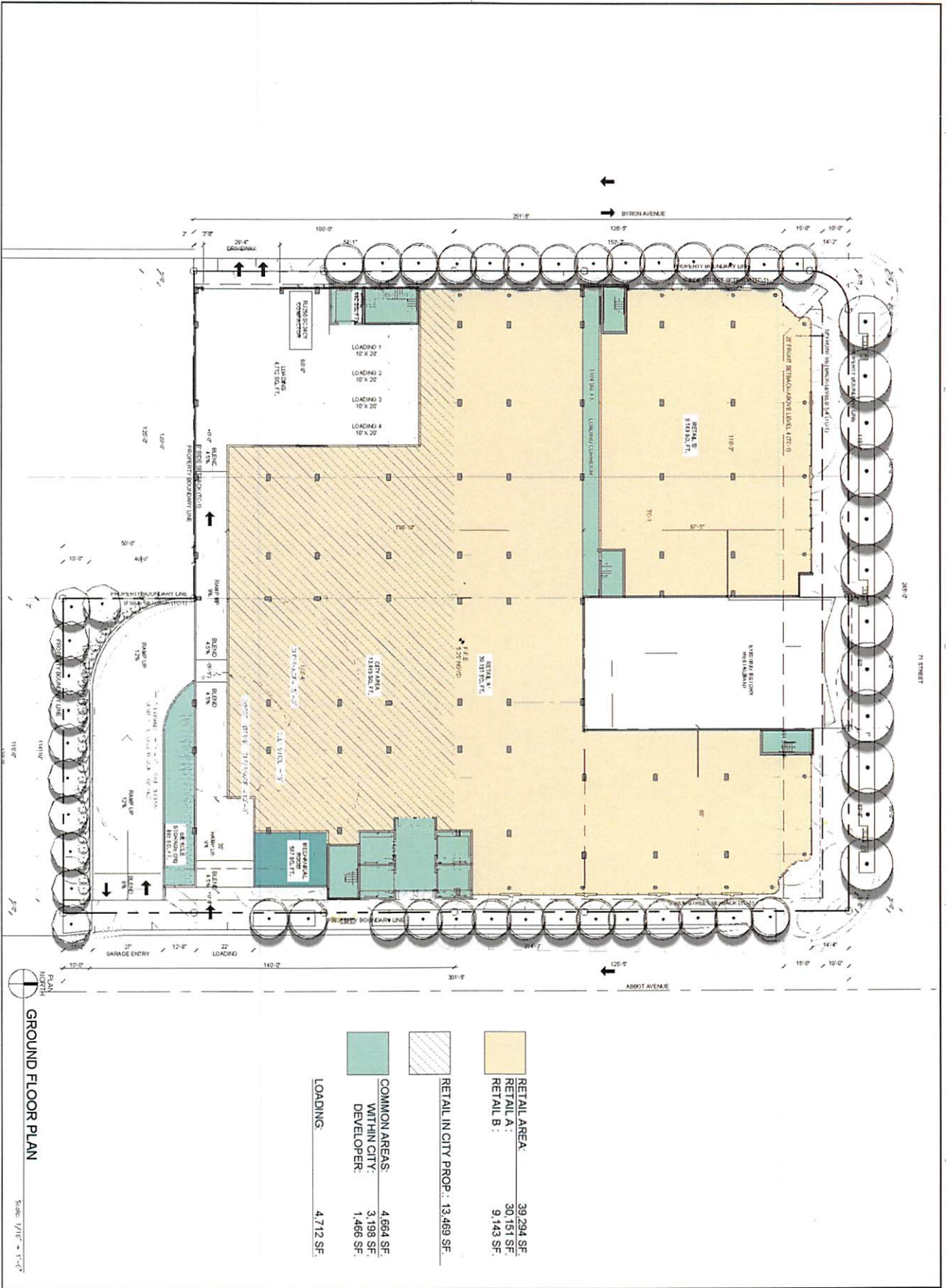
7. Termination provisions to be addressed in Development Agreement. City does not agree to any Developer termination for convenience after Closing.

8. At all times during the construction of the Project, Developer shall be a single purpose bankruptcy remote entity and Developer shall provide written evidence reasonably satisfactory to the City Manager that, among other things: (i) the principals of the Developer shall be prohibited from unilaterally filing of a bankruptcy, insolvency or similar proceeding or retaining any receiver, liquidator or the like for the Developer or Project, (ii) 2 independent directors with no affiliation whatsoever to Developer or any of Developer's principals shall be specially appointed for the Developer, and (iii) the Developer cannot without the prior unanimous written consent of all Independent Directors (A) file a bankruptcy, insolvency or reorganization petition or otherwise institute insolvency proceedings, (B) seek or consent to the appointment of a receiver, liquidator, trustee, or custodian, (C) make any assignment for the benefit of creditors, or (D) take any action that might cause the Developer to become insolvent. Provisions regarding the foregoing shall be incorporated into Developer's limited liability company operating agreement and shall not be subject to change.

This term sheet is intended solely as a basis for negotiation of a Development Agreement, and is not intended to be, and does not constitute, a legally binding obligation of the parties. No legally binding obligations on the City or Developer will be created, implied, or inferred until a Development Agreement and related agreements regarding the subject matter of this term sheet, in final form, are approved by the City Commission and the Developer, and executed by the parties.

Exhibit A





DATE: 06/20/2014
CHECKED BY:
DRAWN BY:
A3.01



ARCHITECTURE
INTERIOR DESIGN
PLANNING
AIA ASID NCARB
2015 Biscayne Boulevard
Suite 200
Miami Beach, Florida 33137
© 2013 573 1818
F 305 573 2198
WWW.KOBKARP.COM

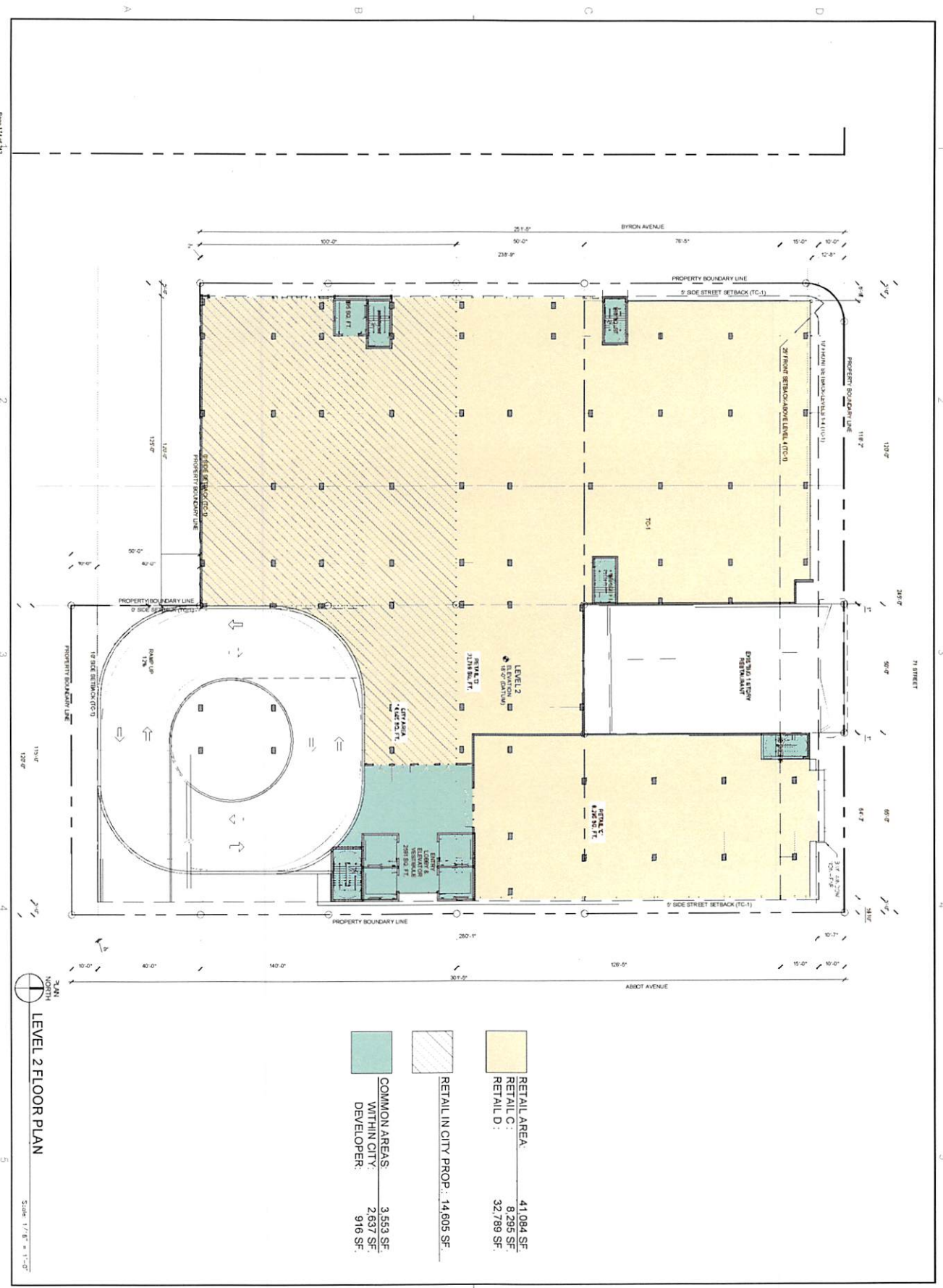
KOBI KARP
Lic. # AR0012578



**71 NOBE - WEST PARCEL
COMMERCIAL USE DEVELOPMENT**
71ST STREET, MIAMI BEACH, FLORIDA
GROUND FLOOR PLAN

1723

REVISIONS / SUBMISSIONS

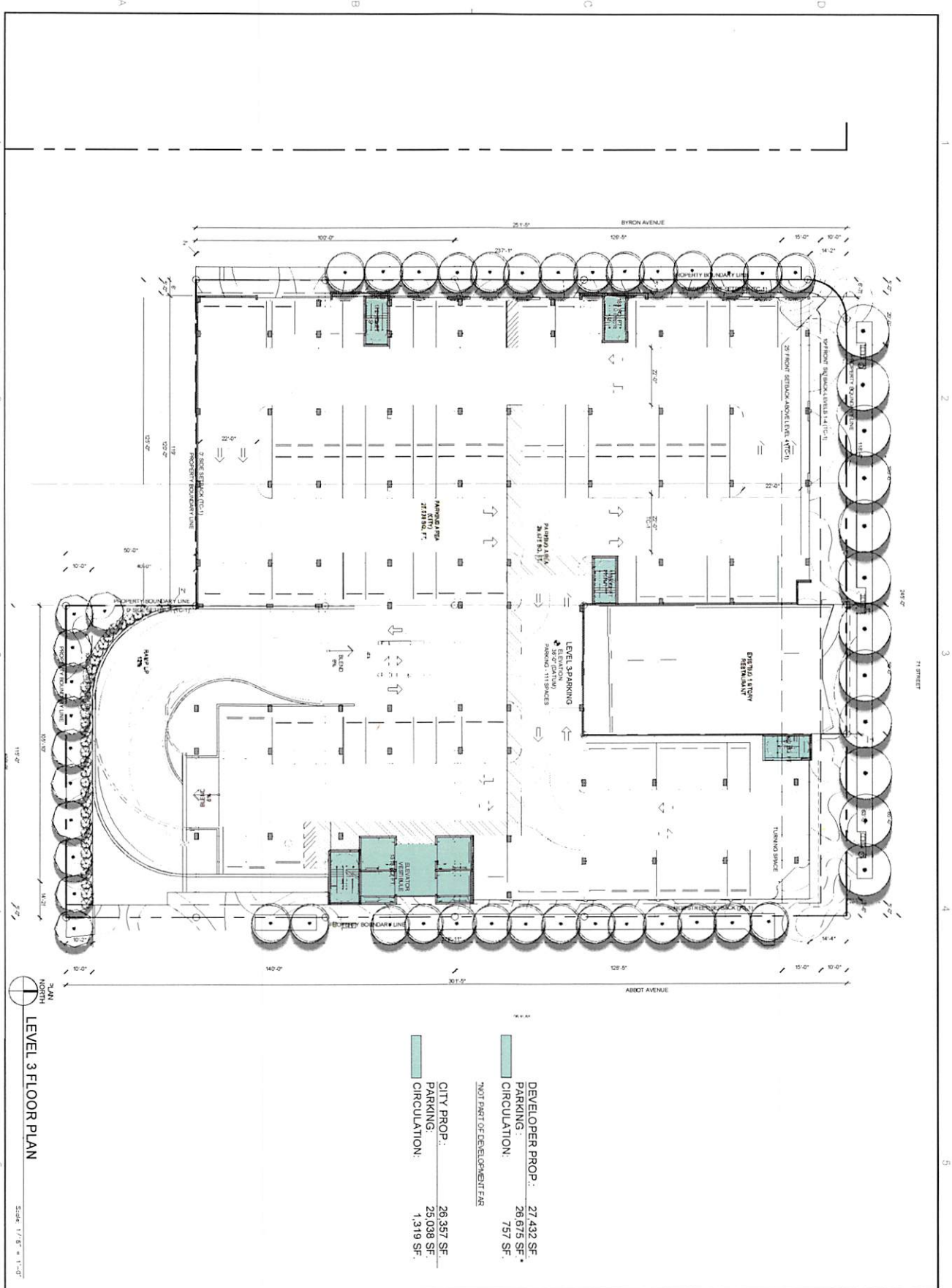


2.00' NORTH
LEVEL 2 FLOOR PLAN
 Scale: 1/8" = 1'-0"

	RETAIL AREA:	41,084 SF.
	RETAIL C:	8,295 SF.
	RETAIL D:	32,789 SF.
	RETAIL IN CITY PROP.:	14,605 SF.
	COMMON AREAS:	3,553 SF.
	WITHIN CITY:	2,637 SF.
	DEVELOPER:	916 SF.

