

MIAMIBEACH

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COMMISSION MEMORANDUM

TO: Mayor Dan Gelber and Members of the City Commission

FROM: Alina T. Hudak, City Manager 

CC: Rafael Paz, City Attorney

DATE: May 4, 2022

SUBJECT: **A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, ACCEPTING THE RECOMMENDATION OF THE FINANCE AND ECONOMIC RESILIENCY COMMITTEE AT ITS APRIL 29, 2022 MEETING, PURSUANT TO REQUEST FOR PROPOSALS (RFP) 2021-173-KB FOR MIXED-USE DEVELOPMENTS INCORPORATING CLASS A OFFICE SPACE WITH RESPECT TO CITY-OWNED PARKING LOT P27 (THE "PROJECT"), AND APPROVING THE TERM SHEET FOR THE PROJECT ATTACHED AS AN EXHIBIT TO THE COMMISSION MEMORANDUM ACCOMPANYING THIS RESOLUTION; FURTHER, DIRECTING THE ADMINISTRATION TO NEGOTIATE A DEVELOPMENT AGREEMENT AND GROUND LEASE WITH LINCOLN ROAD HOLDINGS LLC, CONSISTENT WITH THE TERM SHEET, WITH THE FINAL AGREEMENTS SUBJECT TO THE PRIOR APPROVAL OF THE MAYOR AND CITY COMMISSION; AND FURTHER, REFERRING THE PROPOSED PROJECT AND THE ASSOCIATED DEVELOPMENT AGREEMENT TO THE PLANNING BOARD FOR REVIEW, IN ACCORDANCE WITH THE REQUIREMENTS OF THE CITY CHARTER AND CITY CODE.**

Recommendation:

The Administration recommends the City Commission approve the Term Sheet and direct the Administration to negotiate a Development Agreement and Ground Lease with Lincoln Road Holdings LLC, consistent with the Term Sheet, with the final Agreements subject to the prior approval of the Mayor and City Commission, and further, referring the proposed project and the Development Agreement to the Planning Board for review, in accordance with the requirements of the City Charter and City Code.

History:

The City Commission has expressed an interest in diversifying the City's economy and its revenue sources by capitalizing on economic growth opportunities presented by the current and projected business growth in the region, particularly by making a concerted effort to increase Class A office space inventory throughout the City to attract targeted industries.

At its December 11, 2019 meeting, the City Commission discussed the possibility of making available surface parking lots along Lincoln Lane North to promote the development of Class A office space in the city center/Lincoln Road area. To gauge

interest from the development community, the City Commission directed staff to issue a request for letters of interest (RFLI) for the development of Class A office space on surface parking lots immediately north of Lincoln Lane.

On October 9, 2020, the Administration issued RFLI 2021-029-KB seeking expression of interest from developers interested in building Class A office developments on surface parking lots P25, P26, and P27. The RFLI yielded expression of interest from eighteen (18) respondents.

Based on the results of the RFLI, on February 19, 2021, the Finance and Economic Resiliency Committee (FERC or the Committee) recommended the Administration seek City Commission authorization to prepare a Request for Proposals (RFP) for ground leases and development agreements for the development of Class A office space on three Lincoln Lane surface parking lots (P25, P26, and P27). On February 24, 2021, the City Commission discussed the results of the RFLI, accepted the FERC’s recommendation, and directed the Administration to include all three surface parking lots as well as the 17th Street parking garage (parking garage G5) in a forthcoming RFP.

On March 17, 2021, the City Commission adopted Resolution No. 2021-31617, authorizing the preparation of a RFP for mixed-use development incorporating Class A office space at three City-owned sites along Lincoln Lane North as well as the 17th Street parking garage (G5).

On June 23, 2021, the City Commission approved the issuance of Request for Proposals (RFP) 2021-173-KB for mixed-use developments incorporating Class A office space and retail on City-owned parking lots P25, P26, P27, and parking garage G5. The RFP included multiple site options for proposed development.

The goals of the RFP included:

- (1) encouraging development of Class A office space to meet growing demand;
- (2) maintaining parking capacity while providing alternative and sustainable transportation and mobility options;
- (3) transforming and activating North Lincoln Lane from a service alley to a vibrant and pedestrian-friendly street with amenities that will enhance the urban experience; and
- (4) connecting the Convention Center District with Lincoln Road.

Key RFP Terms	
Required Class A Office and Retail Space	<ul style="list-style-type: none"> • 50% of floor area ratio (FAR) available at each site must be Class A office space. • Ground floor portions of the project facing a street, sidewalk, or Lincoln Lane North must include an activated liner of retail, restaurant, personal service, or similar active uses.
Replacement Parking	<ul style="list-style-type: none"> • Projects must provide in-kind replacement of existing public parking spaces displaced by the development, in addition to satisfying City Code off-street parking requirements applicable to proposed uses. • Project must be staged to minimize the number of parking spaces temporarily displaced during development.

<p>Lease Term</p>	<ul style="list-style-type: none"> • 99-year maximum lease term with a 51-year initial term and two (2) 24-year renewal options. • Each ground lease structured as a “triple net” lease, with lessee solely responsible for all real estate taxes, utilities, assessments or other public charges, insurance, maintenance, and all other costs and expenses associated with the operation of the Project.
<p>Voter Referendum for Lease Approval</p>	<ul style="list-style-type: none"> • Lease of all three lots would require approval by a majority of voters (i.e., greater than 50%) in a citywide referendum (Referendum). • Development agreement and ground lease between City and one or both Developers must be in final form and approved by City Commission prior to placement of Referendum question on the ballot. To qualify for November 8, 2022 General Election, ballot items due to Supervisor of Elections by July 29, 2022. • At City Commission’s sole discretion, the Referendum could be scheduled for a special election on a different date if: (1) the development agreement and lease for the applicable Option(s) are finalized and approved by City Commission and (2) the Developer pays its pro-rated share (based on total number of ballot questions) of the cost of a special election (approximately \$400,000).

Current Office Market Conditions

The Class A office sector, in Miami Beach and Miami-Dade County at large, has been particularly resilient throughout the pandemic and thereafter. LTC 165-2021 provided comprehensive data and analysis demonstrating favorable market trends and the influx of targeted business industry, all of which provided support for the City’s initiatives to attract office users and new development including the RFP. Today, current market conditions continue to suggest a favorable market outlook. Although vacancy for Class A office space in Miami Beach has increased from 10.1% in Q4 2021 to 16.8% in Q1 2022 according to Jones Lang LaSalle¹, this is representative of new offerings coming online, for example, Starwood’s relocation to its new headquarters at 2340 Collins Avenue meant vacating its previous location at Lincoln Place, 1601 Washington.

A more noteworthy market indicator is Miami Beach’s sustained growth in asking rents month after month. In 2022, JLL reports that average asking rent for Class A office space in the city has increased more than 28% over the previous quarter, from \$63.12 in Q4 2021 to \$81.08 in Q1 2022. This growth is demonstrated by Deco Capital’s Eighteen Sunset project at 1845 Purdy Avenue, where asking leasing rates have surpassed \$100 per square foot according to the South Florida Business Journal², a record rental rate on par with New York City and witnessed for the first time only recently in Miami-Dade County.

The real estate development community continues to wager on Miami Beach’s life-work-play lifestyle, with planned Class A development projects seeking land use board development approvals in April and May 2022: One Soundscape Park, 1885 Washington Avenue (SHVO), One Island Park, 120 MacArthur Boulevard (Related), and 411 Michigan

Avenue (Cube 3/Alberto Campo Baeza). Similar to Sunset Harbour's Eighteen Sunset, which is under construction, all three of these proposed projects take advantage of added height allowances recently enacted by the City Commission, which demonstrates the direct impact of the City Commission's targeted legislation to encourage and incentivize Class A Office development in specific commercial areas. Sustained strong demand and continued migration of people and businesses to the region appear to reinforce Miami Beach's growth trajectory. Robust demand and the scarcity of prime real estate available for development explains why the City received proposals from established real estate development teams with experience in the Miami Beach office development market.

- 1 "Q1 2022 Office Market Report". Jones Lang LaSalle. <https://www.us.jll.com/en/trends-and-insights/research/office-market-statistics-trends/miami>. (April 7, 2022)
- 2 "Eighteen Sunset developers snag \$60M in construction funding." South Florida Business Journal <https://www.bizjournals.com/southflorida/news/2022/02/01/60-million-mortgage-for-eighteen-sunset.html>. (February 1, 2022)

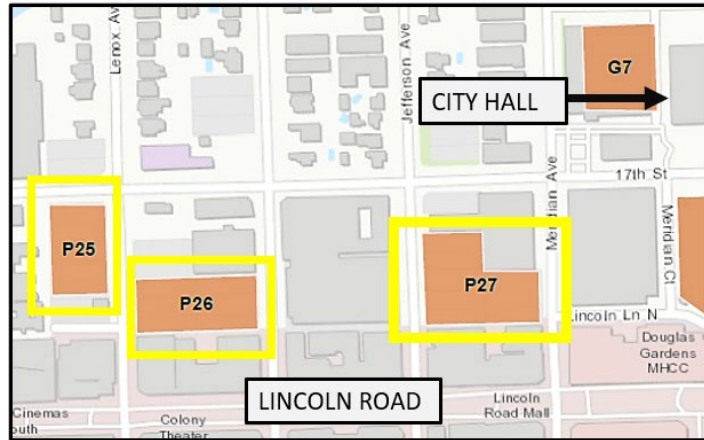
Award & Authorization to Negotiate

RFP responses were due and received on January 12, 2022. The City received proposals from three (3) firms: Infinity Collective LLC, Lincoln Road Holdings LLC, and Lincoln Road Property Owners, L.P. On February 1, 2022, the Evaluation Committee reviewed and evaluated all proposals. Upon review of the results of the Evaluation Committee and an assessment of the proposals, the City Manager recommended that the Mayor and City Commission authorize the City Administration to:

- Negotiate with Lincoln Road Property Owner, L.P., (a joint venture among Integra Investments, Starwood Capital Group, and The Comras Company ("Integra") with regards to P25 and P26 (Option 5), and, if the Administration is not successful in negotiating an agreement with Integra in respect to these lots, authorizing the Administration to negotiate with TPC; and
- Negotiate with Lincoln Road Holdings LLC (a joint venture among The Peebles Corporation, Scott Robins Companies, Inc., and the Baron Corporation) ("TPC") with regards to P27 (Option 3). Additionally, if the Administration is not successful in negotiating an agreement with TPC with regard to lot P27, authorizing the Administration to negotiate with Integra in regard to this option.

On February 23, 2022, via Resolution No. 2022-32054, the City Commission accepted the recommendation of the City Manager and authorized the Administration to negotiate with the proposers. In addition to referring any potential amendments to the City Code (or otherwise) to appropriate land use boards, the Resolution also referred an item to this Committee to discuss the negotiations as a means of providing the Administration with direction during the negotiation phase.

Although the RFP invited proposals to develop four sites (P25, P26, P27, and G5, or a combination thereof), at present, negotiations concern only three sites: P25 and P26 combined, and P27.



P25	
Address	1680 Lenox Avenue
Size	37,454 sq. ft. (0.86 acres)
Parking Spaces	86 spaces
Adjacent Zoning	CD-2 / CD-3
Height allowed by Code	70 feet
FAR allowed by Code	1.87
RFP Proposer	Integra

P26	
Address	1080 Lincoln Lane North
Size	48,000 sq. ft. (1.10 acres)
Parking Spaces	106 spaces
Adjacent Zoning	CD-3
Height allowed by Code	80 feet
FAR allowed by Code	2.75
RFP Proposer	Integra

P27	
Address	1664 Meridian Avenue
Size	59,273 sq. ft. (1.36 acres)
Parking Spaces	151 spaces
Adjacent Zoning	CD-3
Height allowed by Code	80 feet
FAR allowed by Code	2.75
RFP Proposer	TPC

Annual Revenue by Parking Lot					
	FY 18	FY19	FY20	FY 21	FY 22 Year to Date (as of 3/31/22)
P25	\$ 420,478.12	\$ 383,700.87	\$ 228,078.08	\$ 323,489.85	\$ 192,584.11
P26	\$ 541,637.19	\$ 477,463.64	\$ 276,164.83	\$ 385,291.19	\$ 238,479.45
SUM P25+P26	\$ 962,115.31	\$ 861,164.51	\$ 504,242.91	\$ 708,781.04	\$ 431,063.56
P27	\$ 674,658.86	\$ 654,961.62	\$ 378,562.31	\$ 488,165.11	\$ 327,349.40
<i>Source: City of Miami Beach Parking Department</i>					

On March 30, 2022, the FERC received an update on the negotiations, during which the Committee posed questions to the Administration regarding the preparation of the ballot referendum questions and requested that subsequent agenda items present the proposed projects' terms in tandem side-by-side to facilitate the Committee's comparison of both projects.

Proposed Land Use Amendments

In accordance with the City Code's provision allowing for zoning criteria to be determined by a development agreement, the RFP stated that "Proposals shall be guided by the Land Development Regulations, however, proposed changes to the Land Development Regulations will be considered." On April 8, 2022, the Land Use and Sustainability Committee ("LUSC") provided feedback on three legislative amendments requested and proposed in support of the two projects, which would serve to enhance the project design and provide for more optimal use of the City-owned land:

1. An amendment to Policy RLU 1.1.17 of the 2040 Comprehensive Plan, to allow for all types of residential uses (currently, only workforce and affordable housing are permitted), as well as mixed-use developments, as an allowable use in the Public Facility Government Uses (PF) future land use category.
2. An amendment to Chapter 130 of the Land Development Regulations (LDRs) of the City Code to create a minimum off-street public parking requirement for certain developments on City-owned land in parking district No. 2. Additionally, the proposal creates the ability for developments in parking districts No. 2 and No. 3 to provide additional parking spaces in accordance with the minimum requirements set forth in parking district No. 1.
3. An amendment to Chapter 142 of the LDRs to allow for a maximum building height of 100 feet for GU properties developed by the private sector that incorporate public parking spaces owned by and/or operated for the City within the structure. The applicable area for the proposed height increase is bounded by 17th Street on the north, North Lincoln Lane on the south, Alton Road on the west, and Washington Avenue on the east.

By acclamation, the LUSC transmitted the proposed parking ordinance and the Comprehensive Plan amendment with a favorable recommendation, with the caveat that the LUSC recommended limiting the applicability of the Comprehensive Plan amendment

to only those developments within the City Center area. The LUSC also voted 2-1 to transmit the height ordinance to the City without any recommendation. The Administration is supportive of the subject ordinances as they would enhance the leasable spaces within each project, thereby attracting higher quality tenants and, ultimately, offering a better financial return to the City.

On April 19, 2022, the FERC reviewed the draft Term Sheets and provided feedback on the Projects as proposed. Among the issues discussed by the Committee were the appraised land value of each of the three sites, the Proposers' estimated construction cost per space of the Replacement Parking component to be developed for and delivered to the City, and the Committee's desire to see unique and/or independent commercial businesses as the Projects' retail tenants. The Committee noted that Lincoln Road's character was fundamentally altered as international retail brands overtook smaller, local retailers and the Committee expressed a desire for the developments on P25, P26 and P27 to seek retail tenants that would bring back some of Lincoln Road's prior charm.

On April 26, 2022, the Planning Board reviewed the three ordinances and transmitted them to the City Commission with a favorable recommendation. Additionally, the Planning Board recommended that the Projects that include market rate housing also include a portion of workforce and/or affordable housing.

On April 29, 2022, the FERC again discussed the negotiations and transmitted the proposed Term Sheets to the City Commission for consideration.

Analysis

Conducting development and lease negotiations with separate proposers on two complex development projects has been challenging in light of the July 29, 2022 deadline for placing these items on the November 2022 ballot. With a view toward finalizing Development Agreements and Ground Leases with both Proposer teams by such date, the Administration and City Attorney's Office have dedicated considerable staff resources and participate in regularly scheduled meetings with both Proposer teams at least twice per week to establish and refine the deal terms. The proposed Term Sheets for both Projects are attached as Exhibit A.

Key Project Terms		
	P25 + P26 (Integra)	P27 (TPC)
Developer Team	Lincoln Road Property Owner, L.P., a joint venture among Integra Investments, Starwood Capital Group, and The Comras Company, referred to herein as "Integra"	Lincoln Road Holdings LLC, a joint venture among The Peebles Corporation, Scott Robins Companies, Inc., and the Baron Corporation, referred to herein as "TPC"
Lease Term	<ul style="list-style-type: none"> • 99 years: 51 years + two (2) 24-year extensions • This Project concerns two independent but interrelated developments on separate sites. One development agreement will govern and provide for the 	<ul style="list-style-type: none"> • 99 years: 51 years + two (2) 24-year extensions • "Effective Date" for purposes of commencement of each project and, accordingly, for purposes of the milestones set forth below

Key Project Terms		
	P25 + P26 (Integra)	P27 (TPC)
	<p>development of both P25 and P26. However, it is contemplated that upon completion of construction, P25 and P26 will each be governed by a separate Ground Lease.</p> <ul style="list-style-type: none"> • “Effective Date” for purposes of commencement of each project and, accordingly, for purposes of the milestones set forth below shall mean the date established in the notice to proceed issued by the City, which in any event shall be no earlier than the later to occur of: execution of the definitive project documents and certification of the referendum results. 	<p>shall mean the date established in the notice to proceed issued by the City, which in any event shall be no earlier than the later to occur of: execution of the definitive project documents and certification of the referendum results.</p>
Proposed/ Preliminary Site Plan	<p><u>Total (P25 + P26):</u></p> <ul style="list-style-type: none"> • Total FAR: 188,299 sf • Total Office: 129,280 sf (68%) • Total Retail: 24,884 sf <p><u>P25:</u></p> <p>6 stories (3 levels of office, 2.5 levels of parking, ground-floor retail)</p> <p><u>P26:</u></p> <p>8 stories (4 levels of office, 4 levels of parking, ground-floor retail; however, one convertible level of office is contingent upon approval of the height amendment)</p> <p>*Percentages refer to the approximate percentage of floor area attributable to total FAR.</p>	<p><u>P27:</u></p> <ul style="list-style-type: none"> • Total FAR: Not provided • Total SF: 159,000 sf • Office: 80,000 sf • Retail: 9,500 sf • Residential: 69,500 sf (Approximately 46 market rate units, contingent upon amendment of the Comprehensive Plan) <p>6 stories (2 levels of residential, 3 levels of office, ground floor retail, with parking spread across office and retail levels)</p> <p>*TPC has not provided FAR calculations but has acknowledged and agreed that its project must encompass Class A Office space for at least 50% of the available FAR.</p>

Key Project Terms		
	P25 + P26 (Integra)	P27 (TPC)
	** Assumes Land Use Amendments move forward. If Land Use amendments do not move forward, the available square footage would be reduced by approximately 21,000 sf.	** Assumes Land Use amendments move forward. If Land Use amendments do not move forward, the available square footage would be reduced by approximately 60,000 sf.
Proposed Land Use Amendments	<ul style="list-style-type: none"> • <u>Comprehensive Plan amendment</u>: Proposed program is not impacted by this proposed ordinance. • <u>Off-street parking amendment</u>: Initial proposal would not be impacted by this proposed ordinance. • <u>Height amendment</u>: On P25, the height amendment would allow for an additional 11', resulting in a height of 86'-2" instead of 75'-0" at the southern end of P25 closest to Lincoln Road, and providing for greater floor-to-ceiling heights of the office and retail levels. On P26, the additional height would allow for (i) greater floor-to-ceiling heights of the office and retail levels; (ii) the top level of parking would include mechanical parking lifts and be convertible into habitable space in the event that parking demand decreased at a future date in time; and (iii) if the Off-Street Parking amendment is approved, an additional floor of Class A office space. 	<ul style="list-style-type: none"> • <u>Comprehensive Plan Amendment</u>: At present, workforce and affordable housing are the only residential uses permitted in land uses designated as Public Facilities. Therefore, this amendment is necessary to permit TPC to include market-rate residential units in its Project. • <u>Off-street parking amendment</u>: The City Code does not count required off-street parking towards FAR limitations. At present, City parking facilities are not considered Required Parking for GU properties. Therefore, TPC could not provide the Replacement Parking and sufficient off-street parking for its proposed office, commercial, and residential uses without exceeding maximum allowed FAR. With the amendment, the Replacement Parking that will be owned by the City and is a required component of the RFP, will not count towards limiting development of other project components. • <u>Height amendment</u>: Initial proposal would not be impacted by this proposed ordinance. However, current conceptual plans include subterranean parking which may necessitate additional height.

Key Project Terms		
	P25 + P26 (Integra)	P27 (TPC)
Construction Timeline	<ul style="list-style-type: none"> • Temporary Certificate of Occupancy (TCO) is required to be achieved at 63 months from Effective Date for P25 and 82 months for P26. • Integra proposes phased construction of the two lots in a manner that will not require the use of other parking facilities in the City to handle displaced parking. All spaces Integra is required to provide during construction will be kept within P25 and P26 throughout the duration of construction. TCO for public parking facilities is required no later than 54 months after the Effective Date. 	<ul style="list-style-type: none"> • Temporary Certificate of Occupancy (TCO) is required to be achieved at 61 months from the Effective Date. • TPC proposes three nearby municipal parking garages to accommodate displaced parking demand, of which two proposed garages are City-owned. The Parking Department recommends a mitigation strategy that does not rely on public facilities during construction. TCO for public parking facilities is required no later than 61 months after the Effective Date and will be available for public use no later than 3 months after TCO.
Rent	<p>Below are Key Financial Terms, for full financial terms and annual rent payments, please refer to Financial Proposals Table in Exhibit B. Financial terms remain subject to negotiation.</p> <ul style="list-style-type: none"> • Initial Lump Sum Payment, immediately upon Effective Date: \$2.5M • Guaranteed Annual Rent, beginning one (1) year after Effective Date: <ul style="list-style-type: none"> ○ Year 2: \$650,000 ○ Years 3-4: \$725,000 ○ Years 5-6: \$750,000 • Additional Lump Sum Payment, at TCO: \$500,000 per building (\$1M total) • Rent Escalations (Guaranteed Rent), commencing at 73 months after Effective Date: the greater of 2% or CPI, but no more than 3% • Percentage Rent Participation: 5% of Effective Gross Income 	<p>Below are Key Financial Terms, for full financial terms and annual rent payments, please refer to Financial Proposals Table in Exhibit B. Financial terms remain subject to negotiation.</p> <ul style="list-style-type: none"> • Initial Lump Sum Payment, at Target Date for Construction Commencement (no later than 23 months after Effective Date): \$2M • Construction Rent, beginning at Construction Commencement (no later than 23 months after Effective Date): \$150,000 • Guaranteed Annual Rent, beginning at Construction Completion (no later than 43 months after Effective Date): \$680,000 • Rent Escalations (Guaranteed Annual Rent), commencing on the one-year anniversary of the Target Date for Construction Completion (i.e. 55 months after Effective Date):

Key Project Terms		
	P25 + P26 (Integra)	P27 (TPC)
	<p>(or Guaranteed Annual Rent, whichever is greater)</p> <ul style="list-style-type: none"> • Base Rent Reset for each of the P25 Project and the P26 Project: At time of rent reset, the new minimum rent would be calculated based on year 6 of \$750,000 (allocated between P25 and P26 as ultimately agreed) and escalated through the rent reset date by the higher of 2% or CPI (uncapped). This would occur at years 51 (for years 52-75) and year 75 (for years 76-99). 	<ul style="list-style-type: none"> ○ Year 1-5: 1.5% (Year 1 commences in month 55 from Effective Date for these purposes, i.e., approximately 4.5 years into the Initial Term) ○ Year 6-10 (commencing in month 115 from Effective Date, i.e., approximately 9.5 years into the Initial Term): CPI with floor of 1.5% and ceiling of 2% ○ Year 11-15 (commencing in month 175 from Effective Date, i.e., approximately 14.5 years into the Initial Term): CPI with floor of 1.5% and ceiling of 2.5% ○ Year 16 through end of Initial Term (commencing in month 235 from Effective Date, i.e., approximately 19.5 years into the Initial Term): CPI with floor of 1.5% and ceiling of 3% • Percentage Rent Participation: 4% of Effective Gross Income (or Guaranteed Annual Rent, whichever is greater) • Base Rent Reset: At time of rent reset, hypothetical rent would be calculated based on year when full rent (i.e., \$680,000) commences, escalated through the rent reset date by the higher of 2% or CPI (uncapped). This would occur at years 51 (for years 52-75) and year 75 (for years 76-99).
City Parking Revenue	<ul style="list-style-type: none"> • 100% of net revenues collected from the 192 replacement parking spaces provided back to 	<ul style="list-style-type: none"> • 100% of net revenues collected from the 151 replacement parking spaces provided back to the City.

Key Project Terms		
	P25 + P26 (Integra)	P27 (TPC)
	the City. (Definition of “net” to be negotiated.)	(Definition of “net” to be negotiated.)
Insurance, Taxes, Utilities	<ul style="list-style-type: none"> Both leases are “triple net” however, if the City elects to operate the Replacement Parking Component, the City would be responsible for costs and expenses attributable to the Replacement Parking Component 	<ul style="list-style-type: none"> Same
Project Financing	<ul style="list-style-type: none"> Developer permitted to use multiple lenders including a mezzanine loan, provided that, in each case, an Institutional Lender shall be used and loan-to-cost ratio for construction financing or loan-to-value ratio for permanent financing) shall not exceed 90%. In no event shall the City's fee interest in the Property be subordinate to any mortgage or liens and the City shall have first priority right of payment of rent at all times. Developer shall at all times maintain not less than 10% equity in the Project, including Developer's initial equity contribution to the Project. The City is not and shall not be required to provide any funding or financing for the Project, including without limitation, any tax credits and/or subsidies. 	<ul style="list-style-type: none"> Same
Termination for Convenience	<ul style="list-style-type: none"> Developer may terminate the Development Agreement at any time <i>prior to issuance of the building permit</i> in the event: (1) any of the Required Approvals render the Project economically unfeasible in 	<ul style="list-style-type: none"> Same

Key Project Terms		
	P25 + P26 (Integra)	P27 (TPC)
	<p>the reasonable business judgment of Developer;</p> <p>(2) the Project cannot meet concurrency requirements under Section 163.3180, Florida Statutes, or the costs of concurrency mitigation are, in the reasonable business judgment of Developer, economically unfeasible;</p> <p>(3) Developer, after diligent, good faith efforts, has been unable to obtain a full building permit for the Project pursuant to the Approved Plans;</p> <p>(4) Developer, after diligent, good faith efforts, is unable to secure adequate financing on financial terms that are commercially reasonable; or</p> <p>(5) there shall exist any material adverse change in national or global economic conditions that in the Developer's reasonable and good faith judgment would materially, adversely affect the financial viability of the Project.</p> <ul style="list-style-type: none"> • The City has no termination for convenience right once the agreements are signed. 	
Termination for Cause (Development Agreement)	<ul style="list-style-type: none"> • City may terminate the Development Agreement for cause, as a result of any default by Developer, which continues beyond the expiration of any applicable notice and cure period, in the Development Agreement and the Ground Lease. 	<ul style="list-style-type: none"> • Same

Key Project Terms		
	P25 + P26 (Integra)	P27 (TPC)
	<ul style="list-style-type: none"> In any event of termination by Developer or by the City as a result of a default by Developer, (i) the Developer shall assign to the City all right, title, and interest the Developer has in and to the Plans and any other materials pertaining to the Project and (ii) the City shall have no further obligation to the Developer following such termination, financial or otherwise other than those obligations, if any, which expressly survive such termination. 	
Reimbursement	<ul style="list-style-type: none"> Developer has executed an agreement pledging to reimburse the City for the City's out of pocket transactional and professional costs and expenses associated with the due diligence, negotiation, and drafting of the Development Agreement and Ground Lease and development of the Project, up to \$150,000.00, including without limitation fees for the City's parking bond covenant analysis, real estate and transaction appraisals and other required reports; the City's outside counsel and paralegal fees; and any surveys, environmental assessments (if any), title searches, and other reviews engaged by the City. 	<ul style="list-style-type: none"> Same
Proposed/ Preliminary Public Benefits	<p>Integra's RFP response proposed:</p> <ul style="list-style-type: none"> creation of new employment opportunities for residents of the City and neighboring communities; diversification of the City's economy by attracting new 	<p>TPC's RFP response proposed a Project that will:</p> <ul style="list-style-type: none"> Activate, revitalize, enhance and bring new life and energy to this part of the City; Serve as a benefit to the City by improving and replacing the City

Key Project Terms		
	P25 + P26 (Integra)	P27 (TPC)
	<p>employers from various industries to the City;</p> <ul style="list-style-type: none"> • enhancing public parking around Lincoln Road; • an approximately 0.11-acre pocket park on the ground floor of Lot P26 (the “Public Park Component”); • additional public meeting space as well as new health, recreational, entertainment, and cultural opportunities; • achieving LEED Gold designation; and • addressing the issue of sea level rise by providing onsite stormwater retention. • Retail programming (RFP proposal): <ul style="list-style-type: none"> ○ P25’s entire retail frontage on 17th St proposed as “fit row”—health and wellness establishments ○ P25’s Lenox Ave retail frontage is set back in concert with existing street cafes (e.g. Rosetta Bakery) to encourage more outdoor café seating on P25. ○ P26 will provide “boutique, café, home décor, and service-oriented spaces, which will allow businesses that cannot afford Lincoln Road rental rates to thrive.” 	<p>Spaces with covered, secure and structured parking.</p> <ul style="list-style-type: none"> • Create new rental housing for City residents • Create new Class-A office space; • Further the City’s sustainability and resiliency efforts for new development; • Improve lighting, providing increased safety for area; • Create temporary and construction jobs and long-term permanent jobs; • Increase the tax base and increase the tax revenue to the City; • Provide landscaping and overall beautification of the area surrounding the Project; • Create a live, work, and play environment within the Project; • Provide economic stimulus to the City; • Encourage future development of areas surrounding the Project; and • Create a pedestrian walkway connecting the Lincoln Lane neighborhood with landscaping, lighting, benches, and storefronts. • Retail programming (RFP proposal): <ul style="list-style-type: none"> ○ Activate the alleyway with community-oriented retail and building-oriented retail, which supports the live-work-play lifestyle that underpins the key leasing strategy ○ Retail designed to complement rather than compete with Lincoln Road, e.g., smaller retail bays and targeting service, entertainment, and restaurants tenants

Key Project Terms		
	P25 + P26 (Integra)	P27 (TPC)
		rather than traditional retailers.
Non-Disparagement Clause	None of the Developer, any person authorized to speak on behalf of Developer, or any director or officer or member of senior management of Developer, shall engage in a deliberate campaign intended to cause voters in the Referendum to vote against the other project, including by publicly disparaging, impugning, or making derogatory statements regarding the other Project or the other developer.	<ul style="list-style-type: none"> • Same
Referendum Requirement	The effectiveness of the Ground Leases and the Development Agreement shall be contingent upon voter approval of the Ground Lease at the November 8, 2022 general election in accordance with the City of Miami Beach Charter. In the event the Referendum is not successful or if the ballot question(s) are not approved, for whatever reason, the Ground Lease and Development Agreement shall be null and void.	<ul style="list-style-type: none"> • Same

Outstanding items requiring further negotiation and/or action by City bodies or third parties are set forth more fully below.

i. Amendments to Land Development Regulations and Comprehensive Plan

As previously detailed, both Projects would benefit from one or more of three proposed amendments: two LDR amendments and one text amendment to the Comprehensive Plan. The LDR amendments were discussed and approved by the Planning Board on April 26, 2022. All three items must be approved by the City Commission, with anticipated First Reading at the May 4, 2022 City Commission meeting, and the Comprehensive Plan amendment is to be reviewed and approved by the State of Florida. The Integra Project does not require any amendment for financial terms to remain as currently reflected. If the required parking and/or Comprehensive Plan amendments do not succeed, the TPC Project will need to be adjusted by decreasing office and/or residential square footage (or by eliminating the residential component altogether) with corresponding decreases to the rental payments (to be negotiated) to remain viable.

ii. Land Appraisal

As required by Section 82-37(b) of the City Code governing leases of ten years or more, an independent consultant, CBRE, Inc., was selected for the appraisal following a request

for quotes submitted to the City's prequalified pool of real estate appraisers, as designated by the City Commission via Resolution No. 2018-30585. The attached draft real estate appraisal report ("Appraisal Report") has been prepared for consideration by the City Commission in its review of the proposed Leases. Following receipt of a preliminary draft of the Appraisal Report, portions of which were first discussed by the FERC on April 19, 2022, the consultant continues to revise the Appraisal Report. Once the Appraisal Report is finalized, it will be provided to the City Commission not later than First Reading of the Ground Lease.