EXAMINER CHECKED BY DATE A3.02		ARCHITECTURE INTERIOR DESIGN PLANNING AIA ASID NCARB 2015 Biscayne Boulevard Suite 200 Miami, Florida 33137 O 305 573 1818 F 305 573 2196 WWW.KOBKARP.COM		71 NOBE - WEST PARCEL COMMERCIAL USE DEVELOPMENT 71ST STREET, MIAMI BEACH, FLORIDA	REVISIONS / SUBMISSIONS 1723
				LEVEL 2 FLOOR PLAN	

KOB KARP
 Lic. # AR0012578



LEVEL 3 FLOOR PLAN

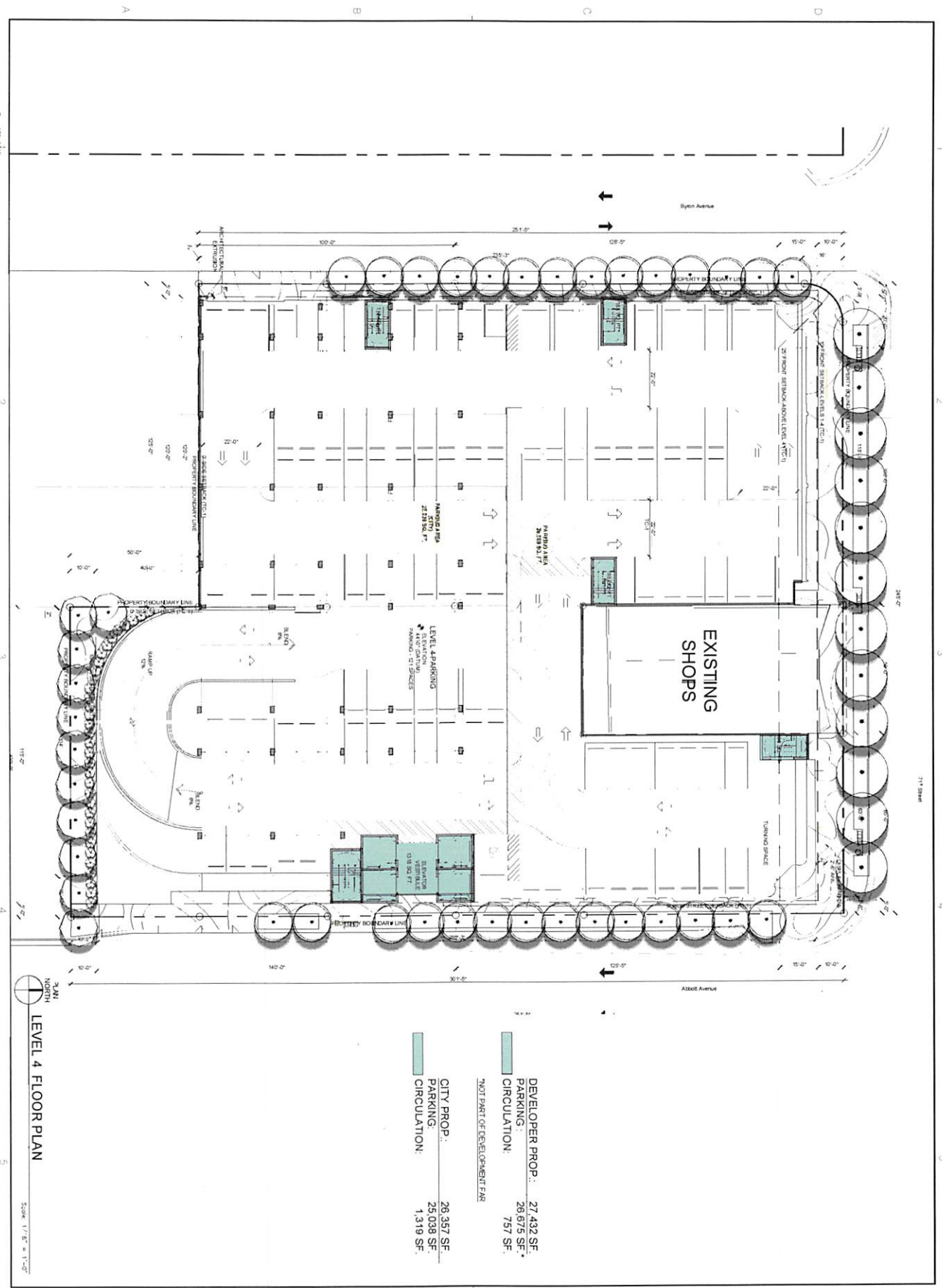
Scale: 1/8" = 1'-0"

DEVELOPER PROP.: 27,432 SF.
 PARKING: 26,675 SF.
 CIRCULATION: 757 SF.

NOT PART OF DEVELOPMENT FEE

CITY PROP.: 26,357 SF.
 PARKING: 25,098 SF.
 CIRCULATION: 1,319 SF.

DRAWN BY: CHECKED BY: DATE: 06/20/2018 A3.03		ARCHITECTURE INTERIOR DESIGN PLANNING AIA ASID NCARB 2015 Biscayne Boulevard Suite 200 Miami, Florida 33137 P 305 372 3318 F 305 372 3366 WWW.KOBIKARP.COM	KOBİ KARP Lic. # AR0012578		71 NOBE - WEST PARCEL COMMERCIAL USE DEVELOPMENT 71ST STREET, MIAMI BEACH, FLORIDA	REVISIONS / SUBMISSIONS 1723
					LEVEL 3 FLOOR PLAN	



LEVEL 4 FLOOR PLAN

Scale: 1/8" = 1'-0"

DEVELOPER PROP.: 27,432 SF
 PARKING: 26,675 SF
 CIRCULATION: 757 SF

NOT PART OF DEVELOPMENT P&S

CITY PROP.: 26,357 SF
 PARKING: 25,038 SF
 CIRCULATION: 1,319 SF

REVISIONS / SUBMISSIONS 1723	71 NOBE - WEST PARCEL COMMERCIAL USE DEVELOPMENT 71ST STREET, MIAMI BEACH, FLORIDA		ARCHITECTURE INTERIOR DESIGN PLANNING AIA ASID NCARB 2015 Broward Boulevard Suite 200 Miami Beach, FL 33137 P: 305.573.1414 F: 305.573.1360 WWW.KOBIKARP.COM	KOBİ KARP Lic. # AR0012578		DRAWN BY CHECKED BY DATE A3.04 06/20/2018
	LEVEL 4 FLOOR PLAN					

REVISIONS / SUBMISSIONS

1723

71 NOBE - WEST PARCEL
COMMERCIAL USE DEVELOPMENT
71ST STREET, MIAMI BEACH, FLORIDA

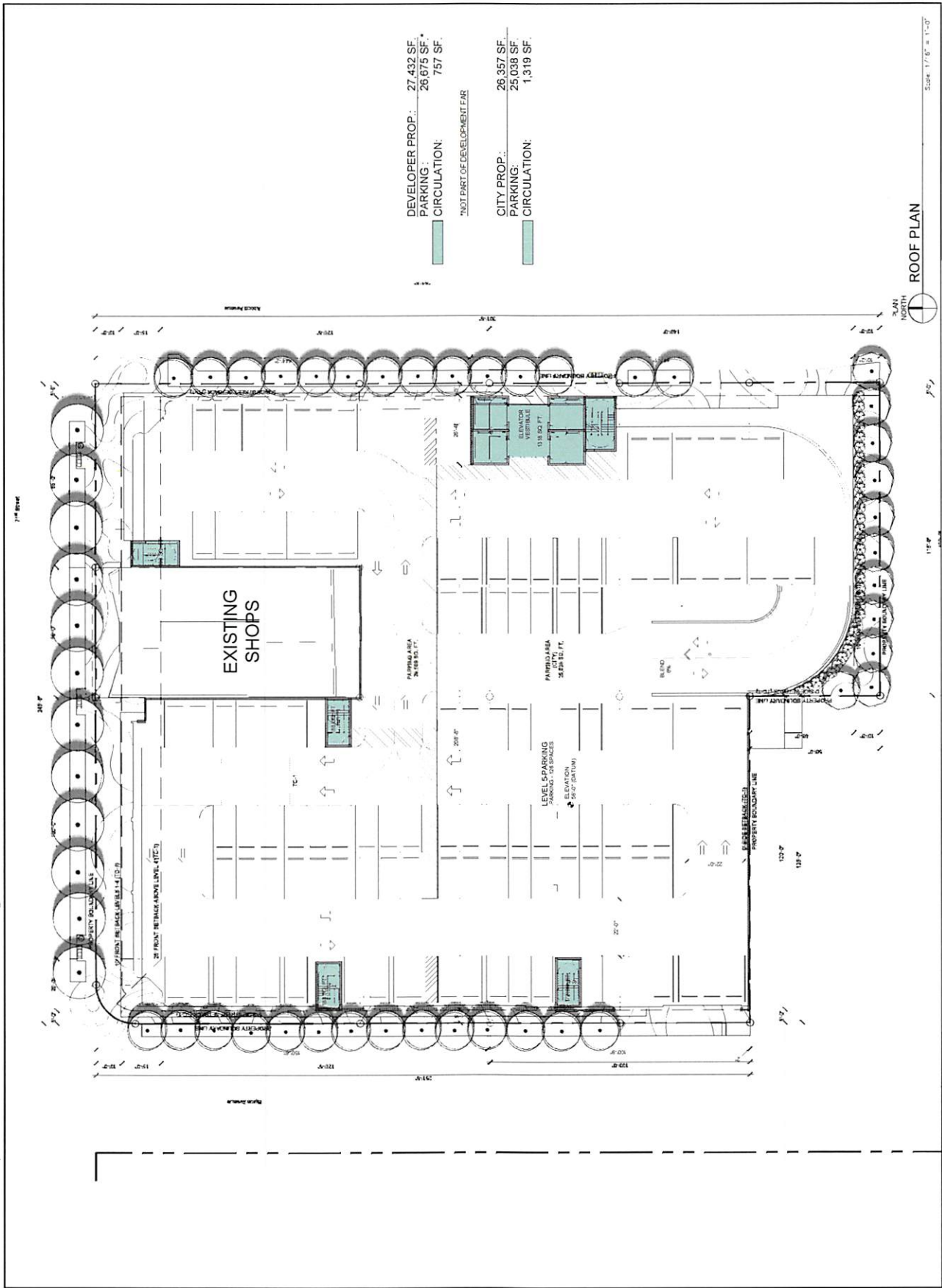


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2015 BRONZE Awardee
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F: 305.328.1008



A3.05
DRAWN BY
CHECKED BY
DATE 06/20/2018



NBTC - LAND SWAP AND RETAIL CONDO VALUES

June 28th 2018 4 Story Plan			
Difference in Value of Parcels per Appraisal			\$800,000
	Square Feet	\$/SF	
Plus Retail Condo on Parcel 3 (increased footprint)	13,469	\$80	\$1,077,520
Plus Loading Area and Mechanical on Parcel 3	6,164	\$80	\$493,120
Plus Retail Condo Level 2	14,605	\$65	\$949,325
City Contribution for Level 3 Parking	26,675	\$40	(\$1,067,000)
City Contribution for Level 4 Parking	26,675	\$40	(\$1,067,000)
City Contribution for Roof Parking	26,675	\$40	(\$1,067,000)
Net Developer Payment			\$118,965
Parking Space Evaluation			
City Parking Garage			
LEVEL 3	111		
LEVEL 4	121		
ROOF	126		
Total Parking Stalls	358		
Total Parking Garage Cost	\$34,000		\$12,172,000
Developer Payment			(\$118,965)
Total City Cost for Entire Parking Garage			\$12,053,035
	SITE PLAN SF	Ground Floor	Required Parking Spaces
		Grocer	151 (5/1,000 SF)
		Retail B	27 (3/1,000 SF)
		Level 2	
		Retail C	25 (3/1,000 SF)
		Retail D	98 (3/1,000 SF)
			83 Surface Parking Lot
		Total SF	384 Total
		Anchor Stalls/1K SF	(26) Net Parking Spaces
	Per 1,000 SF: 4.45		