The appraiser employs a sales comparison approach to determine as-is fee simple value of each of the three sites, whereby recent comparable sales of nearby properties are directly compared to each subject site, as if vacant and available, to be put to its highest and best use, with adjustments applied to account for differences in several factors, including location, property shape, view corridors, zoning, market conditions at time of sale, etc. The sales used in this analysis are considered comparable to the subject sites, and the required adjustments were based on industry best practices. CBRE has indicated to the Administration that the required referendum assumption should not factor into the fee-simple land valuation. The sales comparison approach is considered to provide a reliable value indication for each subject property.

iii. Financial Terms: Rent and other Revenues

a. Lump Sum Payment and Annual Rent

Although the financial and other terms in the RFP responses served as a starting point for negotiations between the City and Developers, such initial terms were not accepted by the City. As noted in the Appraisal Report, Lincoln Road is one of the City's most desirable non-oceanfront locations, and high density, walkable live/work lifestyle environments are currently the highest driver for office and residential real estate assets. Both Developers has adjusted the financial terms from the offers in their RFP responses, each indicating that construction costs have increased since the time of RFP submissions, attributable to factors such as supply chain challenges, rising inflation and interest rates, and geopolitical instability. A detailed comparison of anticipated financial payments to the City from each Developer is contained in Exhibit B.

Both Developers have agreed to similar rent structures: a Lump Sum Payment early in the Lease Term (described below), with Guaranteed Annual Rent commencing, in the case of Integra, 12 months from the Effective Date and in the case of TPC, at the agreed upon target date for commencement of construction, i.e., no later than 23 months from the Effective Date. Integra's Guaranteed Minimum Rent increases progressively from \$650,000 to \$750,000 between years 2 and 5, followed by escalations (greater of 2% or CPI, capped at 3%) commencing in year 7. TPC's Guaranteed Minimum Rent remains constant during its twenty-month construction period at \$150,000, and then increases to \$680,000 upon construction completion, with varying annual escalations throughout the initial term. In both proposals, the Developer is to pay the higher of the Guaranteed Annual Rent or Percentage Rent. Integra has agreed to Percentage Rent Participation of 5% of Effective Gross Income (EGI) and TPC has agreed to 4% of EGI.

Both Developers have agreed to an Initial Lump Sum Payment: \$2.5M for Integra on the Effective Date and \$2M for TPC at the agreed upon target date for commencement of construction, which will occur not later than 23 months after the Effective Date. Integra has agreed to two (2) additional Lump-Sum Payments totaling \$1,000,000 payable in two

installments: \$500,000 upon issuance of Temporary Certificate of Occupancy (TCO) for P25 and \$500,000 upon the issuance of a TCP for P26: (based on Outside Dates, these payments will occur not later than 63 months and 82 months, respectively). TPC does not propose any additional Lump Sum Payments.

b. Parking Component

The Off-Street Parking Regulations in the City Code, Article V of Chapter 130, allow developers of properties within historic districts to pay a fee in lieu of providing parking, currently priced at \$40,000 per required parking space. This fee per space is intended to represent total average cost for land acquisition and construction of one (1) parking space. Although Resolution No. 2014-28757 directs that the cost per space should be evaluated on an annual basis by the City Commission based upon the Consumer Price Index (CPI) and amended if appropriate, the current fee structure of \$40,000 was last adjusted in 2014.

Both Projects will contain Replacement Parking equal to the number of spaces currently existing on all three lots, and the City will be entitled to the net revenues from these spaces that are anticipated to be consistent with current collections. The table in the Background section depicting the Parking Department's historical revenue collection for the three lots indicates that the current revenue year-to-date for 2022 could yield annual revenues on par with FY 2019 collections (pre-COVID-19).

iv. Residential Housing Component

During the early phase of the negotiation sessions, TPC offered to devote approximately 20% of its 46 residential units as workforce housing for income-eligible households earning 140% of area median income (AMI). In light of the fact that 140% AMI is the AMI ceiling before workforce housing transitions to market rate, as defined by the City Code and the Miami-Dade County Code, the Administration sought further confirmation of TPC's design and operational plans in order to ensure that the proposed unit mix and rental rates for these units met the City's expectations for workforce housing. During the April 19, 2022 FERC meeting, TPC explained to the Committee that its decision to diversify its proposed programming to include residential housing was driven by economics because strong rental demand would provide project revenue that was more lucrative than solely office programming. Conversely, Integra affirms that an all office/retail approach would be more economically desirable. Nevertheless, the exact programming and floor area that either Developer intends to deliver will not be defined until each Developer submits its permit application. As in most development projects, and in light of the recent market volatility in construction, value engineering is expected to occur, and this could impact overall project costs and quality.

TPC's financial proposal presented to the FERC on April 19, 2022 juxtaposed potential Rent to the City for two leasing programs: (1) mixed market rate and workforce housing units (TPC's preferred option at the time) and (2) all market rate units *without* any workforce units. The comparison of the two programs demonstrated an insignificant difference between the two scenarios, as the mixed-income scenario proposed only a modest number of workforce units (i.e., 9 workforce units out of 46 total). Because of uncertainty regarding the true impact of the 9 units designated as workforce, including the anticipated rental rates reaching the uppermost income ceiling limit for workforce, in its most recent conversations with staff, TPC has decided to forego designating any residential units as workforce housing. Although CD-2 (commercial, medium intensity) and CD-3 (commercial, high-intensity) zoning allow apartment hotels, hotels, hostels, and suite

hotels as a main permitted use, neither Developer proposes any residential use besides TPC's 43 market rate residential units. TPC has agreed that residential units will not be available for short-term rentals and the term of each residential lease must be for not less than one year. To ensure that the Project's residential units serve their intended purpose and increase the City's rental housing stock for Miami Beach residents, Term Sheets and Leases for both Integra and TPC will prohibit short-term rentals on any Project site.

v. Project Construction Phasing and Implications for Project Development

The Administration notes that if both Projects are approved by the City Commission and by a majority of the City's voters in the Referendum, construction of the two Projects will likely be phased. Project sequencing will take into account all appropriate factors, including impacts on parking availability in the area and other area impacts such as the construction of the Miami Beach Convention Center Hotel, provided that the City may also make a determination, in its sole, reasonable discretion, that both Projects can reasonably be constructed in tandem or otherwise simultaneously without having an adverse impact on the City's residents, businesses, and visitors. The uncertainty at the present time as to the sequencing of the two Projects may adversely affect development and construction costs for the Projects, and both TPC and Integra have expressed concern with the possibility that their respective Projects will not be first noticed to proceed. The City's determination as to phasing and order of commencement (i) shall be made in the City's sole, reasonable discretion no later than sixty (60) days following official certification of the Referendum results and (ii) shall be final and binding on the Developers with no right of appeal.

vi. Preliminary Analysis of Development Impacts

Not only will these development projects have lasting impact on the City Center district, but the construction process must be properly planned for and managed because existing City parking facilities will be taken offline during the construction process and development of the Convention Center Hotel is accelerating. Upon authorizing negotiations, the City Commission requested both proposers prepare preliminary, independent analyses for each Project, to address the potential impacts upon (1) traffic, (2) parking, and (3) existing infrastructure, both during construction and upon development, including proposed mitigation strategies. The City Administration continues to review the initial consultant findings that were provided to the City by the Developers on April 13, 2022. Excerpts of these reports are included as Exhibit C and summarized as follows:

a. Parking Mitigation – P25 and P26 (Integra)

Integra's proposal: Phase 1: convert P26 to valet-only parking to accommodate both P25 and P26's combined parking capacity solely on P26, with Integra to cover the cost of the valet service so the public will continue to pay municipal rates; *Phase 2:* construct P25's parking pedestal and make all P25 and P26 Replacement Parking spaces available for public self-parking on P25 upon issuance of TCO for the P25 parking component; *Phase 3:* construction begins on P26 with a priority for obtaining TCO on P26 parking pedestal, while simultaneously completing construction on P25's remaining non-parking components; *Phase 4:* completion of the parking pedestal on P26 and TCO for the non-parking components of P25; in this phase, Replacement Parking is reintroduced at P26 such that Replacement Parking at P25 and P26 will return to pre-development levels; *Phase 5:* complete construction and TCO for entire P26 building.

Administration comments: Integra's proposal maximizes the use of both its Project sites in a phased manner to ensure the continued availability of existing City parking capacity throughout construction on both sites, without the need to displace existing parking capacity to offsite parking facilities. With further discussion and adjustments proposed by the City, this could represent an acceptable strategy. For example, the City would require the proposed valet operation on P26 to utilize the City's contracted valet company and financial commitment from Integra would be necessary to offer the municipal public parking rate at the P26 valet (currently \$2 per hour).

b. Parking Mitigation – P27 only (TPC)

TPC's mitigation strategy proposes three (3) nearby garages including two (2) City facilities: The Lincoln Garage, 1691 Michigan (privately operated), 17th Street Garage/G5, 640 17 Street (City-owned), and Penn Garage/G9, 1661 Pennsylvania Avenue (City-owned).

Administration comments: The Parking Department has indicated that the mitigation strategy should not rely on the City's other lots or garages and recommended that parking temporarily lost during construction be accommodated via third-party agreements between the developers and private facilities. In addition, as parking revenues must be maintained throughout construction to ensure adequate coverage for the payment of the City's parking bond obligations, the City will need to fund any deficit in the Parking Fund out of the General Fund. Alternatively, TPC could make additional payments to the City during construction to offset the lost parking revenues, but this has not been discussed at this stage of the negotiations.

c. Traffic Management – P25, P26, P27 (Integra and TPC)

Integra and TPC's proposal: Peak-hour roadway-impact analysis for the surrounding roadway network anticipates a significant impact to Alton Road (significant impact is defined as 5% or more of the roadway's adopted level of service capacity).

Administration comments: The submitted analysis does not examine all affected intersections in the vicinity, with no mention of infrastructure needs to support anticipated demand or any multi-modal analysis. Therefore, an improved methodology must be formulated with the Transportation Department during the permitting process to sufficiently address mitigation.

d. Civil Engineering Due Diligence – P25, P26, P27 (Integra and TPC)

Integra and TPC's proposal: Existing water mains are sufficient for potable water, irrigation, and fire water, with no significant increase in operational demands for the applicable Pump Station PS#01. No determination was possible at this time whether the existing gravity sanitary sewer collection system has sufficient available capacity to handle the developments' anticipated load, but as with all existing infrastructure, the developers commit to repair and replace any obsolete and undersized water, sewer, and stormwater lines, as needed and requested by the City.

Administration comments: Once utility connections and anticipated demand are more accurately established via construction documents, the City, in its regulatory capacity, will require water and sewer capacity modeling as part of the building permit process. As is customary for all construction projects in Miami Beach, the City's concurrency regulations will require the Developer to pay for and construct any necessary upgrades and

improvements as a condition of the building permit approval, e.g., replacement of all sewer laterals and water services.

vii. Operation of the City's Public Parking Replacement Component

As negotiated, the City shall operate all Public Parking Replacement Components for each Project, provided that, the City shall have the right, in its sole discretion, to decide that the Developer shall operate the Public Parking Replacement Components if notice is provided to the Developer by or before sixty (60) days following official certification of the Referendum results. If the City elects to operate the Public Parking Replacement Component, applicable terms will be incorporated into a separate operating agreement. If the City requires Developer to operate the Public Parking Replacement Component, the Developer and the City will negotiate terms such as standards of operation, responsibility for costs and expenses, etc. In all circumstances, the City and Developer stipulate that parking rates for Public Parking Components shall not be higher than the City's then-applicable rates for similar parking facilities.

SUPPORTING SURVEY DATA

In the 2019 Business Satisfaction Survey, the availability of parking was listed by respondents as the number one barrier to business prosperity in Miami Beach, with 47% of respondents selecting parking among their top choices. The 2019 Resident Satisfaction Survey found that Lincoln Road was the highest-ranking place in the city that residents enjoy visiting, with 60% of residents selecting it among their top choices.

FINANCIAL INFORMATION

The proposed rental payments and financial terms are detailed in the Analysis section with the proposed annual payments outlined in Exhibit B. The Development Agreement and Ground Lease stipulate that the City will not provide any funding or financing for the Project and the Administration has incorporated additional measures to limit the City's exposure: the City's fee simple interest in the property will not be subordinate to any mortgage, City has first priority right of payment of rent, the loan-to-cost ratio for construction financing and loan-to-value financing for permanent financing shall not exceed 90%, and the Developer must maintain 10% equity in the Project. As concerns the City's necessary costs during negotiations, each developer has executed an agreement pledging to reimburse the City for up to \$150,000 for the City's expenses and the City is preparing to begin invoicing each team for these expenses including those for studies and outside counsel.

CONCLUSION

Subject to direction as to the policy and business issues outlined in this Memorandum, the Administration recommends that the City Commission approve, in concept, the Term Sheet for the Project, and authorize the Administration to continue negotiations and draft the Development Agreement and Ground Lease for the City Commission's consideration. Further, the Administration recommends that the City Commission refer the proposed Project and the foregoing Agreements to the Planning Board for review, in accordance with the requirements of the City Charter and City Code.

Attachments

- A. Proposed Term Sheets
- B. Financial Proposals for both Projects
- C. Preliminary Impacts Analyses
 - i. Public Parking Mitigation Strategy (*P25 and P26*)
 - ii. Parking Mitigation by Desman Design Management (*P27*)
 - iii. Traffic Management by Langan Engineering and Environmental Services, Inc. (*P25, P26, P27*)
 - iv. Civil Engineering Due Diligence by Langan Engineering and Environmental Services, Inc. (*P25, P26, P27*)
- D. Project Renderings
- E. Draft Appraisal Report dated April 26, 2022

EXHIBIT B 1

Financial Proposal P25 & P26 - INTEGRA (LINCOLN ROAD PROPERTY OWNER, L.P.)

SUMMARY (99 years)				ASSUMPTIONS					
Rent/Compensation	Present Value	Present Value PSF	Both LDR and Comprehensive Plan Amendments are Approved			Lot square footage	85,979		
Minimum Rent Only	\$ 23,813,361	\$ 276.97	Minimum Rent increase: 2%; no rent resets for purposes of this model.			Parking Spaces	192		
Percentage Rent (EGL)	\$ 35,502,469.03	\$ 412.92	Effective Gross Income (EGL) revenue increases 3% per year			Parking Revenue/space	\$4,422.23		
Minimum w/Parking	\$ 42,695,841.81	\$ 496.58	Parking revenue increases 1% per year			Parking Expense	10%		
Percentage w/Parking	\$ 54,384,949.97	\$ 632.54	Present Value Discount Rate: 5%			Parking Growth	1%		
				Percentage rent based on estimates/projections.					
Parking Revenue Not Included				Parking Revenue included					
Growth Rate		Discount Rate	Discount Rate		Discount Rate		Discount Rate		
2%		5%	5%		5%		5%		
Lease Year	Revised Guaranteed Minimum Rent (with 2% Growth)	Present Value	Percentage Rent (Higher of Minimum Rent or 5% of EGL)	Present Value	Retained City Parking Revenue (with 1% Growth)	Total City Compensation (w/Minimum Rent)	Present Value	Total City Compensation (w/Percentage Rent)	Present Value
1	\$ 2,500,000	\$ 23,813,361	\$ 2,500,000	\$ 35,502,469.03	\$ 771,803	\$ 3,271,803	\$ 42,695,841.81	\$ 3,271,803	\$ 54,384,949.97
2	\$ 650,000		\$ 650,000		\$ 779,521	\$ 1,429,521		\$ 1,429,521	
3	\$ 725,000		\$ 725,000		\$ 787,316	\$ 1,512,316		\$ 1,512,316	
4	\$ 725,000		\$ 725,000		\$ 795,189	\$ 1,520,189		\$ 1,520,189	
5	\$ 750,000		\$ 750,000		\$ 803,141	\$ 1,553,141		\$ 1,553,141	
6	\$ 1,250,000		\$ 1,250,000		\$ 811,173	\$ 2,061,173		\$ 2,061,173	
7	\$ 1,265,000		\$ 1,265,000		\$ 819,284	\$ 2,084,284		\$ 2,084,284	
8	\$ 780,300		\$ 980,075		\$ 827,477	\$ 1,607,777		\$ 1,807,552	
9	\$ 795,906		\$ 1,009,477		\$ 835,752	\$ 1,631,658		\$ 1,845,229	
10	\$ 811,824		\$ 1,039,761		\$ 844,110	\$ 1,655,934		\$ 1,883,871	
11	\$ 828,061		\$ 1,070,954		\$ 852,551	\$ 1,680,611		\$ 1,923,505	
12	\$ 844,622		\$ 1,103,083		\$ 861,076	\$ 1,705,698		\$ 1,964,159	
13	\$ 861,514		\$ 1,136,175		\$ 869,687	\$ 1,731,201		\$ 2,005,862	
14	\$ 878,745		\$ 1,170,261		\$ 878,384	\$ 1,757,128		\$ 2,048,644	
15	\$ 896,319		\$ 1,205,368		\$ 887,168	\$ 1,783,487		\$ 2,092,536	
16	\$ 914,246		\$ 1,241,530		\$ 896,039	\$ 1,810,285		\$ 2,137,569	
17	\$ 932,531		\$ 1,278,775		\$ 905,000	\$ 1,837,530		\$ 2,183,775	
18	\$ 951,181		\$ 1,317,139		\$ 914,050	\$ 1,865,231		\$ 2,231,188	
19	\$ 970,205		\$ 1,356,653		\$ 923,190	\$ 1,893,395		\$ 2,279,843	
20	\$ 989,609		\$ 1,397,352		\$ 932,422	\$ 1,922,031		\$ 2,329,774	
21	\$ 1,009,401		\$ 1,439,273		\$ 941,746	\$ 1,951,148		\$ 2,381,019	
22	\$ 1,029,589		\$ 1,482,451		\$ 951,164	\$ 1,980,753		\$ 2,433,615	
23	\$ 1,050,181		\$ 1,526,925		\$ 960,675	\$ 2,010,856		\$ 2,487,600	
24	\$ 1,071,185		\$ 1,572,732		\$ 970,282	\$ 2,041,467		\$ 2,543,015	
25	\$ 1,092,608		\$ 1,619,914		\$ 979,985	\$ 2,072,593		\$ 2,599,899	
26	\$ 1,114,461		\$ 1,668,512		\$ 989,785	\$ 2,104,245		\$ 2,658,297	
27	\$ 1,136,750		\$ 1,718,567		\$ 999,683	\$ 2,136,432		\$ 2,718,250	
28	\$ 1,159,485		\$ 1,770,124		\$ 1,009,679	\$ 2,169,164		\$ 2,779,804	
29	\$ 1,182,674		\$ 1,823,228		\$ 1,019,776	\$ 2,202,451		\$ 2,843,004	
30	\$ 1,206,328		\$ 1,877,925		\$ 1,029,974	\$ 2,236,302		\$ 2,907,899	
31	\$ 1,230,454		\$ 1,934,263		\$ 1,040,274	\$ 2,270,728		\$ 2,974,536	
32	\$ 1,255,064		\$ 1,992,290		\$ 1,050,677	\$ 2,305,740		\$ 3,042,967	
33	\$ 1,280,165		\$ 2,052,059		\$ 1,061,183	\$ 2,341,348		\$ 3,113,242	
34	\$ 1,305,768		\$ 2,113,621		\$ 1,071,795	\$ 2,377,563		\$ 3,185,416	
35	\$ 1,331,884		\$ 2,177,030		\$ 1,082,513	\$ 2,414,397		\$ 3,259,543	
36	\$ 1,358,521		\$ 2,242,340		\$ 1,093,338	\$ 2,451,859		\$ 3,335,679	
37	\$ 1,385,692		\$ 2,309,611		\$ 1,104,272	\$ 2,489,963		\$ 3,413,882	
38	\$ 1,413,405		\$ 2,378,899		\$ 1,115,314	\$ 2,528,720		\$ 3,494,213	
39	\$ 1,441,674		\$ 2,450,266		\$ 1,126,467	\$ 2,568,141		\$ 3,576,733	
40	\$ 1,470,507		\$ 2,523,774		\$ 1,137,732	\$ 2,608,239		\$ 3,661,506	
41	\$ 1,499,917		\$ 2,599,487		\$ 1,149,109	\$ 2,649,027		\$ 3,748,597	
42	\$ 1,529,916		\$ 2,677,472		\$ 1,160,601	\$ 2,690,516		\$ 3,838,072	
43	\$ 1,560,514		\$ 2,757,796		\$ 1,172,207	\$ 2,732,720		\$ 3,930,002	
44	\$ 1,591,724		\$ 2,840,530		\$ 1,183,929	\$ 2,775,653		\$ 4,024,458	
45	\$ 1,623,559		\$ 2,925,746		\$ 1,195,768	\$ 2,819,326		\$ 4,121,514	
46	\$ 1,656,030		\$ 3,013,518		\$ 1,207,726	\$ 2,863,755		\$ 4,221,244	
47	\$ 1,689,150		\$ 3,103,924		\$ 1,219,803	\$ 2,908,953		\$ 4,323,726	
48	\$ 1,722,933		\$ 3,197,041		\$ 1,232,001	\$ 2,954,934		\$ 4,429,042	
49	\$ 1,757,392		\$ 3,292,953		\$ 1,244,321	\$ 3,001,713		\$ 4,537,273	
50	\$ 1,792,540		\$ 3,391,741		\$ 1,256,764	\$ 3,049,304		\$ 4,648,505	
51	\$ 1,828,391		\$ 3,493,493		\$ 1,269,332	\$ 3,097,722		\$ 4,762,825	
52	\$ 1,864,958		\$ 3,598,298		\$ 1,282,025	\$ 3,146,983		\$ 4,880,323	
53	\$ 1,902,258		\$ 3,706,247		\$ 1,294,845	\$ 3,197,103		\$ 5,001,092	
54	\$ 1,940,303		\$ 3,817,434		\$ 1,307,794	\$ 3,248,097		\$ 5,125,228	
55	\$ 1,979,109		\$ 3,931,958		\$ 1,320,872	\$ 3,299,981		\$ 5,252,829	
56	\$ 2,018,691		\$ 4,049,916		\$ 1,334,080	\$ 3,352,771		\$ 5,383,997	
57	\$ 2,059,065		\$ 4,171,414		\$ 1,347,421	\$ 3,406,486		\$ 5,518,835	
58	\$ 2,100,246		\$ 4,296,556		\$ 1,360,895	\$ 3,461,142		\$ 5,657,452	
59	\$ 2,142,251		\$ 4,425,453		\$ 1,374,504	\$ 3,516,755		\$ 5,799,957	
60	\$ 2,185,096		\$ 4,558,216		\$ 1,388,249	\$ 3,573,345		\$ 5,946,466	
61	\$ 2,228,798		\$ 4,694,963		\$ 1,402,132	\$ 3,630,930		\$ 6,097,095	
62	\$ 2,273,374		\$ 4,835,812		\$ 1,416,153	\$ 3,689,527		\$ 6,251,965	
63	\$ 2,318,841		\$ 4,980,886		\$ 1,430,315	\$ 3,749,156		\$ 6,411,201	
64	\$ 2,365,218		\$ 5,130,313		\$ 1,444,618	\$ 3,809,836		\$ 6,574,931	
65	\$ 2,412,523		\$ 5,284,222		\$ 1,459,064	\$ 3,871,587		\$ 6,743,286	
66	\$ 2,460,773		\$ 5,442,749		\$ 1,473,655	\$ 3,934,428		\$ 6,916,403	
67	\$ 2,509,989		\$ 5,606,031		\$ 1,488,391	\$ 3,998,380		\$ 7,094,422	
68	\$ 2,560,188		\$ 5,774,212		\$ 1,503,275	\$ 4,063,463		\$ 7,277,487	
69	\$ 2,611,392		\$ 5,947,439		\$ 1,518,308	\$ 4,129,700		\$ 7,465,746	
70	\$ 2,663,620		\$ 6,125,862		\$ 1,533,491	\$ 4,197,111		\$ 7,659,353	

71	\$ 2,716,892	\$ 6,309,638	\$ 1,548,826	\$ 4,265,718	\$ 7,858,463
72	\$ 2,771,230	\$ 6,498,927	\$ 1,564,314	\$ 4,335,544	\$ 8,063,241
73	\$ 2,826,655	\$ 6,693,894	\$ 1,579,957	\$ 4,406,612	\$ 8,273,852
74	\$ 2,883,188	\$ 6,894,711	\$ 1,595,757	\$ 4,478,945	\$ 8,490,468
75	\$ 2,940,852	\$ 7,101,553	\$ 1,611,714	\$ 4,552,566	\$ 8,713,267
76	\$ 2,999,669	\$ 7,314,599	\$ 1,627,832	\$ 4,627,500	\$ 8,942,431
77	\$ 3,059,662	\$ 7,534,037	\$ 1,644,110	\$ 4,703,772	\$ 9,178,147
78	\$ 3,120,855	\$ 7,760,058	\$ 1,660,551	\$ 4,781,406	\$ 9,420,609
79	\$ 3,183,272	\$ 7,992,860	\$ 1,677,157	\$ 4,860,429	\$ 9,670,017
80	\$ 3,246,938	\$ 8,232,646	\$ 1,693,928	\$ 4,940,866	\$ 9,926,574
81	\$ 3,311,877	\$ 8,479,625	\$ 1,710,867	\$ 5,022,744	\$ 10,190,493
82	\$ 3,378,114	\$ 8,734,014	\$ 1,727,976	\$ 5,106,090	\$ 10,461,990
83	\$ 3,445,676	\$ 8,996,034	\$ 1,745,256	\$ 5,190,932	\$ 10,741,290
84	\$ 3,514,590	\$ 9,265,915	\$ 1,762,708	\$ 5,277,298	\$ 11,028,624
85	\$ 3,584,882	\$ 9,543,893	\$ 1,780,335	\$ 5,365,217	\$ 11,324,228
86	\$ 3,656,579	\$ 9,830,210	\$ 1,798,139	\$ 5,454,718	\$ 11,628,349
87	\$ 3,729,711	\$ 10,125,116	\$ 1,816,120	\$ 5,545,831	\$ 11,941,236
88	\$ 3,804,305	\$ 10,428,869	\$ 1,834,281	\$ 5,638,587	\$ 12,263,151
89	\$ 3,880,391	\$ 10,741,736	\$ 1,852,624	\$ 5,733,015	\$ 12,594,360
90	\$ 3,957,999	\$ 11,063,988	\$ 1,871,150	\$ 5,829,150	\$ 12,935,138
91	\$ 4,037,159	\$ 11,395,907	\$ 1,889,862	\$ 5,927,021	\$ 13,285,769
92	\$ 4,117,902	\$ 11,737,784	\$ 1,908,761	\$ 6,026,663	\$ 13,646,545
93	\$ 4,200,260	\$ 12,089,918	\$ 1,927,848	\$ 6,128,108	\$ 14,017,766
94	\$ 4,284,266	\$ 12,452,616	\$ 1,947,127	\$ 6,231,392	\$ 14,399,742
95	\$ 4,369,951	\$ 12,826,194	\$ 1,966,598	\$ 6,336,549	\$ 14,792,792
96	\$ 4,457,350	\$ 13,210,980	\$ 1,986,264	\$ 6,443,614	\$ 15,197,244
97	\$ 4,546,497	\$ 13,607,309	\$ 2,006,127	\$ 6,552,623	\$ 15,613,436
98	\$ 4,637,427	\$ 14,015,529	\$ 2,026,188	\$ 6,663,615	\$ 16,041,716
99	\$ 4,730,175	\$ 14,435,994	\$ 2,046,450	\$ 6,776,625	\$ 16,482,444
Total	\$ 210,088,941	\$ 470,831,644	\$ 129,511,121.37	\$ 339,600,062.39	\$ 600,342,765.68

EXHIBIT B 2
Financial Proposal P27 - TPC (Lincoln Road Holdings LLC)