Additional Public Parking assuming Anchor parking at 3 stalls/1K SF 144

Note: This project is 45,000 sqft smaller than the prior project submitted in April, 2018

September 10th 2018 5 Story Plan			
Difference in Value of Parcels per Appraisal			\$800,000
	Square Feet	\$/SF	
Plus Retail Condo on Parcel 3 (increased footprint)	13,469	\$80	\$1,077,520
Plus Loading Area and Mechanical on Parcel 3	6,164	\$80	\$493,120
Plus Retail Condo Level 2	14,605	\$65	\$949,325
Plus Contribution for Level 3 Parking	26,675	\$40	(\$1,067,000)
City Contribution for Level 4 Parking	26,675	\$40	(\$1,067,000)
City Contribution for Level 5 Parking	26,675	\$40	(\$1,067,000)
City Contribution for Roof Parking	26,675	\$40	(\$1,067,000)
Net Developer Payment			(\$948,035)
Parking Space Evaluation			
City Parking Garage			
LEVEL 3	111		
LEVEL 4	121		
LEVEL 5	121		
ROOF	126		
Total Parking Stalls	479		
Total Parking Garage Cost	\$34,000		\$16,286,000
Developer Payment			\$0
Total City Cost for Entire Parking Garage			\$16,286,000
	SITE PLAN SF	Ground Floor	Required Parking Spaces
		Grocer	151 (5/1,000 SF)
		Retail B	27 (3/1,000 SF)
		Level 2	
		Retail C	25 (3/1,000 SF)
		Retail D	98 (3/1,000 SF)
		Total SF	83 Surface Parking Lot
		Anchor Stalls/1K SF	384 Total
	Per 1,000 SF: 5.96		95 Net Parking Spaces

Additional Public Parking assuming Anchor parking at 3 stalls/1K SF

265

Note: This project is 45,000 sqft smaller than the prior project submitted in April, 2018

NORTH BEACH TOWN CENTER PROJECT
ECONOMIC ASSESSMENT

Prepared for



Prepared by



REINVENTING YOUR CITY

TABLE OF CONTENTS

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Background	11
Market Summary	14
Catalyst Market Position	20
Impacts.....	32

Prepared by the RMA Economic Development Department

Kevin Crowder, CEcD, Director

Farrell Tiller, MBA, Economic Development Analyst

Jenae Valentine, MSRED, Economic Development Coordinator

PROJECT OVERVIEW

The North Beach Town Center project is located at the southeast and southwest corners of the intersections of Abbott Avenue and 71st Street in Miami Beach. The project development program includes the East Block (Mixed Use) and the West Block (Retail and Parking). The project has an estimated construction cost of \$80 million.



Figure 1: Project Location

East Block Development Program:

Residential Square Feet	110,508 (134 Units)
Retail Square Feet	42,455
Office Square Feet	42,456
Parking Spaces	254

West Block Development Program:

Retail Square Feet	50,350
Supermarket Square Feet	30,151
Parking Spaces	287

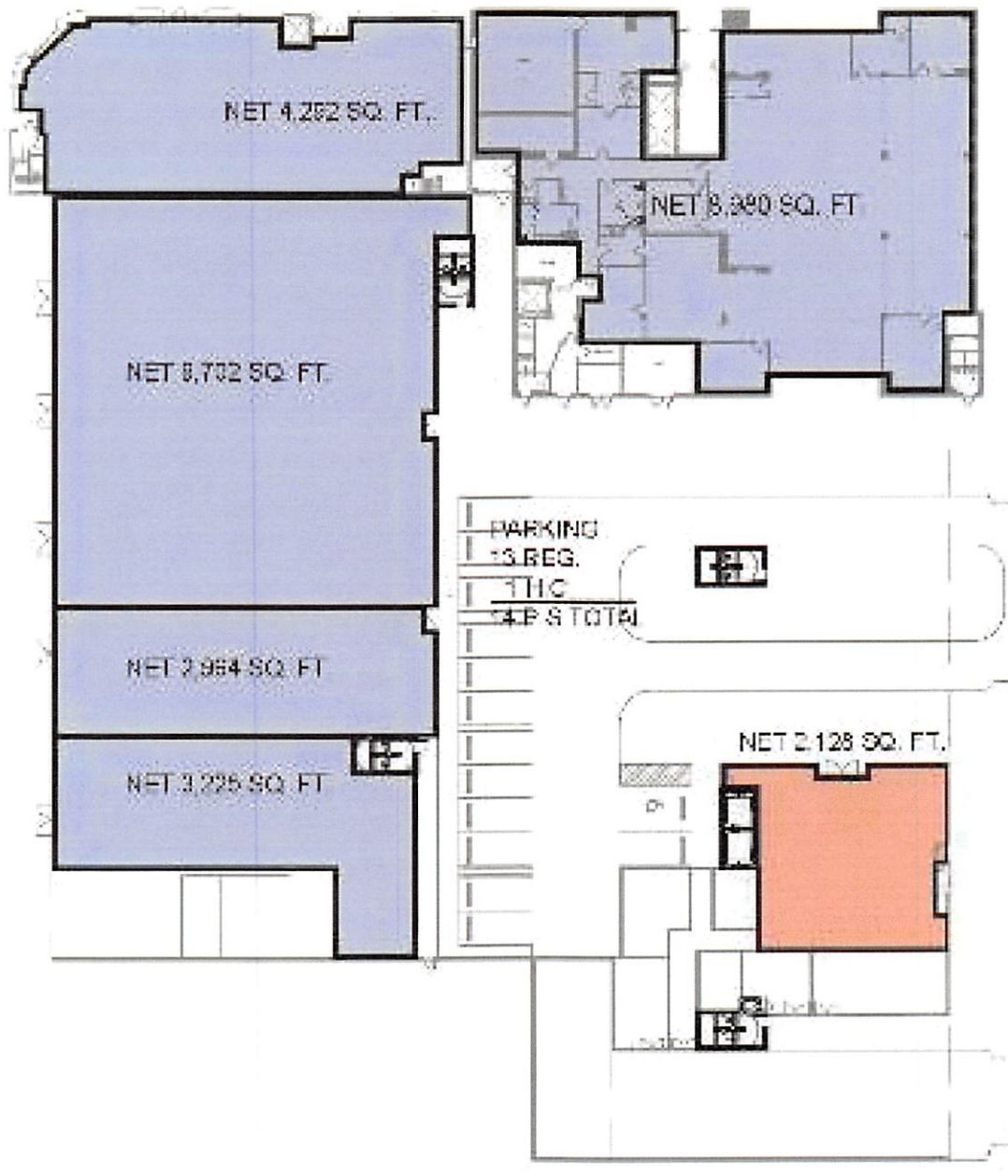


Figure 2: East Block Ground Floor Development Program

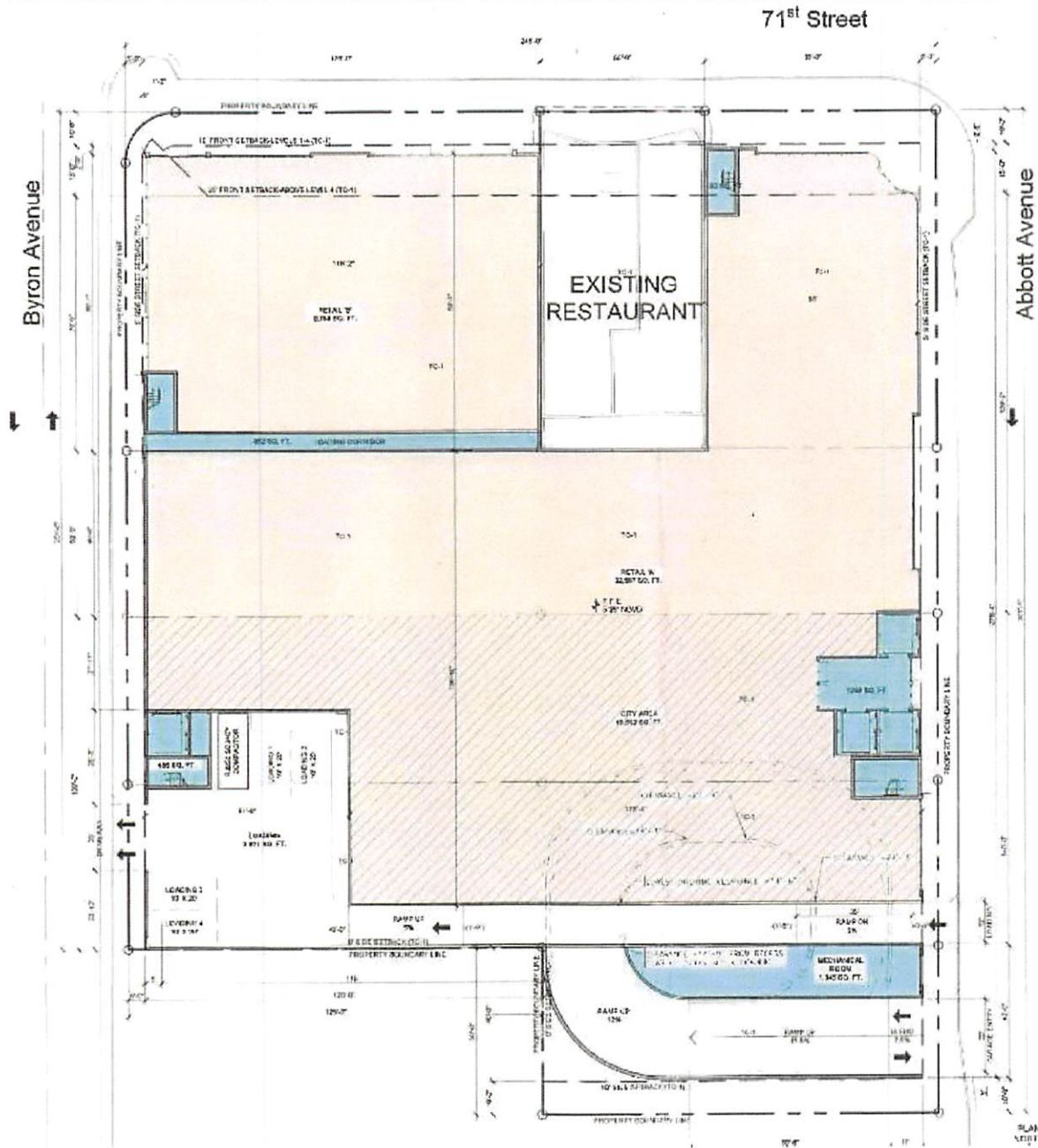


Figure 3: West Block Development Program

The West Block development program includes approximately 287 parking spaces that would be owned by the City of Miami Beach as part of a Development Agreement between the city and North Beach Town Center Development, LLC and includes a land swap of property between the two entities. Some of the key terms of the proposed Term Sheet are summarized below.

Property Conveyance

The city will convey five parcels to the developer. The developer will convey five parcels to the city. This includes a payment of \$800,000 by the developer to the city representing the difference in the appraisal values between the parcels.

Additionally, payments will be made by the developer for the retail related condominium units on the first and second floor of the Town Center Garage located above the city's parcels, and by the city for third and fourth floor parking area above the developer parcels located above the developer's parcels. The total contribution by the developer regarding the property conveyance/swap is \$26,520.

Retail Customer Validation

Free parking is a standard requirement of many types of larger retail tenants, especially supermarket and grocery operators. Larger retailers such as supermarkets require that their customers have free parking. This requirement or expectation is not generally known since the majority of the public is used to visiting grocers at a stand-alone store or in a shopping center with a large surface parking lot. This is a requirement for many large retailers when considering locations in dense urban areas. Two local examples of validation for shoppers are at Fifth and Alton and at the Target located in Midtown Miami.

Under the proposed agreement, the city will provide two-hour free parking through a ticket validation system for retail tenants located in the Town Center Garage. The developer will purchase the validation system. The validation program only applies to the two large retail tenants in the project, and the garage will not provide parking for the development on the East Block.