SUMMARY (99 years)				ASSUMPTIONS							
Rent/Compensation	Present Value	Present Value PSF	Both LDR and Comprehensive Plan Amendments are Approved			Minimum Rent Growth		Lot square footage			
Minimum Rent Only	\$ 17,865,109.46	\$ 293.01	All residential units are Market Rate			Years 1-5 (month 55)	1.50%	60,972			
Percentage Rent (EGI)	\$ 25,136,692.27	\$ 412.27	Minimum Rent increase: no rent resets for purposes of this model.			Years 6-10 (month 115)	CPI (1.5% up to 2%)	Parking Spaces 151			
Minimum w/Parking	\$ 32,111,289.63	\$ 526.66	Effective Gross Income (EGI) revenue increases 3% per year			Years 11-15 (month 175)	CPI (1.5% up to 2.5%)	Parking Revenue/space \$4,422.23			
Percentage w/Parking	\$ 39,382,872.44	\$ 645.92	Present Value Discount Rate:			5% Years 16+ (month 235)	CPI (1.5% up to 3%)	Parking Expense 10%			
			Percentage rent based on estimates/projections.								
			Parking Revenue Not Included			Parking Revenue Included					
			Discount Rate 5%		Discount Rate 5%		Discount Rate 5%			Discount Rate 5%	
Lease Year	Revised Guaranteed Minimum Rent (Market Rate)	Present Value	Percentage Rent (Higher of Base or 5% of EGI)	Present Value	Retained City Parking Revenue	Total City Compensation (w/Minimum Rent)	Present Value	Total City Compensation (w/Percentage Rent)	Present Value		
1	\$ 17,865,109.46	\$ 17,865,109.46	\$ -	\$ 25,136,692.27	\$ 619,191.38	\$ 619,191.38	\$ 32,111,289.63	\$ 619,191.38	\$ 39,382,872.44		
2	\$ 2,025,000	\$ 1,985,000	\$ 2,025,000	\$ 1,985,000	\$ 521,153	\$ 2,546,153	\$ 2,546,153	\$ 2,546,153	\$ 2,546,153		
3	\$ 150,000	\$ 145,000	\$ 150,000	\$ 145,000	\$ -	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000		
4	\$ 415,000	\$ 400,000	\$ 415,000	\$ 400,000	\$ 318,977	\$ 733,977	\$ 733,977	\$ 733,977	\$ 733,977		
5	\$ 690,200	\$ 660,000	\$ 690,200	\$ 660,000	\$ 644,333	\$ 1,334,533	\$ 1,334,533	\$ 1,334,533	\$ 1,334,533		
6	\$ 699,690	\$ 665,000	\$ 699,690	\$ 665,000	\$ 650,776	\$ 1,350,467	\$ 1,350,467	\$ 1,350,467	\$ 1,350,467		
7	\$ 710,186	\$ 675,000	\$ 710,186	\$ 675,000	\$ 657,284	\$ 1,367,470	\$ 1,367,470	\$ 1,367,470	\$ 1,367,470		
8	\$ 720,838	\$ 685,000	\$ 720,838	\$ 685,000	\$ 663,857	\$ 1,384,695	\$ 1,384,695	\$ 1,384,695	\$ 1,384,695		
9	\$ 731,651	\$ 695,000	\$ 731,651	\$ 695,000	\$ 670,496	\$ 1,402,147	\$ 1,402,147	\$ 1,402,147	\$ 1,402,147		
10	\$ 742,626	\$ 705,000	\$ 742,626	\$ 705,000	\$ 677,200	\$ 1,419,826	\$ 1,419,826	\$ 1,419,826	\$ 1,419,826		
11	\$ 753,765	\$ 715,000	\$ 753,765	\$ 715,000	\$ 683,973	\$ 1,437,738	\$ 1,437,738	\$ 1,437,738	\$ 1,437,738		
12	\$ 765,072	\$ 725,000	\$ 765,072	\$ 725,000	\$ 690,812	\$ 1,455,884	\$ 1,455,884	\$ 1,455,884	\$ 1,455,884		
13	\$ 776,548	\$ 735,000	\$ 776,548	\$ 735,000	\$ 697,720	\$ 1,474,268	\$ 1,474,268	\$ 1,474,268	\$ 1,474,268		
14	\$ 788,196	\$ 745,000	\$ 788,196	\$ 745,000	\$ 704,698	\$ 1,492,893	\$ 1,492,893	\$ 1,492,893	\$ 1,492,893		
15	\$ 800,019	\$ 755,000	\$ 800,019	\$ 755,000	\$ 711,745	\$ 1,511,763	\$ 1,511,763	\$ 1,511,763	\$ 1,511,763		
16	\$ 812,019	\$ 765,000	\$ 812,019	\$ 765,000	\$ 718,862	\$ 1,530,881	\$ 1,530,881	\$ 1,530,881	\$ 1,530,881		
17	\$ 824,199	\$ 775,000	\$ 824,199	\$ 775,000	\$ 726,051	\$ 1,550,250	\$ 1,550,250	\$ 1,550,250	\$ 1,550,250		
18	\$ 836,562	\$ 785,000	\$ 836,562	\$ 785,000	\$ 733,311	\$ 1,569,873	\$ 1,569,873	\$ 1,569,873	\$ 1,569,873		
19	\$ 849,111	\$ 795,000	\$ 849,111	\$ 795,000	\$ 740,644	\$ 1,589,755	\$ 1,589,755	\$ 1,589,755	\$ 1,589,755		
20	\$ 861,847	\$ 805,000	\$ 861,847	\$ 805,000	\$ 748,051	\$ 1,609,898	\$ 1,609,898	\$ 1,609,898	\$ 1,609,898		
21	\$ 874,775	\$ 815,000	\$ 874,775	\$ 815,000	\$ 755,531	\$ 1,630,306	\$ 1,630,306	\$ 1,630,306	\$ 1,630,306		
22	\$ 887,897	\$ 825,000	\$ 887,897	\$ 825,000	\$ 763,086	\$ 1,650,983	\$ 1,650,983	\$ 1,650,983	\$ 1,650,983		
23	\$ 901,215	\$ 835,000	\$ 901,215	\$ 835,000	\$ 770,717	\$ 1,671,933	\$ 1,671,933	\$ 1,671,933	\$ 1,671,933		
24	\$ 914,733	\$ 845,000	\$ 914,733	\$ 845,000	\$ 778,425	\$ 1,693,158	\$ 1,693,158	\$ 1,693,158	\$ 1,693,158		
25	\$ 928,454	\$ 855,000	\$ 928,454	\$ 855,000	\$ 786,209	\$ 1,714,663	\$ 1,714,663	\$ 1,714,663	\$ 1,714,663		
26	\$ 942,381	\$ 865,000	\$ 942,381	\$ 865,000	\$ 794,071	\$ 1,736,452	\$ 1,736,452	\$ 1,736,452	\$ 1,736,452		
27	\$ 956,517	\$ 875,000	\$ 956,517	\$ 875,000	\$ 802,012	\$ 1,758,529	\$ 1,758,529	\$ 1,758,529	\$ 1,758,529		
28	\$ 970,865	\$ 885,000	\$ 970,865	\$ 885,000	\$ 810,032	\$ 1,780,896	\$ 1,780,896	\$ 1,780,896	\$ 1,780,896		
29	\$ 985,428	\$ 895,000	\$ 985,428	\$ 895,000	\$ 818,132	\$ 1,803,560	\$ 1,803,560	\$ 1,803,560	\$ 1,803,560		
30	\$ 1,000,209	\$ 905,000	\$ 1,000,209	\$ 905,000	\$ 826,313	\$ 1,826,522	\$ 1,826,522	\$ 1,826,522	\$ 1,826,522		
31	\$ 1,015,212	\$ 915,000	\$ 1,015,212	\$ 915,000	\$ 834,576	\$ 1,849,789	\$ 1,849,789	\$ 1,849,789	\$ 1,849,789		
32	\$ 1,030,441	\$ 925,000	\$ 1,030,441	\$ 925,000	\$ 842,922	\$ 1,873,363	\$ 1,873,363	\$ 1,873,363	\$ 1,873,363		
33	\$ 1,045,897	\$ 935,000	\$ 1,045,897	\$ 935,000	\$ 851,351	\$ 1,897,249	\$ 1,897,249	\$ 1,897,249	\$ 1,897,249		
34	\$ 1,061,586	\$ 945,000	\$ 1,061,586	\$ 945,000	\$ 859,865	\$ 1,921,451	\$ 1,921,451	\$ 1,921,451	\$ 1,921,451		
35	\$ 1,077,509	\$ 955,000	\$ 1,077,509	\$ 955,000	\$ 868,464	\$ 1,945,973	\$ 1,945,973	\$ 1,945,973	\$ 1,945,973		
36	\$ 1,093,672	\$ 965,000	\$ 1,093,672	\$ 965,000	\$ 877,148	\$ 1,970,820	\$ 1,970,820	\$ 1,970,820	\$ 1,970,820		
37	\$ 1,110,077	\$ 975,000	\$ 1,110,077	\$ 975,000	\$ 885,920	\$ 1,995,997	\$ 1,995,997	\$ 1,995,997	\$ 1,995,997		
38	\$ 1,126,728	\$ 985,000	\$ 1,126,728	\$ 985,000	\$ 894,779	\$ 2,021,507	\$ 2,021,507	\$ 2,021,507	\$ 2,021,507		
39	\$ 1,143,629	\$ 995,000	\$ 1,143,629	\$ 995,000	\$ 903,727	\$ 2,047,356	\$ 2,047,356	\$ 2,047,356	\$ 2,047,356		
40	\$ 1,160,784	\$ 1,005,000	\$ 1,160,784	\$ 1,005,000	\$ 912,764	\$ 2,073,548	\$ 2,073,548	\$ 2,073,548	\$ 2,073,548		
41	\$ 1,178,195	\$ 1,015,000	\$ 1,178,195	\$ 1,015,000	\$ 921,892	\$ 2,100,087	\$ 2,100,087	\$ 2,100,087	\$ 2,100,087		
42	\$ 1,195,868	\$ 1,025,000	\$ 1,195,868	\$ 1,025,000	\$ 931,111	\$ 2,126,979	\$ 2,126,979	\$ 2,126,979	\$ 2,126,979		
43	\$ 1,213,806	\$ 1,035,000	\$ 1,213,806	\$ 1,035,000	\$ 940,422	\$ 2,154,228	\$ 2,154,228	\$ 2,154,228	\$ 2,154,228		
44	\$ 1,232,013	\$ 1,045,000	\$ 1,232,013	\$ 1,045,000	\$ 949,826	\$ 2,181,839	\$ 2,181,839	\$ 2,181,839	\$ 2,181,839		
45	\$ 1,250,494	\$ 1,055,000	\$ 1,250,494	\$ 1,055,000	\$ 959,324	\$ 2,209,818	\$ 2,209,818	\$ 2,209,818	\$ 2,209,818		
46	\$ 1,269,251	\$ 1,065,000	\$ 1,269,251	\$ 1,065,000	\$ 968,917	\$ 2,238,168	\$ 2,238,168	\$ 2,238,168	\$ 2,238,168		
47	\$ 1,288,290	\$ 1,075,000	\$ 1,288,290	\$ 1,075,000	\$ 978,607	\$ 2,266,896	\$ 2,266,896	\$ 2,266,896	\$ 2,266,896		
48	\$ 1,307,614	\$ 1,085,000	\$ 1,307,614	\$ 1,085,000	\$ 988,393	\$ 2,295,907	\$ 2,295,907	\$ 2,295,907	\$ 2,295,907		
49	\$ 1,327,228	\$ 1,095,000	\$ 1,327,228	\$ 1,095,000	\$ 998,276	\$ 2,325,505	\$ 2,325,505	\$ 2,325,505	\$ 2,325,505		
50	\$ 1,347,137	\$ 1,105,000	\$ 1,347,137	\$ 1,105,000	\$ 1,008,259	\$ 2,355,396	\$ 2,355,396	\$ 2,355,396	\$ 2,355,396		
51	\$ 1,367,344	\$ 1,115,000	\$ 1,367,344	\$ 1,115,000	\$ 1,018,342	\$ 2,385,686	\$ 2,385,686	\$ 2,385,686	\$ 2,385,686		
52	\$ 1,387,854	\$ 1,125,000	\$ 1,387,854	\$ 1,125,000	\$ 1,028,525	\$ 2,416,379	\$ 2,416,379	\$ 2,416,379	\$ 2,416,379		
53	\$ 1,408,672	\$ 1,135,000	\$ 1,408,672	\$ 1,135,000	\$ 1,038,811	\$ 2,447,482	\$ 2,447,482	\$ 2,447,482	\$ 2,447,482		
54	\$ 1,429,802	\$ 1,145,000	\$ 1,429,802	\$ 1,145,000	\$ 1,049,199	\$ 2,478,900	\$ 2,478,900	\$ 2,478,900	\$ 2,478,900		
55	\$ 1,451,249	\$ 1,155,000	\$ 1,451,249	\$ 1,155,000	\$ 1,059,691	\$ 2,510,639	\$ 2,510,639	\$ 2,510,639	\$ 2,510,639		
56	\$ 1,473,018	\$ 1,165,000	\$ 1,473,018	\$ 1,165,000	\$ 1,070,288	\$ 2,543,305	\$ 2,543,305	\$ 2,543,305	\$ 2,543,305		
57	\$ 1,495,113	\$ 1,175,000	\$ 1,495,113	\$ 1,175,000	\$ 1,080,990	\$ 2,576,813	\$ 2,576,813	\$ 2,576,813	\$ 2,576,813		
58	\$ 1,517,540	\$ 1,185,000	\$ 1,517,540	\$ 1,185,000	\$ 1,091,800	\$ 2,609,340	\$ 2,609,340	\$ 2,609,340	\$ 2,609,340		
59	\$ 1,540,303	\$ 1,195,000	\$ 1,540,303	\$ 1,195,000	\$ 1,102,718	\$ 2,643,021	\$ 2,643,021	\$ 2,643,021	\$ 2,643,021		
60	\$ 1,563,407	\$ 1,205,000	\$ 1,563,407	\$ 1,205,000	\$ 1,113,745	\$ 2,677,153	\$ 2,677,153	\$ 2,677,153	\$ 2,677,153		
61	\$ 1,586,858	\$ 1,215,000	\$ 1,586,858	\$ 1,215,000	\$ 1,124,883	\$ 2,711,741	\$ 2,711,741	\$ 2,711,741	\$ 2,711,741		
62	\$ 1,610,661	\$ 1,225,000	\$ 1,610,661	\$ 1,225,000	\$ 1,136,132	\$ 2,746,793	\$ 2,746,793	\$ 2,746,793	\$ 2,746,793		
63	\$ 1,634,821	\$ 1,235,000	\$ 1,634,821	\$ 1,235,000	\$ 1,147,493	\$ 2,782,314	\$ 2,782,314	\$ 2,782,314	\$ 2,782,314		
64	\$ 1,659,343	\$ 1,245,000	\$ 1,659,343	\$ 1,245,000	\$ 1,158,968	\$ 2,818,311	\$ 2,818,311	\$ 2,818,311	\$ 2,818,311		
65	\$ 1,684,234	\$ 1,255,000	\$ 1,684,234	\$ 1,255,000	\$ 1,170,558	\$ 2,854,791	\$ 2,854,791	\$ 2,854,791	\$ 2,854,791		
66	\$ 1,709,497	\$ 1,265,000	\$ 1,709,497	\$ 1,265,000	\$ 1,182,263	\$ 2,891,760	\$ 2,891,760	\$ 2,891,760	\$ 2,891,760		
67	\$ 1,735,140	\$ 1,275,000	\$ 1,735,140	\$ 1,275,000	\$ 1,194,086	\$ 2,929,225	\$ 2,929,225	\$ 2,929,225	\$ 2,929,225		
68	\$ 1,761,167	\$ 1,285,000	\$ 1,761,167	\$ 1,285,000	\$ 1,206,027	\$ 2,967,193	\$ 2,967,193	\$ 2,967,193	\$ 2,967,193		
69	\$ 1,787,584	\$ 1,295,000	\$ 1,787,584	\$ 1,295,000	\$ 1,218,087	\$ 3,005,671	\$ 3,005,671	\$ 3,005,671	\$ 3,005,671		
70	\$ 1,814,398	\$ 1,305,000	\$ 1,814,398	\$ 1,305,000	\$ 1,230,268	\$ 3,044,666	\$ 3,044,666	\$ 3,044,666	\$ 3,044,666		
71	\$ 1,841,614	\$ 1,315,000	\$ 1,841,614	\$ 1,315,000	\$ 1,242,571	\$ 3,084,184	\$ 3,084,184	\$ 3,084,184	\$ 3,084,184		
72	\$ 1,869,238	\$ 1,325,000	\$ 1,869,238	\$ 1,325,000	\$ 1,254,996	\$ 3,124,234	\$ 3,124,234	\$ 3,124,234	\$ 3,124,234		
73	\$ 1,897,277	\$ 1,335,000	\$ 1,897,277	\$ 1,335,000	\$ 1,267,546	\$ 3,164,823	\$ 3,164,823	\$ 3,164,823	\$ 3,164,823		
74	\$ 1,925,736	\$ 1,345,000	\$ 1,925,736	\$ 1,345,000	\$ 1,280,222	\$ 3,205,957	\$ 3,205,957	\$ 3,205,957	\$ 3,205,957		
75	\$ 1,954,622	\$ 1,355,000	\$ 1,954,622	\$ 1,355,000	\$ 1,293,024	\$ 3,247,646	\$ 3,247,646	\$ 3,247,646	\$ 3,247,646		
76	\$ 1,983,941	\$ 1,365,000	\$ 1,983,941	\$ 1,365,000	\$ 1,305,954	\$ 3,289,895	\$ 3,289,895	\$ 3,289,895	\$ 3,289,895		
77	\$ 2,013,700	\$ 1,375,000	\$ 2,013,700	\$ 1,375,000	\$ 1,319,014	\$ 3,332,714	\$ 3,332,714	\$ 3,332,714	\$ 3,332,714		
78	\$ 2,043,906	\$ 1,385,000	\$ 2,043,906	\$ 1,385,000	\$ 1,332,204	\$ 3,376,110	\$ 3,376,110	\$ 3,376,110	\$ 3,376,110		
79	\$ 2,074,564	\$ 1,395,000	\$ 2,074,564	\$ 1,395,000	\$ 1,345,526	\$ 3,420,090	\$ 3,420,090	\$ 3,420,090	\$ 3,420,090		
80	\$ 2,105,683	\$ 1,405,000	\$ 2,105,683	\$ 1,405,000	\$ 1,358,981	\$ 3,464,664	\$ 3,464,664	\$ 3,464,664	\$ 3,464,664		
81	\$ 2,137,268	\$ 1,415,000</									

85	\$ 2,268,418	\$ 7,023,796	\$ 1,428,303	\$ 3,696,721	\$ 8,452,098
86	\$ 2,302,445	\$ 7,234,509	\$ 1,442,586	\$ 3,745,031	\$ 8,677,095
87	\$ 2,336,981	\$ 7,451,545	\$ 1,457,012	\$ 3,793,993	\$ 8,908,556
88	\$ 2,372,036	\$ 7,675,091	\$ 1,471,582	\$ 3,843,618	\$ 9,146,673
89	\$ 2,407,617	\$ 7,905,344	\$ 1,486,298	\$ 3,893,914	\$ 9,391,641
90	\$ 2,443,731	\$ 8,142,504	\$ 1,501,161	\$ 3,944,891	\$ 9,643,665
91	\$ 2,480,387	\$ 8,386,779	\$ 1,516,172	\$ 3,996,559	\$ 9,902,951
92	\$ 2,517,593	\$ 8,638,383	\$ 1,531,334	\$ 4,048,927	\$ 10,169,717
93	\$ 2,555,357	\$ 8,897,534	\$ 1,546,647	\$ 4,102,004	\$ 10,444,181
94	\$ 2,593,687	\$ 9,164,460	\$ 1,562,114	\$ 4,155,801	\$ 10,726,574
95	\$ 2,632,592	\$ 9,439,394	\$ 1,577,735	\$ 4,210,327	\$ 11,017,129
96	\$ 2,672,081	\$ 9,722,576	\$ 1,593,512	\$ 4,265,593	\$ 11,316,088
97	\$ 2,712,162	\$ 10,014,253	\$ 1,609,447	\$ 4,321,610	\$ 11,623,700
98	\$ 2,752,845	\$ 10,314,680	\$ 1,625,542	\$ 4,378,387	\$ 11,940,222
99	\$ 2,794,137	\$ 10,624,121	\$ 1,641,797	\$ 4,435,935	\$ 12,265,918
Total	\$ 145,704,144	\$ 345,408,801	\$ 102,847,544	\$ 248,551,688	\$ 448,256,345

CBRE VALUATION & ADVISORY SERVICES

DRAFT FOR DISCUSSION PURPOSES ONLY

APPRAISAL REPORT

MUNICIPAL PARKING LOTS P25, P26 & P27
1688 LENOX AVENUE
MIAMI BEACH, FLORIDA 33139
CBRE FILE NO. CB22US033142-1

CLIENT: CITY OF MIAMI BEACH, FLORIDA

CBRE

Date of Report: April 26, 2022

Ms. Alina T. Hudak, City Manager
CITY OF MIAMI BEACH, FLORIDA
1700 Convention Center Drive
Miami Beach, Florida 33139

RE: Appraisal of: Municipal Parking Lots P25, P26 & P27
1688 Lenox Avenue
Miami Beach, Miami-Dade County, Florida
CBRE, Inc. File No. CB22US033142-1

Dear Ms. Hudak:

At your request and authorization, CBRE, Inc. has prepared an appraisal of the market value of the referenced property. Our analysis is presented in the following Appraisal Report.

The subject comprises three (3), non-contiguous municipal parking lots located one-block north of the Lincoln Road pedestrian mall in the South Beach submarket in Miami Beach, Florida, and identified as follows:

- 1) Municipal Parking Lot P25 located at 1688 Lenox Avenue is 0.86-acre.
- 2) Municipal Parking Lot P26 located at 1080 Lincoln Lane North is 1.10-acre.
- 3) Municipal Parking Lot P27 located at 1664 Meridian Avenue is 1.36-acre.

As of the effective date of this appraisal, all of the subject properties are zoned GU, Government Use but has all of the location elements & market potential to be redeveloped to a higher & better use, subject to a citywide voter referendum, a comprehensive land use modification and rezoning. In order to achieve the highest & best use, the City of Miami Beach is considering the rezoning of the sites to CD-2, Commercial, Medium Intensity and CD-3, Commercial, High Intensity. Therefore, at the client's specific request, we have estimated the market value As If rezoned to CD-2, Commercial, Medium Intensity and CD-3, Commercial, high Intensity for each of the subject properties.

Based on the analysis contained in the following report, the market value of the subject property As If rezoned to CD-2, Commercial, Medium Intensity and CD-3, Commercial, High Intensity, which is a hypothetical condition as of the effective date of this report, is concluded as follows:

MARKET VALUE CONCLUSION

Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Municipal Parking Lot P25 As If Rezoned CD-2 & CD-3	Fee Simple Estate	April 12, 2022	\$26,000,000
Municipal Parking Lot P26 As If Rezoned CD-3	Fee Simple Estate	April 12, 2022	\$33,600,000
Municipal Parking Lot P27 As If Rezoned CD-3	Fee Simple Estate	April 12, 2022	\$39,000,000

 Compiled by CBRE

The report, in its entirety, including all assumptions and limiting conditions, is an integral part of, and inseparable from, this letter.

The following appraisal sets forth the most pertinent data gathered, the techniques employed, and the reasoning leading to the opinion of value. The analyses, opinions and conclusions were developed based on, and this report has been prepared in conformance with, the guidelines and recommendations set forth in the Uniform Standards of Professional Appraisal Practice (USPAP), and the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.

The intended use and user of our report are specifically identified in our report as agreed upon in our contract for services and/or reliance language found in the report. As a condition to being granted the status of an intended user, any intended user who has not entered into a written agreement with CBRE in connection with its use of our report agrees to be bound by the terms and conditions of the agreement between CBRE and the client who ordered the report. No other use or user of the report is permitted by any other party for any other purpose. Dissemination of this report by any party to any non-intended users does not extend reliance to any such party, and CBRE will not be responsible for any unauthorized use of or reliance upon the report, its conclusions or contents (or any portion thereof).

It has been a pleasure to assist you in this assignment. If you have any questions concerning the analysis, or if CBRE can be of further service, please contact us.

Respectfully submitted,

CBRE - VALUATION & ADVISORY SERVICES



Stuart J. Lieberman, MAI
 Vice President
 Cert Gen RZ1074
www.cbre.com/stuart.lieberman
 Phone: (305) 381-6472
 Email: stuart.lieberman@cbre.com



Kristin B. Repp, MAI
 Managing Director – South Florida
 Cert Gen RZ2454
www.cbre.com/kristin.repp
 Phone: (813) 868-8001
 Email: jkristin.repp@cbre.com

Certification

We certify to the best of our knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial and unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in or bias with respect to the property that is the subject of this report and have no personal interest in or bias with respect to the parties involved with this assignment.
4. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
5. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
6. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice, as well as the requirements of the State of Florida.
7. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
8. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
9. As of the date of this report, Stuart Lieberman, MAI and Kristin Repp, MAI have completed the continuing education program for Designated Members of the Appraisal Institute.
10. Stuart Lieberman, MAI has and Kristin Repp, MAI has not made a personal inspection of the property that is the subject of this report.
11. No one provided significant real property appraisal assistance to the persons signing this report.
12. Valuation & Advisory Services operates as an independent economic entity within CBRE, Inc. Although employees of other CBRE, Inc. divisions may be contacted as a part of our routine market research investigations, absolute client confidentiality and privacy were maintained at all times with regard to this assignment without conflict of interest.
13. Stuart Lieberman, MAI and Kristin Repp, MAI have not provided any services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding agreement to perform this assignment.

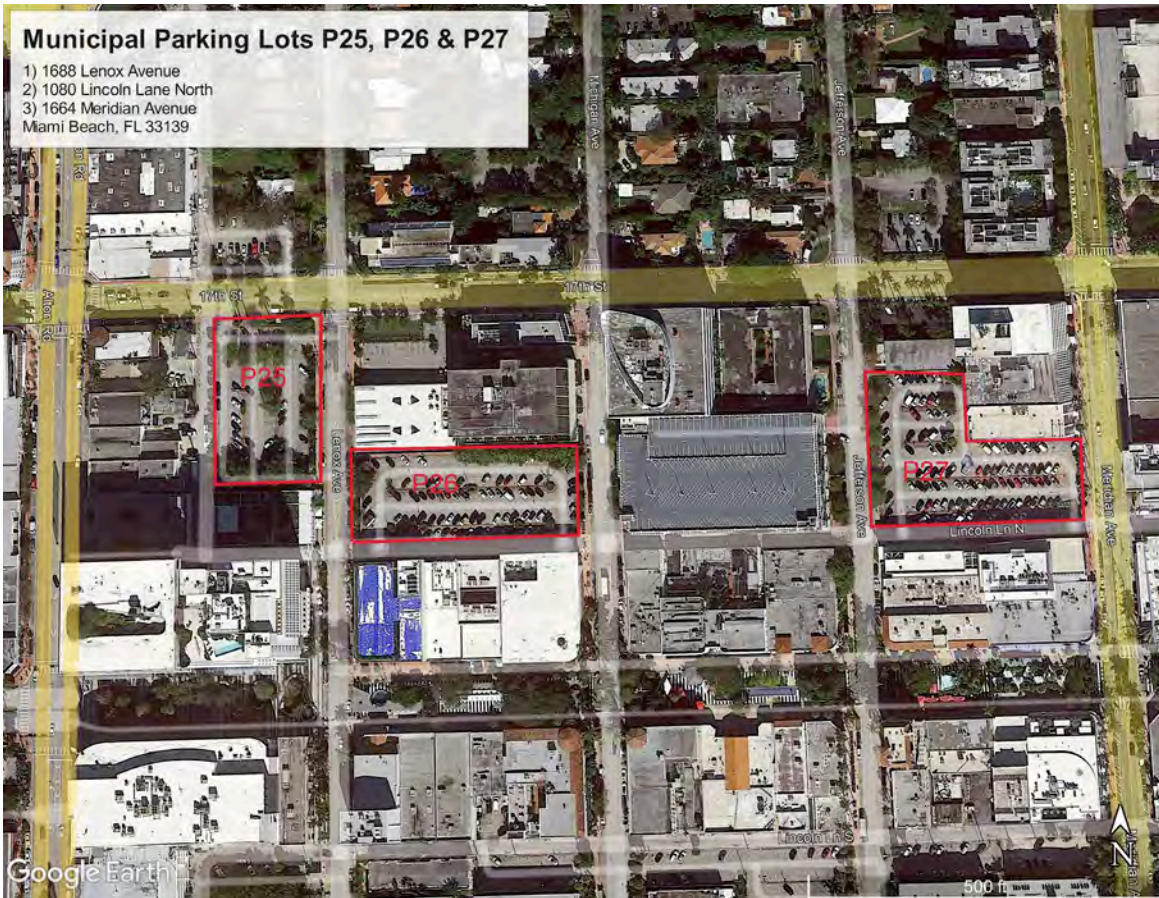


Stuart J. Lieberman, MAI
Cert Gen RZ1074



Kristin B. Repp, MAI
Cert Gen RZ2454

Subject Photographs



Aerial View



Photo 1 – Municipal Lot P25



Photo 2 – Municipal Lot P25



Photo 3 – P25 Interior View



Photo 4 – Lenox Avenue Looking South

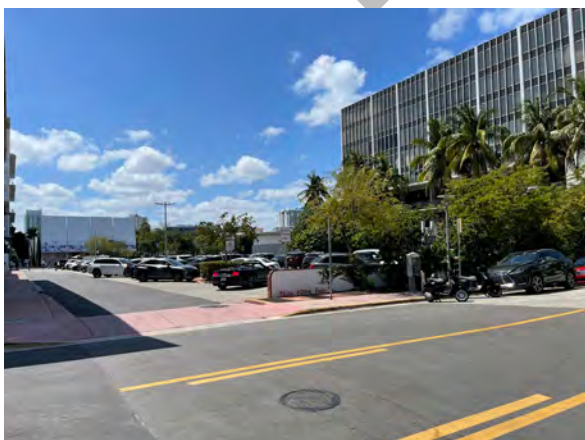


Photo 5 – Municipal Lot P26



Photo 6 – Municipal Lot P26



Photo 7 – Michigan Avenue Looking North



Photo 8 – Michigan Avenue Looking South



Photo 9 – Municipal Lot P27



Photo 10 – Municipal Lot P27

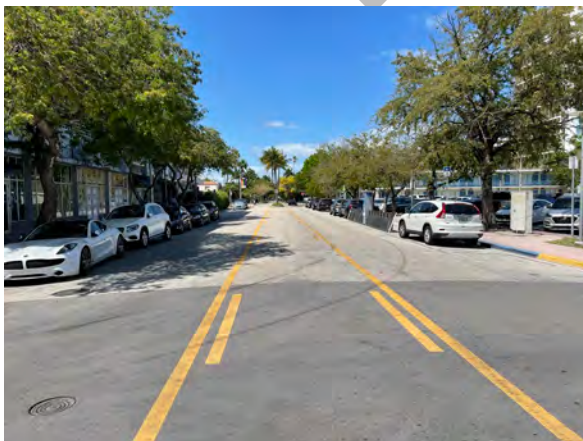


Photo 11 – Meridian Avenue Looking South



Photo 12 – Jefferson Avenue Looking South

Executive Summary

Property Name	Municipal Parking Lots P25, P26 & P27
Location	1688 Lenox Avenue 1080 Lincoln Lane North 1664 Meridian Avenue Miami Beach, Miami-Dade County, FL 33139
Client	City of Miami Beach, Florida
Highest and Best Use	
As If Vacant	Mixed-use retail, hotel, office & multi-family apartments
As Improved	Interim use off-street parking with mixed-use redevelopment opportunities
Property Rights Appraised	Fee Simple Estate
Date of Inspection	April 12, 2022
Estimated Exposure Time	3 - 9 Months
Estimated Marketing Time	3 - 9 Months
Land Area - P25	0.86 AC 37,454 SF
Land Area - P26	1.10 AC 48,000 SF
Land Area - P27	1.36 AC 59,273 SF
Existing Zoning - P25, P26 & P27	GU, Government Use District
Proposed Zoning - P25	CD-2, Commercial, Medium Intensity District
Proposed Zoning - P25, P26 & P27	CD-3, Commercial, High Intensity District
Buyer Profile	Developer