Currently, due to limited demand, the city does not charge for parking at metered spaces in North Beach after 6 p.m. However, as the area revitalizes and becomes more vibrant, demand dynamics may change and provide the city more flexibility to manage the parking supply and generate revenue for the parking fund. The garage may be made available at certain times especially at night for valet operators, monthly permits, or other users. Similar to other active locations, such as in South Beach, parking rates can be managed to drive usage of the parking garage spaces so that on-street parking is available for shorter durations and more turnover.

Parking Construction

The cost to the city for the design, permitting and construction of the Town Center Garage shall be a not-to-exceed amount of \$9,731,480, or \$33,908 per space.

Additionally, the Developer shall pay to the city \$222,000 as required by the city's Art in Public Places Ordinance.

Convertibility

The Term Sheet provides that the Town Center Garage shall be designed in a way that the garage can be converted to other uses after an initial period of twenty-five (25) years. The Term Sheet provides for performance standards after twenty-five years

that will measure garage utilization and will provide the partners to determine if the uncertain impact of items such as autonomous vehicles has had a measurable effect on garage operations and parking demand. The timeline of the future parking demand projections cited by this assessment are consistent with this provision.

Operations

The city will operate the Town Center Garage as a municipal parking garage. The city will have the developer-funded validation system for retail customers for two hours free parking, and the city will make available monthly parking permits in the facility for North Beach residents. The Developer will pay the city the amount of operating losses, if any, and will contribute \$66,000 annually to replace the parking revenue currently generated by the city-owned surface parking lots.

The City Parking Garage will have 287 parking spaces and will be compatible with the surrounding neighborhood and will not be an imposing structure. Since 26.2% of residents do not own a car, it is likely that many customers visiting the retail uses in the project will arrive by other modes of transportation, including walking, bicycling, the North Beach Trolley, and ride share services. This will ensure that parking is available for the public and customers of not only the retail in the project, but that the project will be an integral part of the community as people can easily access local assets such as the beach, recreational and cultural offerings, and dining and entertainment options. The North Beach Town Center Project is a dynamic, live/work/play development that will offer a variety of commercial uses to the residents and visitors of North Beach. The parking garage will promote walk-ability in the Town Center district by having a centralized parking destination for public use. This project is consistent with and promotes the creation of a town center on 71st Street, the top priority of the North Beach Master Plan.

The two-hour parking validation program is essential to attract the larger retail uses that the neighborhood and city need, especially the grocer. This is consistent with retail tenant requirements such as in Fifth and Alton and at the Target in Midtown Miami. Since these retail uses are part of a larger project, and given the vibrant, pedestrian atmosphere and connectivity that the project will bring to the neighborhood, it is also likely that many users will stay in the garage beyond the two-hour validation timeframe and will do their shopping after engaging in other activities.

Within a ten-minute walk of the North Beach Town Center project is a population of 9,267 in 4,950 households¹. These households represent a local, walkable market of annual retail spending of approximately \$119,801,399. The Project will be positioned to capture a significant portion of this retail spending that is currently being spent in other locations including Miami. This local spending potential will also limit the demand for parking within the garage for retail users making the parking available for the public and other local businesses or other users, such as valet companies as the area's vibrancy increases, and afford the city with an additional tool to efficiently manage the area's parking supply.

¹ ESRI 2017 Retail Marketplace

EXECUTIVE SUMMARY

The North Beach Town Center Project is the catalyst project that will revitalize the North Beach Town Center area between 69th and 74th Street. It is a project that will bring vibrancy and activity to 71st Street and provide much needed public parking for residents and visitors and will generate significant economic activity. It also considers external factors that are outside of the city's control, such as the uncertain future of parking, and is responsive to the priorities identified in the North Beach Master Plan.

This project continues Miami Beach's tradition of utilizing creative approaches to address revitalization, quality of life and infrastructure, especially through public private partnerships. The project is responsive to market conditions, will bring much needed new retail space and retailers to the area including a grocer, and will enhance the retail real estate market and stimulate additional business investment.

The North Beach Town Center Project has an estimated construction cost of \$80 million. Additional private investment is taking place in North Beach, and additional projects are expected to move forward as the area's market position improves. In addition to the direct benefits from this project which include revitalization due to the catalyst nature of the project and its connectivity to area assets, fiscal benefits to the city, economic benefits to the North Beach area, the additional private investment that follows will further support the city's tax base at a critical time and enable the city to continue to work to improve the quality of life for all who live, work and play in Miami Beach.

The project will put tens of millions of dollars into the local economy and enhance the city's tax base through direct Ad Valorem Tax receipts and further stimulate continued revitalization with additional projects that contribute to the tax base and further the city's ability to continue to provide quality services to the community. The City Commission has recently discussed concern about the slowdown of development activity and its impact on the city's ability to maintain service delivery. This project and those that follow will provide a much-needed boost to the city's tax base, especially in the North Beach area.

The North Beach Town Center project is the next logical public private partnership for the City of Miami Beach, and will continue the city's position as a leader in utilizing these partnerships for revitalization, quality of life improvement and tax base enhancement.

Significant Positive Impacts

In addition to the developer contribution pursuant to the Term Sheet, the project will provide a one-time fiscal impact to the City of Miami Beach of at least \$2.2 million through Building Permit Fees, Transportation Concurrency Fees, and a contribution to

the Art in Public Places Fund. Following completion of the project, it will have an Ad Valorem Tax benefit of approximately \$384,545 in its first year, which is a net increase of \$312,333 over the amount of property taxes currently being generated by the parcels that comprise the site. This represents a total net increase in property taxes of \$3.5 million to the City of Miami Beach in only the project's first ten years of operation.

More importantly, the project is an integral element for North Beach's success and will have a positive economic impact in the area. During construction, this project will support almost 800 jobs, with an economic impact of over \$92 million. Following completion and leasing of the project it will have an annual economic impact of almost \$60 million supporting 280 jobs, based on an analysis using the ImPlan Input-Output model developed by the University of Minnesota.

North Beach Master Plan

The North Beach Town Center Project is the only project that supports all the objectives identified in the North Beach Master Plan. It redevelops 71st Street (along the two blocks of the project) into a walkable main street. The project is designed to connect to the street and contribute to a vibrant pedestrian environment and design standards that support the goals of the plan. While not all buildings directly fronting the streets will be mixed-use, this is a mixed-use project that will engage the street to the full intent of the Master Plan. The project will also preserve two existing buildings that front on 71st Street.

The project includes a 287-space public parking garage and supports and enhances the opportunities to redevelop the Byron Carlyle Theater to a much greater extent than possible anywhere else in North Beach. Additionally, providing public parking on this location allows the city to move forward with the short and mid-term recommendations of the North Beach Master Plan to provide aesthetic enhancements, connectivity to Ocean Terrace, and new community amenities while leaving the door open to future structured parking at the site if needed.

The North Beach Town Center Project provides public parking to meet current and near-term demand and is highly unlikely to be impacted in the mid-term due to the combination of slow acceptance of autonomous vehicles and continues population and visitor growth to North Beach. However, the project is being constructed so that the garage can be converted to other uses should parking demand decline to the point that the facility is no longer viable. The garage provides parking to support the area and not only the retail uses within the project, due to the lower car ownership in the area and the likelihood that many retail users will arrive by other modes of transportation.

The supply of 287 public parking spaces provided by the North Beach Town Center Project responds to the near-term demand estimated by the 2014 Walker Parking Study for the Town Center area, and its various growth scenarios indicate that the garage can operate successfully.

Market Position

The Project is a significant opportunity to bring the economic success of North Beach in line with other areas of the city, and it will provide meaningful improvement to the aesthetics of the Town Center area. The Project, and the additional investment that will follow will provide significant job opportunities for residents, including the ability for residents to find employment much closer to their residence.

The North Beach Town Center Project is positioned to take advantage of the current real estate market for both retail and office space. The East Block will maintain fully leased office space, which is expected to increase in value due to the additional investment from the project that it is a part of. On the East Block and the West Block, the additional retail space will respond to existing demand and relieve pressure on retail real estate in the area, while also providing retail space for larger users such as grocers.

Retail Offerings

Sufficient retail demand currently exists to support the North Beach Town Center project. An evaluation of retail demand and supply, retailer types and retail real estate characteristics indicates that the North Beach area could currently support at least 134,000 square feet within current market conditions². The addition of new retailers through the development of new retail that meets current retailer needs, provides a strong aesthetic, and which provides convenient access for all modes of transportation and can attract additional demand and customers from outside the marketplace.

It is expected that the retail offerings anticipated for this project will perform higher than average due to the pent-up demand and a new convenience option in the market, as well as to the neighborhood revitalization and improvement that the project will bring to the area, especially in the Town Center between 69th and 74th Streets. Additionally, the positive impact of the project on the investment climate should lead to the development of additional projects that will provide demand, such as projects that have been discussed between 71st and 72nd Streets.

The project will enhance the retail offerings in the neighborhood and provide a shopping experience for which residents must currently leave the neighborhood, and likely leave the city. This will retain resident spending in North Beach and provide some relief to the transportation network by providing a local option which can be accessed by multiple modes of transportation rather than travelling by car across the JFK Causeway to Miami or down Collins Avenue to South Beach. Since many retail users will not arrive by car, the project will solidify the town center area as the center of a real neighborhood in which to shop, dine and play, further driving revitalization.

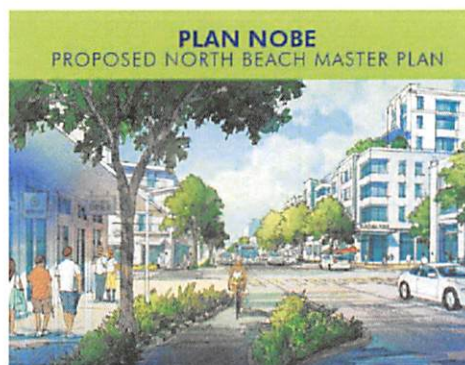
² RMA, LLC

BACKGROUND

The North Beach Master Plan

In October 2016, the Miami Beach City Commission approved a master plan for the city's North Beach neighborhood. The plan offered proposals to revitalize the area, with concepts such as creating a town center along 71st Street, more walkable, pedestrian friendly streets, creation of more park space and preservation and conservation.

The planning approach responded to community consensus on how to move forward to the future and is consistent with prior initiatives and efforts to revitalize North Beach.



Several initiatives have already been implemented, and projects include a 10-story hotel at Collins Avenue and 72nd Street and on Ocean Terrace where developer Sandor Scher is building a new project. This project will anchor the northern end of the Town Center area, and the North Beach Town Center project will be the critical southern anchor that promotes revitalization of the Town Center area between 69th and 74th Streets and connects it to Ocean Terrace.

The other key development, and the one that is the catalyst project for the master plan's goal of creating a town center on 71st Street, is the North Beach Town Center Project.

Revitalization and Economic Growth

Economic growth requires investment, and the investment process will include everything from local entrepreneurs who are intimately familiar with the location to site selectors that are 2,000 miles away. They all still need to answer certain questions about their investment potential, including information about the community, markets and real estate, incentives, current events, and the city's business-friendly attitude.

When evaluating an area and pursuing redevelopment the conditions of the drivers of investment must be considered.

- Land (real estate)
- Labor (workforce and jobs)
- Capital (financial feasibility)
- Markets (consumer demand)

The most important driver is real estate. Investment that spurs revitalization is real estate investment, including property land sales, development, and leasing activity.

Real estate is the investment driver that cities have the largest ability to influence. There are three roles local government has in real estate development. It serves as a regulator: zoning and land use, building permits, occupational licenses, impact fees.

The second local government role is as a facilitator of real estate development. This is where policy implementation creates an environment where business and investment will succeed, including with an economic development program focused on business assistance.

Third, local government's role can be that of participant. Local governments in Florida have been participating in real estate development either themselves directly or through public-private partnerships for a long time.

Local government's roles in real estate are critical, since municipal budgets are primarily funded by real estate taxes. One of government's largest challenges is the increasing cost of service delivery, and local government needs to facilitate investment to maintain service levels. While there are natural cycles to the real estate market, the North Beach Town Center project, and the catalyst effect it will have on the entire Town Center area will take place at what appears to be a critical moment for Miami Beach finances. The City has recently discussed the slowdown in new construction and its impact on the city's finances. Approval of this project, and especially the city's participation, will send a positive message to the investment and development community and lead to additional investment that will increase the area's taxable value, responding to the City Commission's concerns.

Developments with office components add new jobs and increase the customer base for local shops and services. Multifamily units bring new residents, creating a demand for restaurants, movies theaters, grocery stores, and other entertainment venues. As retail consumption shifts back to more traditional neighborhood-based patterns, more development to accommodate this occurs. The objective is to create a community gathering place, consisting of a compatible mix of retail, office, and cultural uses all in one area.

Public Private Partnerships

Public Private Partnerships (P3s) are one of the most common ways that local governments participate in the real estate market to provide that catalytic effect. Public participation during revitalization efforts improves the investment profile and feasibility of projects that can improve market conditions and improve quality of life by enhancing convenience.

There are many types of public private partnerships, but they are essentially opportunities for the public and private sectors to work together to provide a public service or benefit. In the case of the North Beach Town Center, this partnership involves both real estate transactions (the land swap), as well as the development of the project with private and public components and an ongoing operating

agreement. These partnerships are key, because without a private developer partner, the city would be unable to provide the public benefits that this project brings to the area, especially the positive impact on revitalization.

There are several benefits for a city to participate in a P3. A city can access new sources of capital that are available immediately. Since the private sector needs to realize a return on investment, project completion is usually expedited compared to a publicly managed project. A P3 leverages private expertise and it transfers risk to the party that's best suited to deal with that risk. Also, a P3 allows a city to promote economic development and revitalization through private sector investment opportunities that are catalysts for additional economic development and investment.

The City of Miami Beach has significant experience with and is a model for public private partnerships that improve market conditions for investment, that provide aesthetic and revitalization benefits for a neighborhood, or which bring needed infrastructure, goods and services, and employment diversification to a community. Some of the project include:

1. The agreement with Loews Miami Beach and Crown Plaza hotels which changed market conditions for hotel investment in Miami Beach, where financing was extremely challenging, and a new hotel had not been constructed in 30 years.
2. The 7th Street Garage (Ballet Valet), which introduced new retail space to Collins Avenue and provided significant new parking to support Ocean Drive. The retail element of this project was a catalyst that led to the adaptive reuse of numerous buildings as well as new construction including the 500 Collins retail center.
3. Lincoln Place and The Lincoln, which provided public parking as well as over 200,000 square feet of new office space, which attracted new companies and jobs to Miami Beach.
4. Fifth and Alton, which provided the city with a one-time opportunity to plan by creating public parking at the entrance to the city, which provided a much-needed supermarket to the South Beach community, as well as additional retail offerings for residents which they previously had to leave Miami Beach to purchase.
5. The Sunset Harbor Garage, which provided public parking and new retail space to an area with strong revitalization potential, but which needed a boost. It also improved local quality of life by enabling the recapture of an acre of park land in Flamingo Park.

The North Beach Town Center project is the next logical public private partnership for the City of Miami Beach, and will continue the city's position as a leader in utilizing these partnerships for revitalization, quality of life improvement and tax base enhancement.

MARKET SUMMARY

Land

One of the most important drivers of economic development and investment is Land. Real estate development and the ability of local government to influence this driver will vary from city to city depending on many factors, including how much land the city does or does not control. It depends on what the city is able and authorized to do with that land. It depends on the willingness of leadership to use their land for economic development. It depends on the real estate market conditions and influences outside of the city's control. What is driving prices, absorption and turnover, and what's driving demand? Cash flow is the bottom line for a real estate development project, and it must 'pencil out' to provide a targeted return to the investors that are making an investment into a project in a community.

The retail real estate market in the North Beach area has been improving. Vacancy has declined with only 53,462 square feet of space currently vacant, and rental rates have increased. Additionally, the sale price per square foot has increased to \$671, compared to a five-year average of \$488. However, recent sales volume for retail property has declined, with \$2.5 million in sales in the past year compared to \$15 million for the five-year average, indicating that the significant purchase of retail real estate has reached a plateau and the market needs the development of new retail space. The five-year average capitalization rate of 3.8% demonstrates a strong investor profile, however the lack of new retail space may limit additional investment. There have been no recent deliveries of new retail space to the market³.



³ CoStar Realty Information, Inc.



The North Beach office market is limited. There is very limited availability of office space to lease in North Beach, with a vacancy rate of only 1.5% indicating strong demand. Like the retail market, there have been no recent deliveries of new office space. Unlike retail, office rents have remained flat compared to the five-year average at approximately \$28 per square foot⁴.

The North Beach Town Center Project is positioned to take advantage of the current real estate market for both retail and office space. The East Block will maintain fully leased office space, which is expected to increase in value due to the additional investment from the project that it is a part of. On the East Block and the West Block, the additional retail space will respond to existing demand and relieve pressure on retail real estate in the area, while also providing retail space for larger users such as grocers.

Labor

There is the need for the creation of jobs in the North Beach area. The local workforce is employed in many different industries, and many work in the retail and service industries. Unfortunately, most of the local workforce leave North Beach for their employment. According to LEHD data from the U.S. Census Bureau, approximately 13,580 residents leave North Beach for work, while 4,268 come to North Beach for work from outside areas.

This project will provide jobs that will be available for local residents, providing a convenient alternative to walk or bicycle to work instead of driving. The average

⁴ CoStar Realty Information, Inc.

travel time to work for North Beach residents is 31.4 minutes, which is higher than the Florida average of 25.8 minutes.

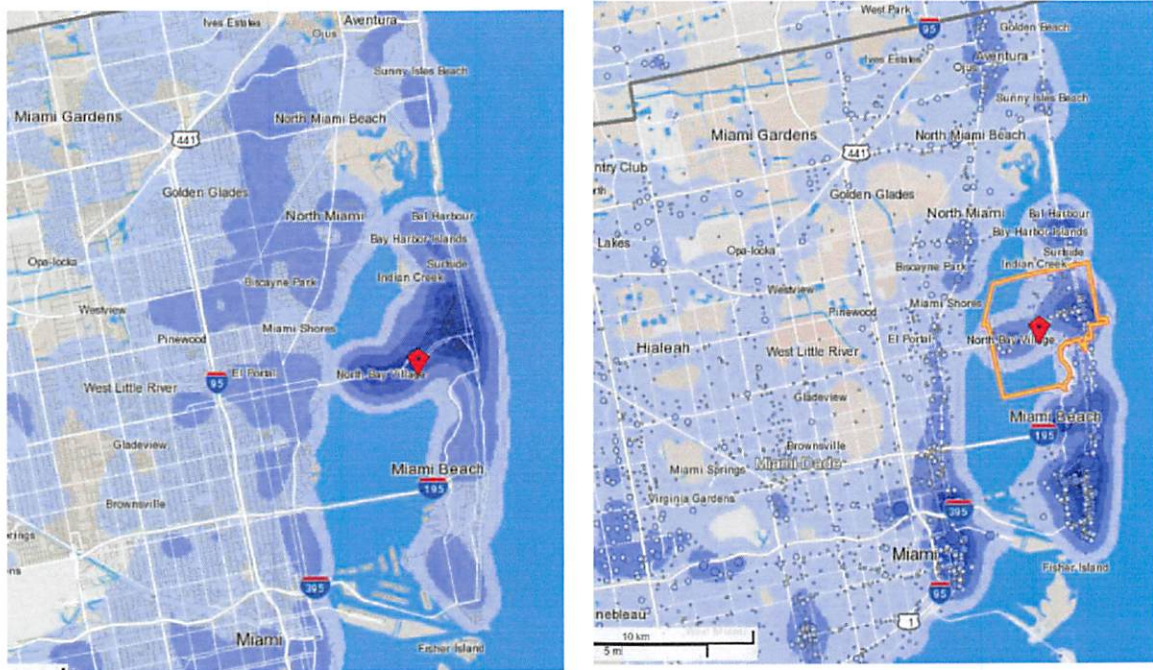


Figure 4: Top Left: North Beach Labor Shed i.e. Where Workers Live. Top Right: Where North Beach Residents work. Source: US Census Bureau

The North Beach Town Center project, and the additional investment that will follow will provide significant job opportunities for residents, including the ability for local residents to find employment much closer to their residence and within walking or bicycling distance for many providing some potential relief to the roadway network.

Capital

Capital is a key driver of investment and return on investment is critical to financial feasibility. While some investment is taking place in North Beach, including some significant projects, the Town Center area has not yet experienced the investment that is necessary for market change and revitalization. Public Private Partnerships are one of the most common ways that local governments participate in the real estate market to provide that catalytic effect. Public participation during revitalization efforts improves the investment profile and feasibility of projects that can improve market conditions and improve quality of life by enhancing convenience.

As previously discussed, the City of Miami Beach has significant experience with and is a model for public private partnerships that improve market conditions for investment, that provide aesthetic and revitalization benefits for a neighborhood, or which bring needed infrastructure, goods and services, and employment diversification to a community.

Another indication of economic growth in the area has been the increase in bank deposits. In 2012 there were 4 banks in the North Beach area, with reported deposits

of \$352 million. In 2017, there were a total of 7 bank branches in the area with reported deposits of \$652 million⁵.

The North Beach Town Center Project has an estimated construction cost of \$80 million. Additional private investment is taking place in North Beach, and additional projects are expected to move forward as the market improves. In addition to the direct benefits from this project, the future investment that follows will further support the city's tax base and enable the city to continue to work to improve the quality of life for all who live, work and play in Miami Beach.

Markets

The location of the project in the North Beach area demonstrates significant potential. The area has high population density, with almost 40,000 residents to support additional retail offerings.

According to the North Beach Master Plan, the demand for retail in North Beach is estimated at 77,000 square feet, including 39,000 square feet for retail such as grocery and 15,000 square feet for restaurants, but actual retail demand is higher and closer to 134,000 square feet. The estimates assume that a portion of new retail demand is absorbed in existing vacant space and takes into consideration the lack of land available for new development in North Beach. RMA has reviewed the estimates and we concur with them provided the assumptions regarding vacant space and that it is an "existing conditions" scenario. However, we believe the market potential (rather than simple demand) is higher.

The bottom line however, is that market demand analysis looks at the past, while market potential looks to the future. Market Potential is realized through the convergence of brand strength, regulatory efficiency, financial feasibility and developer execution.

Retail and restaurant market potential can be driven by organic branding of the North Beach area through developer investment and execution, as well as the realization of additional residential market potential. Residential development can also drive the need for new office space if development opportunities exist.

The North Beach community is a young, diverse community. It is diverse by age, ethnicity and income. According to ESRI, a major demographic data company:

- The population of the North Beach area is 27,326 residents, living in 13,016 households.
- The Median Age of the North Beach resident is 42.6 years old.
- There are 16,049 housing units, of which 59.5% are renter occupied and 21.6% are owner-occupied. The remainder are vacant.
- Median household income is 35,603, lower than the citywide median income.
- The population is evenly split between males and females.
- The North Beach population is 75.1% Hispanic.

⁵ Federal Deposit Insurance Corporation

- Only 17.4% of the population has less than a high school education. 50.8% of the population has graduated high school, and 31% have a bachelor's degree or higher.

These households spend a significant amount on items that will be available in the retail at the North Beach Town Center. These are retail categories for which many residents must leave the North Beach area, and Miami Beach in general, to purchase. Retention of this type of spending in the North Beach area will have a significant positive impact⁶.

Category	Household Average	Total Resident Spending
Apparel	\$1,592	\$20,724,448
Entertainment & Recreation	\$2,157	\$28,084,832
Food at Home (Groceries)	\$3,655	\$47,582,279
Food Away from Home	\$2,520	\$32,811,634
Household Furnishings	\$1,395	\$18,160,567

Since North Beach is a built out, high density urban area, and while opportunities remain for the development of new residential units and projects planned, sufficient demand currently exists to support the North Beach Town Center project. Additionally, the project does not overbuild parking since many users of the retail will arrive from the neighborhood by other modes of transportation. This allows the development of a parking garage for the future which provides sufficient parking not only for retail uses but also for the neighborhood including the Byron Carlyle Theater, patrons of other businesses in the area and area recreational offerings.

Based on an evaluation of retail demand and supply, retailer types and retail real estate characteristics, that the North Beach area could currently support at least 134,000 square feet within current market conditions⁷. This estimate does not include the reuse or absorption of existing retail space. The addition of new retailers through the development of new retail that meets current retailer needs, provides a strong aesthetic, and which provides convenient access.

Supportable retail square feet are estimated using the Retail Gap for that use (the amount of local spending that is not being spent locally) and dividing it by the average Sales Per Square Foot for that use. It is expected that the retail offerings anticipated for this project will perform higher than the average due to the pent-up demand and a new convenience option in the market, as well as to the neighborhood revitalization and improvement that the project will bring to the area. Additionally, the positive impact the project will have on the investment climate will

⁶ ESRI 2017 Community Profile

⁷ RMA, LLC

lead to the development of additional projects that will provide new demand, such as projects that have been discussed between 69th and 76th Streets. This will further revitalize the area into the walkable, vibrant neighborhood that is a goal of the community, the city, and the North Beach Master Plan. The North Beach Town Center Project, and the city's participation, are integral components to this effort.

This project will bring many benefits to the North Beach area and the city.