VALUATION		Total	Per SF
Market Value As If P25 Is Rezoned On	April 12, 2022		
Cost Approach		Not Applicable	---
Sales Comparison Approach		\$26,000,000	\$694.18
Income Capitalization Approach		Not Applicable	---
Market Value As If P26 Is Rezoned On	April 12, 2022		
Cost Approach		Not Applicable	---
Sales Comparison Approach		\$33,600,000	\$700.00
Income Capitalization Approach		Not Applicable	---
Market Value As If P27 Is Rezoned On	April 12, 2022		
Cost Approach		Not Applicable	---
Sales Comparison Approach		\$39,000,000	\$657.97
Income Capitalization Approach		Not Applicable	---

CONCLUDED MARKET VALUE			
Appraisal Premise	Interest Appraised	Date of Value	Value
Municipal Parking Lot P25 As If Rezoned CD-2 & CD-3	Fee Simple Estate	April 12, 2022	\$26,000,000
Municipal Parking Lot P26 As If Rezoned CD-3	Fee Simple Estate	April 12, 2022	\$33,600,000
Municipal Parking Lot P27 As If Rezoned CD-3	Fee Simple Estate	April 12, 2022	\$39,000,000

Compiled by CBRE

STRENGTHS, WEAKNESSES, OPPORTUNITIES AND THREATS (SWOT)

Strengths/ Opportunities

- The subject properties are located within one-block of the Lincoln Road pedestrian mall.
- The subject submarket is a built-out, barrier island & resort community.
- Potential to rezone all of the subject sites to high density, mixed-uses with in-demand live-work lifestyle environments.
- The South Florida and Miami Beach real estate market is very active as high net worth individuals, celebrities, domestic & foreign investors, hedge fund advisors, local, regional & national developers and “star” architects seek out mixed-use development opportunities for boutique hotels, retail, restaurant, entertainment & office projects.
- Historically low interest rates and unprecedented government stimulus in the wake of the Covid-19 pandemic.
- The State of Florida and Miami-Dade County are considered to be one of the most open & active business communities in the wake of the pandemic.

Weaknesses/ Threats

- Highly-paid remote work is spreading faster than some experts anticipated, with about 24% of all professional job postings advertising remote work, thereby reducing work-from-work office demand at a macro level.
- The Covid-19 pandemic and re-occurring coronavirus variants continue to impact international travel and buyer/investor opportunities.
- The Russia invasion of Ukraine is likely to create multiple economic obstacles for American businesses and consumers including uncertainty in the stock market, increased fuel costs and broader supply chain issues. All of which will impact normal business operations and impact economic growth.

EXTRAORDINARY ASSUMPTIONS

An extraordinary assumption is defined as “an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser’s opinions or conclusions.”¹

- Our value conclusions assume stable geotechnical subsurface conditions and no environmental hazards or concerns. If there are any unstable subsurface conditions and/or environmental deficiencies or concerns, our value conclusions could be impacted and we reserve the right to amend or revise this report accordingly.
- The use of these extraordinary assumptions may have affected the assignment results.

HYPOTHETICAL CONDITIONS

A hypothetical condition is defined as “a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results but is used for the purposes of analysis.”²

¹ The Appraisal Foundation, *USPAP, 2020-2021 (Effective January 1, 2020 through December 31, 2022)*

- As of the effective date of this appraisal, the subject is zoned GU, Government Use but has all of the location elements & market potential to be redeveloped to a higher & better use, subject to a citywide voter referendum, a comprehensive land use modification and rezoning. In order to achieve the highest & best use, the City of Miami Beach is considering the rezoning of the sites to CD-2, Commercial, Medium Intensity and CD-3, Commercial, High Intensity. Therefore, at the client's specific request, we have estimated the subject's market value As If rezoned to CD-2, Commercial, Medium Intensity and CD-3, Commercial, High Intensity, which is contrary to what is known by the appraiser to exist on the effective date of this appraisal.
- The use of these hypothetical conditions may have affected the assignment results.

OWNERSHIP AND PROPERTY HISTORY

Title to the subject property is vested to the City of Miami Beach, a municipal government. CBRE is unaware of any arm's length ownership transfers of the property within three-to-five years of the date of appraisal. Further, the properties are not reportedly being offered for sale as of the current date. However, the City Commission has authorized negotiations with proposers for the development of mixed-use development on the subject properties. Those negotiations consist of two (2) projects including a ground lease and development agreement with one proposer for a project on Lots P25 & P26 together; and a second proposer for a ground lease and mixed-use development agreement for a project on Lot P27, subject to a citywide voter referendum, a comprehensive land use modification and rezoning.

EXPOSURE/MARKETING TIME

Current appraisal guidelines require an estimate of a reasonable time period in which the subject could be brought to market and sold. This reasonable time frame can either be examined historically or prospectively. In a historical analysis, this is referred to as exposure time. Exposure time always precedes the date of value, with the underlying premise being the time a property would have been on the market prior to the date of value, such that it would sell at its appraised value as of the date of value. On a prospective basis, the term marketing time is most often used. The exposure/marketing time is a function of price, time, and use. It is not an isolated estimate of time alone. In consideration of these factors, we have analyzed the following:

- exposure periods for comparable sales used in this appraisal;
- exposure/marketing time information from the PwC Real Estate Investor Survey; and
- the opinions of market participants.

The following table presents the information derived from these sources.

² The Appraisal Foundation, *USPAP, 2020-2021 (Effective January 1, 2020 through December 31, 2022)*

EXPOSURE/MARKETING TIME DATA			
Investment Type	Exposure/Mktg. (Months)		
	Range		Average
Comparable Land Sales Data	5.0	- 18.0	5.1
<i>PwC Suburban Office</i>			
National Data	1.0	- 15.0	7.0
Local Market Professionals	3.0	- 9.0	6.0
CBRE Exposure Time Estimate	3 - 9 Months		
CBRE Marketing Period Estimate	3 - 9 Months		
Various Sources Compiled by CBRE			

DRAFT

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Scope of Work

This Appraisal Report is intended to comply with the reporting requirements set forth under Standards Rule 2 of USPAP. The scope of the assignment relates to the extent and manner in which research is conducted, data is gathered, and analysis is applied.

INTENDED USE OF REPORT

This appraisal is to be used by the client for internal decision making and to negotiate a long term ground lease and development agreement for the subject site and no other use is permitted.

CLIENT

The client is City of Miami Beach, Florida, municipal government.

INTENDED USER OF REPORT

This appraisal is to be used by City of Miami Beach, Florida, municipal government. No other user(s) may rely on our report unless as specifically indicated in this report.

Intended users are those who an appraiser intends will use the appraisal or review report. In other words, appraisers acknowledge at the outset of the assignment that they are developing their expert opinions for the use of the intended users they identify. Although the client provides information about the parties who may be intended users, ultimately it is the appraiser who decides who they are. This is an important point to be clear about: The client does not tell the appraiser who the intended users will be. Rather, the client tells the appraiser who the client needs the report to be speaking to, and given that information, the appraiser identifies the intended user or users. It is important to identify intended users because an appraiser's primary responsibility regarding the use of the report's opinions and conclusions is to those users. Intended users are those parties to whom an appraiser is responsible for communicating the findings in a clear and understandable manner. They are the audience.³

RELIANCE LANGUAGE

Reliance on any reports produced by CBRE under this Agreement is extended solely to parties and entities expressly acknowledged in a signed writing by CBRE as Intended Users of the respective reports, provided that any conditions to such acknowledgement required by CBRE or hereunder have been satisfied. Parties or entities other than Intended Users who obtain a copy of the report or any portion thereof (including Client if it is not named as an Intended User), whether as a result of its direct dissemination or by any other means, may not rely upon any opinions or conclusions contained in the report or such portions thereof, and CBRE will not be responsible for

³ Appraisal Institute, *The Appraisal of Real Estate*, 15th ed. (Chicago: Appraisal Institute, 2020), 40.

any unpermitted use of the report, its conclusions or contents or have any liability in connection therewith.

PURPOSE OF THE APPRAISAL

The purpose of this appraisal is to estimate the market value of the subject properties As If rezoned to CD-2, Commercial, Medium Intensity and CD-3, Commercial, High Intensity uses.

DEFINITION OF VALUE

The current economic definition of market value agreed upon by agencies that regulate federal financial institutions in the U.S. (and used herein) is as follows:

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. buyer and seller are typically motivated;
2. both parties are well informed or well advised, and acting in what they consider their own best interests;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. ⁴

INTEREST APPRAISED

The value estimated represents Fee Simple Estate as defined below:

Fee Simple Estate - Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat. ⁵

Leased Fee Interest - The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires. ⁶

Leasehold Interest - The tenant's possessory interest created by a lease. ⁷

⁴ Interagency Appraisal and Evaluation Guidelines; December 10, 2010, Federal Register, Volume 75 Number 237, Page 77472.

⁵ Appraisal Institute, The Dictionary of Real Estate Appraisal, 7th ed. (Chicago: Appraisal Institute, 2022), 90.

⁶ Dictionary of Real Estate Appraisal, 128.

⁷ Dictionary of Real Estate Appraisal, 128.

Extent to Which the Property is Identified

The property is identified through the following sources:

- postal address
- assessor's records
- legal description

Extent to Which the Property is Inspected

Stuart Lieberman, MAI inspected the interior and exterior of the subject, as well as its surrounding environs on the effective date of appraisal. This inspection was considered adequate and is the basis for our findings.

Type and Extent of the Data Researched

CBRE reviewed the following:

- applicable tax data
- zoning requirements
- flood zone status
- demographics
- comparable sale & listing data

Type and Extent of Analysis Applied

CBRE, Inc. analyzed the data gathered through the use of appropriate and accepted appraisal methodology to arrive at a probable value indication via each applicable approach to value. For vacant land, the sales comparison approach has been employed for this assignment.

STATEMENT OF COMPETENCY

Stuart Lieberman, MAI and Kristin Repp, MAI both have the appropriate knowledge, education and experience to complete this assignment competently.

Data Resources Utilized in the Analysis

DATA SOURCES	
Item:	Source(s):
Site Data	
Size	Legal descriptions and surveys
Improved Data	
Building Area	"As of right" zoning
No. Bldgs.	Not applicable
Parking Spaces	Not applicable
Year Built/Developed	TBD
Economic Data	
Deferred Maintenance:	Not applicable
Building Costs:	Not applicable
Income Data:	Not applicable
Expense Data:	Not applicable
Compiled by CBRE	

APPRAISAL METHODOLOGY

In appraisal practice, an approach to value is included or omitted based on its applicability to the property type being valued and the quality and quantity of information available. Depending on a specific appraisal assignment, any of the following four methods may be used to determine the market value of the fee simple interest of land:

- Sales Comparison Approach;
- Income Capitalization Procedures;
- Allocation; and
- Extraction.

The following summaries of each method are paraphrased from the text.

The first is the sales comparison approach. This is a process of analyzing sales of similar, recently sold parcels in order to derive an indication of the most probable sales price (or value) of the property being appraised. The reliability of this approach is dependent upon (a) the availability of comparable sales data, (b) the verification of the sales data regarding size, price, terms of sale, etc., (c) the degree of comparability or extent of adjustment necessary for differences between the subject and the comparables, and (d) the absence of nontypical conditions affecting the sales price. This is the primary and most reliable method used to value land (if adequate data exists).

The income capitalization procedures include three methods: land residual technique, ground rent capitalization, and Subdivision Development Analysis. A discussion of each of these three techniques is presented in the following paragraphs.

The land residual method may be used to estimate land value when sales data on similar parcels of vacant land are lacking. This technique is based on the principle of balance and the related concept of contribution, which are concerned with equilibrium among the agents of production--i.e. labor, capital, coordination, and land. The land

residual technique can be used to estimate land value when: 1) building value is known or can be accurately estimated, 2) stabilized, annual net operating income to the property is known or estimable, and 3) both building and land capitalization rates can be extracted from the market. Building value can be estimated for new or proposed buildings that represent the highest and best use of the property and have not yet incurred physical deterioration or functional obsolescence.

The subdivision development method is used to value land when subdivision and development represent the highest and best use of the appraised parcel. In this method, an appraiser determines the number and size of lots that can be created from the appraised land physically, legally, and economically. The value of the underlying land is then estimated through a discounted cash flow analysis with revenues based on the achievable sale price of the finished product and expenses based on all costs required to complete and sell the finished product.

The ground rent capitalization procedure is predicated upon the assumption that ground rents can be capitalized at an appropriate rate to indicate the market value of a site. Ground rent is paid for the right to use and occupy the land according to the terms of the ground lease; it corresponds to the value of the landowner's interest in the land. Market-derived capitalization rates are used to convert ground rent into market value. This procedure is useful when an analysis of comparable sales of leased land indicates a range of rents and reasonable support for capitalization rates can be obtained.

The allocation method is typically used when sales are so rare that the value cannot be estimated by direct comparison. This method is based on the principle of balance and the related concept of contribution, which affirm that there is a normal or typical ratio of land value to property value for specific categories of real estate in specific locations. This ratio is generally more reliable when the subject property includes relatively new improvements. The allocation method does not produce conclusive value indications, but it can be used to establish land value when the number of vacant land sales is inadequate.

The extraction method is a variant of the allocation method in which land value is extracted from the sale price of an improved property by deducting the contribution of the improvements, which is estimated from their depreciated costs. The remaining value represents the value of the land. Value indications derived in this way are generally unpersuasive because the assessment ratios may be unreliable and the extraction method does not reflect market considerations.

For the purposes of this analysis, we have utilized the sales comparison approach as this methodology is typically used for mixed-use zoned sites that are feasible for development. The other methodologies are used primarily when comparable land sales data is non-existent. The exclusion of said approach(s) is not considered to compromise the credibility of the results rendered herein.