- New retail uses that currently do not exist in the area, and for which many residents must leave the city.
- Retains resident spending within the local area instead of in places such as the city of Miami.
- 287 parking spaces for the public in a parking garage that is compatible to the character of the area, which promotes commerce and investment in the area, but the size of which is responsive to the lower car ownership in the area and trends of declining parking utilization due to use of other modes of transportation.
- Anchors the 71st Street Town Center which was recommended by the North Beach Master Plan.
- Serves as a catalyst which will attract and stimulate additional private investment in the area and enhance the city's tax base.

A CATALYST MARKET POSITION

Background

In recent years, a few cities in North America have brought their image and reputation strategy in line with economic development, urban planning, and tourism.

Austin is a near-perfect example of a city that transformed itself not with an advertising agency rebrand but with a bottom-up expression of what makes Austin a different sort of city. "Keep Austin Weird" is not a traditional slogan but a boiled-down story of the residents of a land-locked island city fighting a battle against globalization and sameness.

It worked for tourism. It worked for head office recruitment. It transformed South by Southwest from a music festival into one of the most important gatherings for new ideas on the planet. The City Manager of Austin as the brand developed, often said that when he had to make a difficult decision, "I just had to ask myself, 'Will this keep Austin weird or not?'"

Brand and Identity Drive Investment

Investment decisions are not only about the statistics and metrics. An investment must make financial sense and be feasible, however there are intangible and emotional influences on investment decisions. There is a quote that has been attributed to Albert Einstein that captures this concept: "Not everything that counts can be counted, and not everything that can be counted, counts.

Investments have a lot to do with how a person thinks and feels. Whether it is investing in a home or an income property; opening a business and signing a lease; purchasing a significant size property; or embarking on a development process. These investments usually involve going into debt, so how a person thinks and feels about a place is key, and a positive feeling is critical to revitalization.

There are studies that have been conducted that have identified that there are three important elements to what connects a person to a place, in other words, how they think and feel about it. The North Beach Town Center project supports all three of these elements which will enable it to be the catalyst that the area needs for revitalization and economic growth.

1. Aesthetics – how a place looks and feels;
2. Social Offerings or Activities – opportunities for citizens to engage with each other; and
3. Openness – how open and welcoming a place is

Branding in Miami Beach

Brand and identity has benefited Miami Beach's market position for many years, through efforts by both the public and private sector, and private sector development and investment has been critical to the city's economic growth as well as by partnerships between the city and the private sector.

There are many other examples of brand and identity helping Miami Beach succeed. Some of these were marketing, such as the A Week In South Beach campaign by the South Beach Marketing Council; the 25/7 promotion and the C.A.R.E.S. economic recovery initiative and even the InCard program by the Miami Beach Chamber of Commerce.

The designation of Ocean Drive many years ago as a Great American Public Place was an important early initiative to help attract awareness to the areas' opportunities. As previously mentioned, the Sunset Harbor Garage and Shops repositioned the area into a real neighborhood with economic development opportunity, gathering spaces, and aesthetic improvements. The partnership between the property owners and the city to make improvements on Lincoln Road between 1994 and 1996 were the catalyst that then allowed the private sector to build on the Road's historical brand but refresh in for unprecedented economic growth.



Revitalization Requires Market Change

There are several ways that a local government can support market change, by influencing the drivers of investment to improve financial feasibility to encourage a developer to embark on a project. These can include:

1. Providing a direct incentive to the development through financing support and or grants, such as the Loews Miami Beach project.
2. Assuming the cost for some or all public infrastructure, including parking. This approach was taken in several P3s in Miami Beach, including Fifth and Alton where the city's participation was to accomplish a long term goal of securing parking at the entrance of the city. The city also supported the attraction of a supermarket by paying the cost of half of the required parking. Another example is the Loews Hotel where the RDA constructed the Anchor Shops garage and relocated 16th Street to provide direct access to the hotel.

3. Regulations are another opportunity to positively influence the real estate market. The City of North Miami Beach recently approved significant market-based land use amendments to match market conditions. Under prior market conditions, the residential rental



market of approximately \$1.30 per square foot was not sufficient to attract new residential investment. Through the efforts of the city and CRA, several projects have now been approved with higher rental rates and improving market conditions, such as the development of NoMa, a 288 unit mixed use building with projected rents of \$1.85-\$1.95 per square foot. The NoMa project will attract new retail uses to the North Beach area and demonstrate to the private sector that investment in the area is financially feasible and will be successful. The North Beach Town Center Project can have a similar impact on commercial market conditions in North Beach due to the regulatory changes that have been supported by the community and the city.

The Town Center Project

The Town Center project is the next significant image-making opportunity for economic growth and will provide a meaningful improvement to the aesthetics of the area. 71st Street and North Beach is vibrant, but the connection between places and assets can be harsh and unfriendly. Roadway crossings, pedestrian elements, shade and protection from the elements can influence peoples' perception of an area. New investment in the area by this project will provide significant, noticeable aesthetic improvements on 71st Street and one of its most critical intersection, as well as on the side streets.

The project will also provide the opportunity for people to interact with each other. Many different types of retail and restaurant uses are often some of a community's most important gathering spaces, including coffee shops and supermarkets. The social aspect of retail is an important element of openness as well. There are opportunities for people including starting a new business, finding employment, or just getting to know each other in their community.

The development of the Town Center project will also improve the connection between assets in the area including, Ocean Terrace, the Byron Carlyle Theater, the Senior Center, the beach, area businesses, and the future civic uses at the 72nd Street parking lot. It will anchor the Town Center and support realistic pedestrian accessibility to Ocean Terrace and the new investment there, to the new proposed hotel at Collins Avenue and 72nd Street, to the proposed developments between 71st and 72nd Streets as well as to North Shore Park and the Youth Center. The North Beach Master Plan recognizes that this project and the creation of a town center on 71st Street are the key element to successful revitalization in North Beach, and especially the area between 67th and 76th Streets.

The following image demonstrates the catalyst effect that the North Beach Town Center will have on the area. While there are other good, impactful projects moving forward such as Sylvia Coltrane's hotel and Sandor Scher's Ocean Terrace project, the North Beach Town Center Project will have the most significant catalyst effect on the area, due to its central location and variety of commercial uses, it will be the anchor for North Beach and promote new investment in the area.



The figure above highlights the proximity of the project to other proposed development in the area. The small yellow ring represents a quarter mile/5-minute walk time radius, and the larger ring represents a 10-minute walk time from the project location at 71st Street and Abbot Avenue. The close availability of parking to support visitors and residents in the area as well as the Byron Carlyle Theater. The retail, office and residential portions of the project will positively influence market conditions and enhance the opportunity for the development of the additional residential and mixed-use projects nearby.

Implementation of the recommendations of the North Beach Master Plan, especially the connectivity and aesthetic improvements will capitalize on the North Beach Town Center investment and accelerate additional investment of tens of millions of dollars which will enhance the city's tax base and provide additional economic impact to the North Beach area, creating a true mixed-use, pedestrian friendly vibrant Town Center.

PARKING

Background

Parking remains a key element of urban revitalization. While the growth of pedestrianism, bicycling, ride share services, and other alternative modes of transportation increases and may influence parking, urban areas still need friendly, convenient parking to foster revitalization, but providing and operating parking must also consider the local characteristics.

Safe and convenient parking is important for customers that may not be familiar with the area, and many urban areas have older buildings that do not have their own off-street parking. Additionally, New retailers, especially credit or national tenants, require parking as part of their lease negotiations. However, the North Beach area also has many residents that do not own vehicles and will visit the retail uses in the facility by walking or bicycling, and future demand for parking may decline or remain static.

Attracting new retailers to an area often depends on parking availability and affordability. Parking is often a customer's first experience with a retailer or a shopping center, and where their satisfaction (or disappointment) begins. The short walk between a car and the shops has always been important to shopping centers, as it has been for downtown retail as well.

Parking is an expensive use of valuable real estate. And though it is an important feature that supports the livelihood of any downtown, it should be used strategically. Parking options should allow people to park once and then walk to multiple destinations, and ideally multiple people throughout the day should use each space. The proposed facility is ideal for this purpose, especially since many of the users of the retail itself will arrive by other modes of transportation, which will allow the facility to play the role park once and visit multiple destinations by walking, rideshare, or the North Beach Trolley.

Successful parking recommendations and strategies come in a variety of forms. However, the objective remains to provide a safe and convenient and healthy street life. Healthy street life means a critical mass of activity where people are more likely to incorporate it into their daily lives. Successful parking helps create destinations, which means a mix of commercial tenants and noncommercial activity that will keep people coming back; a nearby population base of residents, workers, or both; and daytime and evening uses, to keep life on the streets as long as possible.

This creates longer and more dangerous walking routes for pedestrians and makes public transit less attractive and viable, because the transit user's journey from the bus stop to the store or apartment must take place through a large, crowded parking lot that is unprotected from the elements of heat, rain, etc.

As parking becomes more of a necessity for growth, the City should use it also a tool to attract private sector investment. Redevelopment that encourages a live, work, play environment by concentrating a variety of daytime (office, commercial, retail, restaurants, etc.) and nighttime (restaurants, breweries, public entertainment, cultural arts, etc.) stand to be successful.

2014 Walker Parking Study

In 2014, the City of Miami Beach engaged Walker Parking Consultants to perform a Parking Demand Analysis for North Beach. The Study found that there are 20,859 total parking spaces in the area, of which 65% is private and on-street parking accounts for 27%. Only approximately 6% of the spaces were in city-owned and operated surface lots and that there are no parking garages operated by the city in the study area.

In the Town Center, there were a total of 9,817 parking spaces.

On-Street	758
City Lots	676
Private Garage Open to the Public	428
Private Lot Open to the Public	11
Private Spaces	7,944

Three growth scenarios were conducted for the analysis, utilizing growth rates of 2.5%, 3.9%, and 6.8%, and included any known developments applied to the observed parking demand for the Town Center area.

	Scenario 1		Scenario 2		Scenario 3	
	Demand	Adequacy	Demand	Adequacy	Demand	Adequacy
2015	8,999	197	9,028	168	9,086	110
2016	9,054	142	9,115	81	9,241	-45
2017	9,110	86	9,205	-9	9,407	-211
2018	9,168	28	9,299	-103	9,584	-388
2019	9,227	-31	9,396	-200	9,773	-577
2020	9,288	-92	9,497	-301	9,975	-779
2021	9,350	-154	9,602	-406	10,190	-994
2022	9,414	-218	9,711	-515	10,420	-1224
2023	9,479	-283	9,824	-628	10,666	-1470
2024	9,456	-260	9,942	-746	10,928	-1732

Source: Walker Parking Consultants

The parking supply of 287 parking spaces provided by the North Beach Town Center Project responds to the near-term demand estimated by the Walker Parking Study for the Town Center area, and the various growth scenarios indicate that the garage can operate successfully.

The Analysis identifies a partnership with a private developer to include building public parking spaces within future developments in critical areas as one option to increase

public parking. It also identifies that a developer could develop a public parking asset, replacing and expanding the parking within the development.

The North Beach Town Center Project responds to this option.

North Beach Master Plan

The North Beach Master Plan was completed in 2016 and was a significant undertaking by the city to continue many years of effort to improve North Beach. The Master Plan identified Five Big Ideas:

1. Make a Town Center
2. Provide More Mobility Options
3. Protect and Enhance Neighborhoods
4. Better Utilize Public Lands
5. Build to Last

The Master Plan identifies the creation of a Town Center as the key element for success. 71st Street is the "center of community life", and can support the kind of vibrant, mixed-use, pedestrian oriented urban character that is desired. The Master Plan identified the keys to creating the Town Center:

- a. Redevelop 71st Street into a walkable main street
- b. Front the street with new mixed-use buildings
- c. Consider building one or more public parking garages
- d. Redevelop the Byron Carlyle Theater
- e. Reimagine the 72nd Street parking lot (discussed below)



Source: North Beach Master Plan

The North Beach Town Center Project is the only project that supports all five of these objectives.

- a. *It redevelops 71st street (along the two blocks of the project) into a walkable main street. The project is designed to connect to the street and contribute to a vibrant pedestrian environment and design standards that support the goals of the plan.*

- b. *While not all buildings directly fronting the streets will be mixed-use, this is a mixed-use project that will engage the street to the full intent of the Master Plan.*
- c. *The project includes a 292-space public parking garage.*
- d. *This project supports and enhances the opportunities to redevelop the Byron Carlyle Theater to a much greater extent than anywhere else.*
- e. *Providing public parking on this location allows the city to move forward with the short and mid-term recommendations of the North Beach Master Plan to provide aesthetic enhancements, connectivity to Ocean Terrace, and new community amenities while leaving the door open to future structured parking at the site if needed. This will allow for the synergy of peak and non-peak times to provide the right size of parking in the area.*

72nd Street Parking Lot

This parking lot contains 320 parking spaces and is one of the largest surface lots in Miami Beach. This parking lot appears underutilized except at times during the weekend.

The North Beach Master Plan recognizes this condition, and states that "Residents of densely populated cities typically do not have a substantial private yard. As such, they depend upon public parks and trails for their connection to nature and for their recreational needs. A great park system can provide relief from an intense urban environment, thus making a city more livable."

In the near term, the North Beach Master Plan recommends turning part of the parking lot into green space along Collins Avenue to connect the Town Center to 73rd Street and north since the pedestrian character of this area is currently interrupted. It includes the portion of a prominent civic building that could potentially house a library, and there could be additional public amenities. Finally, the Plan identifies a skate park as an option that responds to community feedback that the city has received for several years.

In the mid-term, the Master Plan recommends developing a strategy for the site that accommodates current and future demand, including transportation management plans.

In the long term, the Master Plan states that the city might also consider the option of constructing a mixed-use garage on the site. The Plan further states that this is an "option of building a public parking garage as a last resort, in the distant future, should it ever actually prove necessary."

As previously stated, the parking provided by the North Beach Town Center Project provides the city to move forward with the short and mid-term recommendations of the North Beach Master Plan to provide aesthetic enhancements, connectivity to Ocean Terrace, and new community amenities, while leaving the door open to future structured parking at the site if needed.

The Future of Parking

The subject of the future of parking has been debated and written about extensively recently, especially as new technologies such as Uber and Lyft, along with autonomous vehicles, have come into being. Parking will remain important to attracting quality retail, including validated or free parking, but it is important to

maintain the sense of place and not overbuild the parking. In addition to the 287 spaces provided in the project for the area, the project on the East Block will provide additional parking that will include spaces that may be available to the public during the nighttime and on weekends when the office uses are not operating.

Additionally, the lower car ownership rate in North Beach will likely continue and may become lower as the area becomes more vibrant and walkable due to this project and the catalyst impact it will have on revitalization. As the area revitalizes the need to leave the area will decline, leading to a reduction of traffic on the roadways leading into and out of North Beach to the North, South and West, which will continue if this project is not constructed as residents continue to leave the area for many goods and services.

Walker Parking Consultants have done research on this subject. This research indicates that while there may be some impact, that impact will take time to be realized and that considering population growth and high disruption by autonomous vehicles, parking demand by 2049 will likely return to current levels.

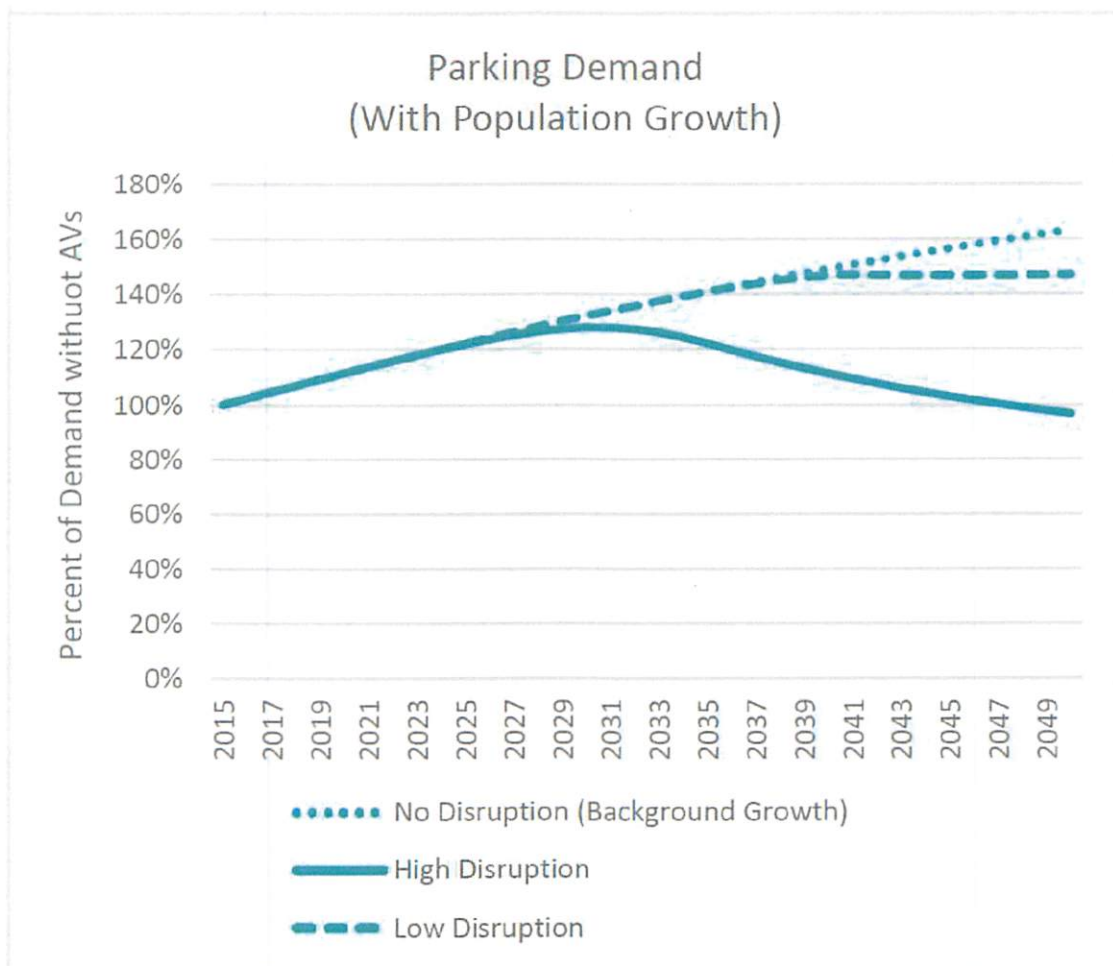


Figure 5: Walker Parking Consultants

The Society of Automotive Engineers has categorized six levels of automation, which have also been adapted by the National Highway Safety Traffic Administration.

- Level 0 has no automation.
- Level 1 has functions such as cruise control.
- Level 2 has a combination of functions that work together, like a Tesla.
- Level 3 provides complete automation but requires a driver at the wheel to deal with a problem.
- Level 4 can only be driverless in areas that are mapped and tested.
- Level 5 can operate in any conditions and area; however, snow and heavy rain are conditions that have not yet been solved.

It appears that the biggest influence on the timeline and ultimate penetration of autonomous vehicles is consumer acceptance. According to Walker Parking, only 22% of consumers today say they trust the vehicles or are willing to pay for them. Serious accidents with Level 3 vehicles could significantly impact and delay widespread, impactful acceptance of autonomous vehicles. And it will take time to expand due to the number of Level 0-2 cars on the road.

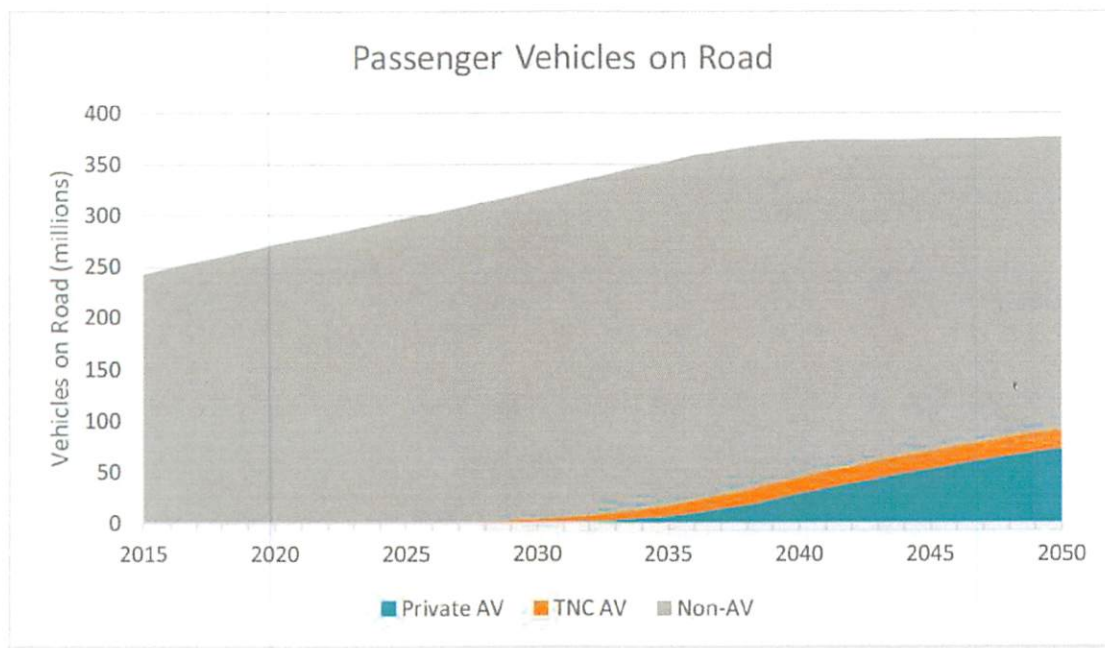


Figure 6: Walker Parking Consultants

John Dorsett, Senior Vice President of Walker Parking recommends some ways to address any potential impact of autonomous vehicles on parking.

Right size the parking supply considering the potential long-term effects of companies such as Uber and Lyft but provide sufficient parking for commerce to thrive. Designers and operators should also consider flexibility in parking facility design, allowing for the adaptive reuse of spaces into non-parking land uses. The proposed project includes

the option for adaptive reuse and convertibility based on actual impacts on parking demand in the future.

The North Beach Master Plan recommends providing more mobility options, and those options will contribute to the vibrancy and success of North Beach's revitalization. In the North Beach Master Plan, Dover Kohl recognizes that more people are using rideshare services and that there are debates over the impact on parking demand. However, they also acknowledge that parking is still necessary, and that although the percentage of the population using cars may decline, the number of Miami Beach visitors may continue to increase and therefore demand for parking will remain.

The North Beach Town Center Project provides public parking to meet current and near-term demand and is highly unlikely to be impacted in the mid and even long term due to the combination of slow acceptance of autonomous vehicles and continues population and visitor growth to North Beach. The project provides the city to "right-size" the parking supply to consider future impacts while addressing the need for parking, especially due to the role that parking currently plays, and will continue to play, in neighborhood revitalization.

IMPACTS

The North Beach Town Center Project is the catalyst project for the revitalization of North Beach, which will generate more than a \$1 billion in economic activity over the next twenty (20) years. There are many benefits that the City of Miami Beach and the North Beach area will realize from this project. These benefits can be categorized in several different ways.

- Fiscal Impact – Positive financial benefit to the City of Miami Beach.
- Economic Impact – Positive economic benefits to the North Beach area and beyond.
- One-Time Impacts – Impacts that occur only one time, normally during the construction phase.
- Annual Impacts – Impacts that occur annually, such as ad valorem tax receipts and economic impacts from ongoing business operations.

One-Time Impacts

The construction phase of the project will have a duration of between 18-30 months. During this period there will be positive impact to the City of Miami Beach and North Beach.

Fiscal Impact - The project will have a positive fiscal impact to the City of Miami Beach of at least \$2,202,904 that primarily includes:

- \$1,115,000 in Building Permit Fees.
- \$863,682 in Transportation Concurrency Fees.
- \$222,000 contribution to the Art in Public Places Fund.

Economic Impact – The project will have a positive economic impact of approximately \$92 million to the North Beach area during the construction phase. The following estimates were produced using the IMPLAN Input-Output model developed by the University of Minnesota and is the standard methodology utilized to identify economic impacts.

One Time Economic Impact

Impact Type	Employment	Labor Income (\$)	Value Added (\$)	Output (\$)
Total Effect	797.39	38,405,717	55,543,724	92,670,771
Direct Effect	705.21	34,448,885	47,928,461	80,000,000
Indirect Effect	27.25	1,620,049	2,630,042	4,435,533
Induced Effect	64.94	2,336,784	4,985,220	8,235,238

The direct jobs are the jobs that are located on-site, while the indirect jobs are the jobs that are related to the industries that are related to the project, and the induced jobs are those that are impacted when the direct and indirect workers engage in commerce and economic activity, such as shopping and dining.

Annual Impacts

The annual impacts from completion and operation of this project will be significant. These will occur in several different ways:

- Fiscal Impact to the City of Miami Beach from Ad Valorem Tax Receipts, Business Tax Receipts, and Parking Revenue.
- Economic Impact to the North Beach area and beyond, including:
 - The rents paid for units in the residential building.
 - The rents paid in the commercial office and retail portions of the project.
 - The annual retail sales activity by the retailers in the project, which is estimated to be almost \$50 million annually⁸.
 - The commercial activity generated by businesses occupying the office building.

Fiscal Impact – Following completion, the project will have a positive Ad Valorem Tax impact to the City of Miami Beach of approximately \$384,545 beginning in the first year after completion.

	Ad Valorem	Net New Tax
Year 1	\$ 384,545	\$ 312,330
Year 2	\$ 388,160	\$ 315,945
Year 3	\$ 399,805	\$ 325,423
Year 4	\$ 411,799	\$ 335,251
Year 5	\$ 424,153	\$ 345,373
Year 6	\$ 436,878	\$ 355,801
Year 7	\$ 449,984	\$ 366,544
Year 8	\$ 463,483	\$ 377,611
Year 9	\$ 477,388	\$ 389,013
Year 10	\$ 491,709	\$ 400,758
10-yr Total	\$ 4,327,904	\$ 3,524,050

Currently, the properties that make up this project generate \$70,112 in Ad Valorem Tax to the City of Miami Beach. Upon completion, this project will provide a net increase to the City of Miami Beach of approximately \$312,330.

During a twenty-year period, the project is expected to generate at least \$8,261,197 in Ad Valorem Taxes to the City of Miami Beach.

Economic Impact – An ImPlan analysis indicates that the project will have a positive annual economic impact to the area of approximately \$59 million annually following completion of the project’s construction and occupancy of the space by residential and retail tenants.

Recurring Economic Impact

Impact Type	Employment	Labor Income (\$)	Value Added (\$)	Output (\$)
Total Effect	280.81	8,402,437	18,102,852	59,944,925
Direct Effect	218.95	5,599,920	12,690,011	50,958,731
Indirect Effect	47.62	2,290,273	4,320,311	7,180,347
Induced Effect	14.24	512,244	1,092,530	1,805,847

⁸ RMA, LLC

Conclusion

The North Beach Town Center Project will provide much needed retail offerings to the North Beach community and provide public parking that will support area assets including the Byron Carlyle Theater, North Shore Park, surrounding businesses and other assets. The project is integral to North Beach's success and is responsive to the local characteristics of the community, including the lower car ownership and high use of alternative modes of transportation including walking, bicycling, Uber, Lyft and the North Beach Trolley.

Importantly, the Project is also the linchpin for achieving the primary goal of the North Beach Master Plan - the creation of a town center on 71st Street. The project will serve as a catalyst that stimulates additional investment, especially on the north side of 71st Street. This project will support additional investment and anchor a real walkable, vibrant neighborhood where people can live, work, play and shop close to home.

The proposed city investment is \$9,731,480. This investment will result in both direct, and more importantly indirect and stimulated economic benefits for North Beach and the city. The total estimated cost of the project is \$80 million, which will have a positive economic impact of over \$92 million during construction. Following construction, the project will include retail, restaurant, office and residential uses which will generate over \$59 million annually in the local economy. This represents more than \$1.1 billion in new economic activity over twenty years and create more than 200 new jobs.

This economic activity will include an estimated almost \$50 million annually in retail sales. This is retail spending that without this project, would likely occur outside of Miami Beach.

The city budget will also benefit from this project. In addition to the initial revenue of more than \$2.2 million from Building Permit Fees, Transportation Concurrency Fees, and the Art in Public Places fund, it is estimated that the project will generate more than \$8.2 million in Ad Valorem Taxes to the city over a twenty-year period.

Additional Mixed-Use development and investment on the North Side of 71st Street (identified on page 23) will follow the North Beach Town Center Project as the area becomes more vibrant. These projects may easily represent an additional \$81 million in new investment into the area, creating new residential units and business opportunities, and supporting the City's tax base with an additional +\$8 million in Ad Valorem Taxes over the next twenty years in addition to the economic impact the new investment will bring. These projects will contribute to the continued vibrancy of the area, attracting more business investment, expansions, renovations and lead to the vibrant neighborhood that is envisioned for North Beach.

This project will leverage private and public investment into significant economic activity that will revitalize the North Beach area and deliver the community the vibrant, walkable Town Center envisioned by the community as a real neighborhood where all can live, work and play.

ABOUT RMA

RMA is a full service economic (re)development firm passionately reinventing cities to bring hidden assets and unrecognized value to the forefront. We have a proven track record assessing, developing and implementing activities/programs that are improving communities by utilizing a realistic, comprehensive and effective approach - resulting in over \$1 billion in private sector investment within our client areas. RMA offers comprehensive services under five specialized divisions: Economic Development, Business Attraction & Marketing, Urban Design & Planning, Real Estate, and Government Administration.

RMA was formed in 2009 by Principal Members, Kim Briesemeister, a Certified Redevelopment Administrator, and Christopher J. Brown, combining their talents and 50+ years of experience providing consulting and management services to governments in the field of urban (re)development, nationally and internationally. The Executive Team is rounded out by Economic Development Director Kevin Crowder, a certified economic developer with 24 years of experience and Business Attraction and Marketing Director Sharon McCormick.

RMA headquarters is located in Pompano Beach, Florida, with additional office locations in Delray Beach, Jacksonville and Winter Springs. Our expertise includes all aspects of economic development, real estate development and public-private partnerships, urban design and planning, business attraction and marketing, government administration and community consensus building. RMA's active practitioners have led some of the most successful economic (re)development efforts in Florida cities during the last 30 years, transforming many South Florida areas into thriving business/entertainment districts, including Miami Beach, Pompano Beach, Delray Beach, West Palm Beach, Hollywood and Fort Lauderdale.

RMA's understanding of and experience with redevelopment and Florida CRA's is unmatched. The firms' principals have managed some of the largest CRA's in the State of Florida, including the Delray Beach, Fort Lauderdale, West Palm Beach and Hollywood CRA's and RMA currently manages two Florida CRA's in West Palm Beach and Pompano Beach. The RMA team includes the former economic development director for Miami Beach, two past presidents of the Florida Redevelopment Association and one former and one current members of the FRA Board of Directors, and a member of the Board of Directors of the Florida Council for Public Private Partnerships. Our team has utilized many complex P3 financial and real estate structures in the most successful CRA's in Florida, including Miami Beach, Delray Beach, Fort Lauderdale, Hollywood, Davie, North Miami Beach, Margate and West Palm Beach.

RMA's distinction from other firms is our multi-disciplinary expertise and focus on urban area revitalization and growth of local economies, from drafting the strategies to building and leveraging results. Our real-world experience managing capital projects, applying land development regulations to new and refurbished construction and negotiating and financing projects and incentives are what sets RMA apart. We understand how to align goals and strategies with community values and visions, authoring practical, actionable and accountable plans for our clients. We excel at implementing and managing the initiatives outlined in our comprehensive plans and can address even the most difficult challenges by providing a proven road map to success.

RMA's highly experienced professionals are committed to helping our clients in their pursuit of economically diverse and healthy communities. Our firm has the experience, in-house expertise and financial stability to successfully complete and implement projects of all sizes. The benefits of working with us include comprehensive access to industry-leaders in specialized (re)development fields under one firm - providing years of knowledge, experience and proven success as evidenced by the client cities we have helped reinvent.

**CITY OF MIAMI BEACH
PARKING DEPARTMENT
North Beach Town Center**

REVENUE		358 SPACES	479 SPACES
TRANSIENT		\$ 458,000	\$ 610,000
MONTHLY RESIDENTS (40% of spaces)(50% residents)		\$ 64,000	\$ 86,000
MONTHLY NON-RESIDENT (40% of spaces)(50% non-resident)		\$ 91,000	\$ 123,000
SALES TAX		\$ (41,000)	\$ (54,000)
TOTAL NET REVENUE		\$ 572,000	\$ 765,000

Note: Based on pro-rata data for Sunset Harbor Garage (SHG). Please note that curbside parking surrounding SHG is \$4.00 per hour and enforced 9am to 3am

EXPENSES			
000312	TOTAL PROFESSIONAL SERVICE		
	SUPERVISOR/ATTENDANT (1 attendant/16 hours daily)	\$ 94,000.00	\$ 94,000.00
	LANDSCAPING *	\$ 6,000.00	\$ 8,000.00
000314	ELECTRICITY *	\$ 18,000.00	# \$ 24,000.00
000316	TELEPHONE (\$1,218/MO)	\$ 15,000.00	\$ 15,000.00
000317	WATER (\$20/MO)	\$ 1,000.00	\$ 1,000.00
000318	SEWER (\$200/MO)	\$ 3,000.00	\$ 3,000.00
000319	SANITATION (\$1,300/MO - once weekly)	\$ 16,000.00	\$ 16,000.00
000324	PRINTING/TICKETS ETC.	\$ 5,000.00	\$ 5,000.00
000325	TOTAL MAINTENANCE CONTRACTS		
	JANITORIAL *	\$ 50,000.00	\$ 66,000.00
	ELEVATOR	\$ 5,000.00	\$ 5,000.00
	EXTERMINATING SERVICES \$250/MO	\$ 3,000.00	\$ 3,000.00
	FIRE EXTINGUISHERS \$150/MO	\$ 1,800.00	\$ 1,800.00
	FIRE ALARM MONITORING \$250/MO	\$ 3,000.00	\$ 3,000.00
	COURIER SERVICE \$17/day	\$ 7,000.00	\$ 7,000.00
	REVENUE CONTROL EQUIPMENT	\$ 12,000.00	\$ 12,000.00
000329	STORMWATER \$800/MO	\$ 10,000.00	\$ 10,000.00
000341	OFFICE SUPPLIES	\$ 3,000.00	\$ 3,000.00
000342	TOTAL REPAIRS & MAINTENANCE		
	R & M SUPPLIES	\$ 5,000.00	\$ 5,000.00
	REVENUE CONTROL R & M (NOT COVERED UNDER WARRANTY)	\$ 5,000.00	\$ 5,000.00
	ELEVATOR REPAIRS (NOT COVERED UNDER CONTRACT)	\$ 5,000.00	\$ 5,000.00
000343	Other Operating - Windstorm Insurance *	\$ 50,000.00	\$ 63,000.00
000349	Other Contractual - SECURITY (1 guard - 24/7 @ \$20/hr)	\$ 175,200.00	\$ 175,200.00
	TOTAL OPERATING EXPENSES	\$ 493,000	\$ 530,000
	PROFIT/(LOSS) - Excludes Depreciation/Capital Expenditures	\$ 79,000	\$ 235,000

** Based on pro-rata data for Sunset Harbor Garage Expenses*

000484	Depreciation**	\$ 244,000.00	\$ 326,000.00
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*** Depreciation was calculated based on a construction cost of \$34,000 per space over 50 years.*

**CITY OF MIAMI BEACH
PARKING DEPARTMENT
COMPARISON**

COLLINS PARK 500 Spaces		SUNSET HARBOR GARAGE 430 Spaces	FY17 Actual	5TH & ALTON 1080 Spaces	CY17 100% Actual
TRANSIENT 300 x Avg Ticket Price @ \$6.00 Mon-Sun (8a to 6p)	655,200	TRANSIENT	615,231	TRANSIENT	388,697
TRANSIENT 200 x 156 days x \$15.00 Fri Sat & Sun (nights & weekends)	468,000				
MONTHLY RESIDENT (30% of 500 spaces = 150 monthlies) 50% resident (50% of 150 = 75)	67,000	MONTHLY	227,544	MONTHLY	15,862
MONTHLY NON-RESIDENT (30% of 500 spaces = 150 monthlies) 50% non-resident (50% of 150 = 75)	96,000				
SALES TAX	(81,544)			VALET	376,220
TOTAL NET REVENUE	1,204,656	TOTAL NET REVENUE	842,775	MISC & INTEREST EARNING	20,205
				TENANT CONTRIBUTION	394,738
				TOTAL NET REVENUE	1,195,722
EXPENSES	519,092	EXPENSES	459,627	EXPENSES	1,362,671
PROFIT/(LOSS)	685,564	PROFIT/(LOSS)	383,148	PROFIT/(LOSS)	(166,949)

- City owns all the land and is paying all design/build costs.
- There is no third party interest in this project.
- Will be operated as typical municipal garage.

- Developer assembled 43,500 SF of land
- City paid \$8.5M to developer for garage air rights
- Developer paid for retail (31,500 SF) construction costs.
- Developer paid its share of common area construction costs.
- Developer owns retail condominium space (35% of project)
- City paid for all of the garage construction.
- City owns garage condominium space (65% of project).

- Total cost of garage (1,081 spaces): \$19,269,068
- City purchased 500 spaces at \$27,000 each
- City paid \$395,327 for elevator space
- City paid \$333,333 for transit facility dedicated area
- City paid half of parking equipment cost