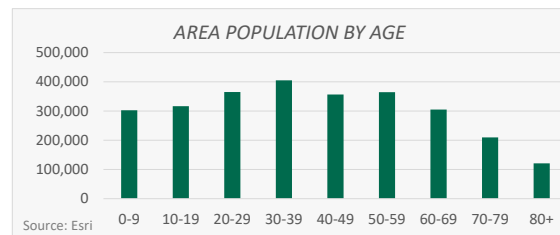
Area Analysis



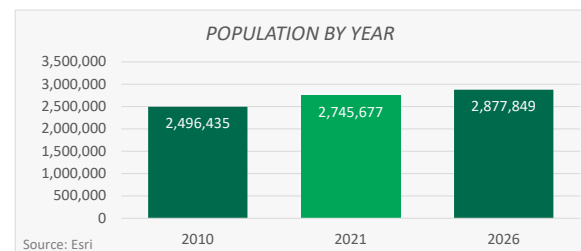
The subject is located in Miami-Dade County. Key information about the area is provided in the following tables.

POPULATION

The area has a population of 2,745,677 and a median age of 40, with the largest population group in the 30-39 age range and the smallest population in 80+ age range.



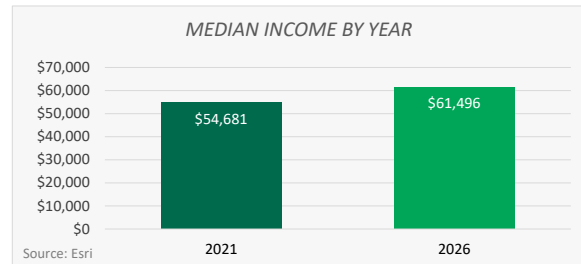
Population has increased by 249,242 since 2010, reflecting an annual increase of 0.9%. Population is projected to increase by an additional 132,172 by 2026, reflecting 0.9% annual population growth.



Source: ESRI, downloaded on Apr, 16 2022

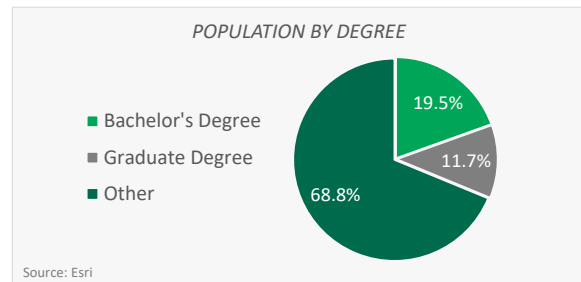
INCOME

The area features an average household income of \$81,309 and a median household income of \$54,681. Over the next five years, median household income is expected to increase by 12.5%, or \$1,363 per annum.

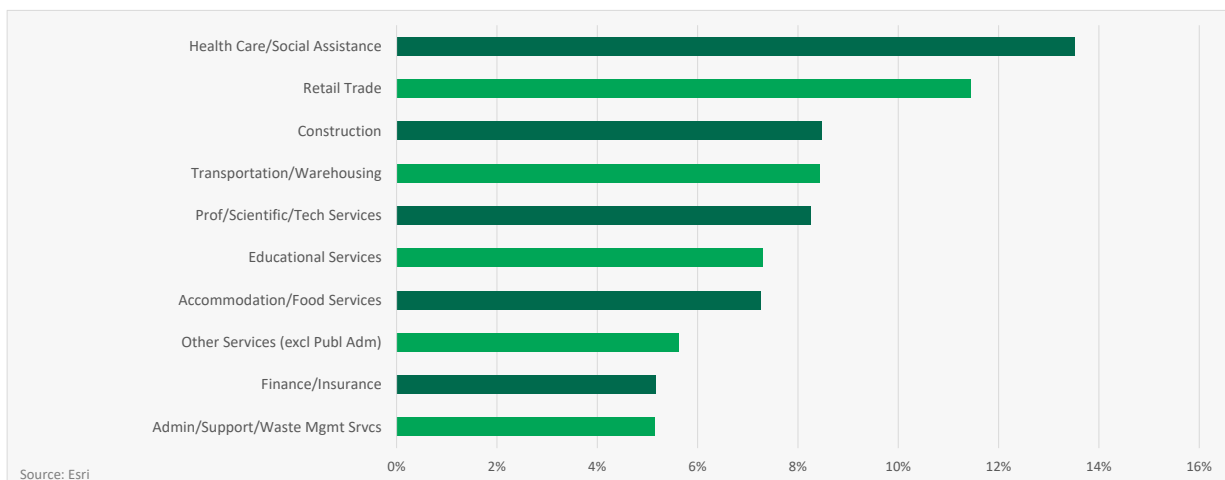


EDUCATION

A total of 31.2% of individuals over the age of 24 have a college degree, with 19.5% holding a bachelor's degree and 11.7% holding a graduate degree.



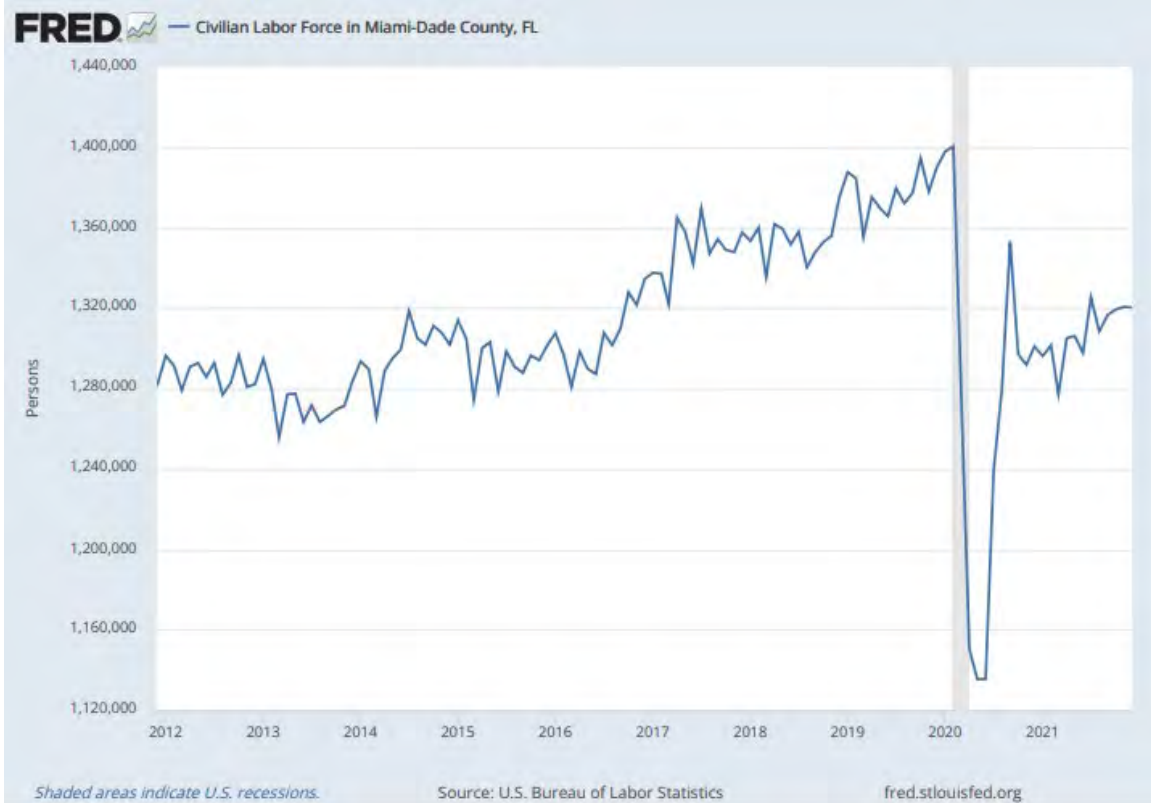
EMPLOYMENT



The area includes a total of 1,273,252 employees and has N/A unemployment rate. The top three industries within the area are Health Care/Social Assistance, Retail Trade and Construction, which represent a combined total of 33% of the workforce.

Source: ESRI, downloaded on Apr, 16 2022; BLS.gov dated Jan, 0 1900

MIAMI-DADE COUNTY LABOR MARKET

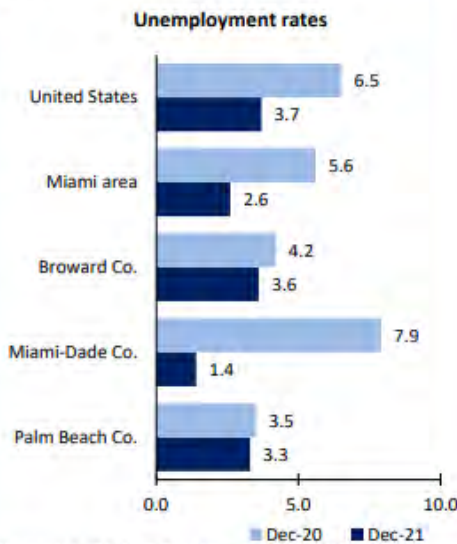


MIAMI AREA ECONOMIC SUMMARY

Updated February 02, 2022

This summary presents a sampling of economic information for the area; supplemental data are provided for regions and the nation. Subjects include **unemployment, employment, wages, prices, spending, and benefits**. All data are not seasonally adjusted and some may be subject to revision. Area definitions may differ by subject. For more area summaries and geographic definitions, see www.bls.gov/regions/economic-summaries.htm.

Unemployment rates for the nation and selected areas



Source: U.S. BLS, Local Area Unemployment Statistics.

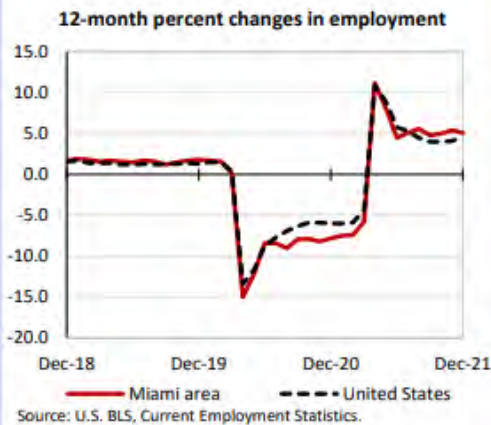
Average weekly wages for all industries by county

Miami area, second quarter 2021
(U.S. = \$1,241; Area = \$1,205)



Source: U.S. BLS, Quarterly Census of Employment and Wages.

Over-the-year changes in employment on nonfarm payrolls and employment by major industry sector

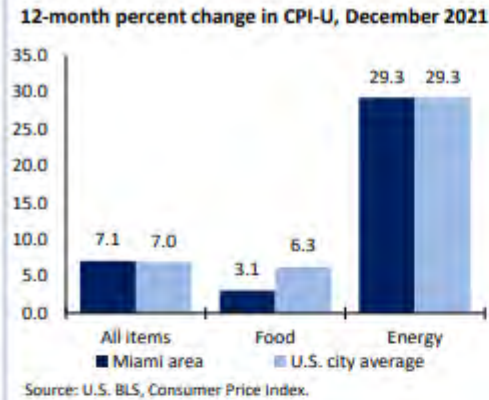


Source: U.S. BLS, Current Employment Statistics.

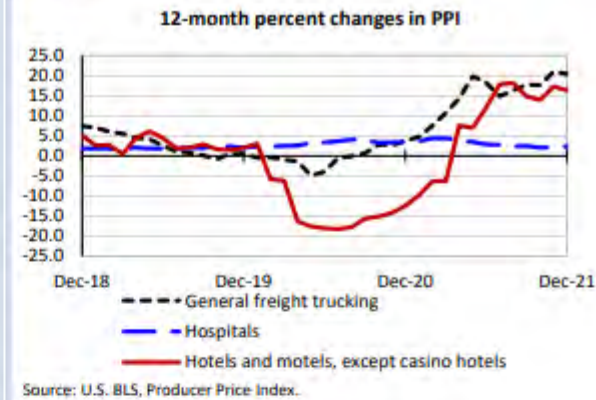
Miami area employment (number in thousands)	Dec. 2021	Change from Dec. 2020 to Dec. 2021	
		Number	Percent
Total nonfarm	2,703.3	132.4	5.1
Mining and logging	0.8	0.0	0.0
Construction	143.8	5.9	4.3
Manufacturing	91.0	1.7	1.9
Trade, transportation, and utilities	620.7	27.6	4.7
Information	47.8	1.5	3.2
Financial activities	193.8	2.5	1.3
Professional and business services	476.4	32.5	7.3
Education and health services	406.2	9.5	2.4
Leisure and hospitality	302.2	40.6	15.5
Other services	114.2	8.4	7.9
Government	306.4	2.2	0.7

Source: U.S. BLS, Current Employment Statistics.

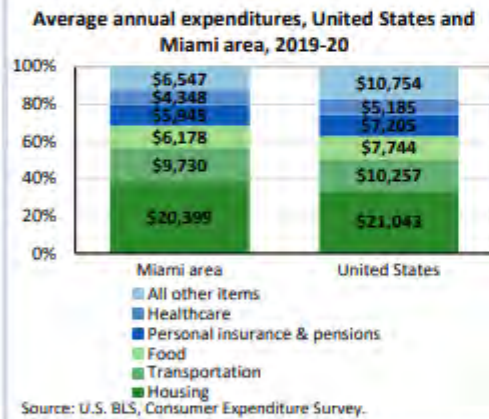
Over-the-year change in the prices paid by urban consumers for selected categories



Over-the-year changes in the selling prices received by producers for selected industries nationwide



Average annual spending and percent distribution for selected categories



Average hourly wages for selected occupations

Occupation	Miami area	United States
All occupations	\$25.47	\$27.07
Accountants and auditors	38.52	39.26
Registered nurses	34.76	38.47
Aircraft cargo handling supervisors	33.07	28.66
Construction laborers	16.41	20.67
Receptionists and information clerks	14.98	15.58
Maids and housekeeping cleaners	11.96	13.47

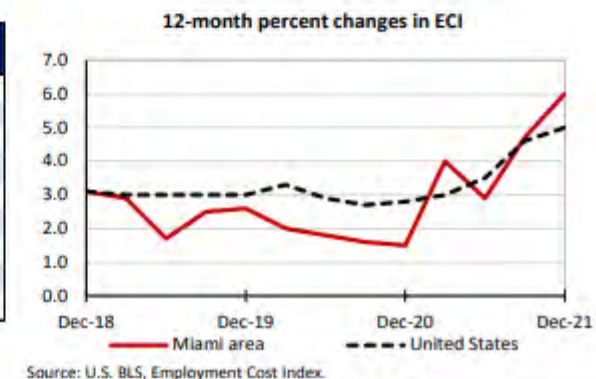
Source: U.S. BLS, Occupational Employment and Wage Statistics, May 2020.

Employer costs per hour worked for wages and selected employee benefits by geographic division

Private industry, September 2021	South Atlantic (1)	United States
Total compensation	\$34.59	\$37.24
Wages and salaries	25.12	26.36
Total benefits	9.47	10.88
Paid leave	2.54	2.74
Vacation	1.30	1.40
Supplemental pay	1.05	1.26
Insurance	2.25	2.80
Retirement and savings	1.07	1.28
Legally required benefits	2.56	2.80

(1) The states that compose the South Atlantic census division are: DE, DC, FL, GA, MD, NC, SC, VA, and WV.
Source: U.S. BLS, Employer Costs for Employee Compensation.

Over-the-year changes in wages and salaries



OPENING DAY

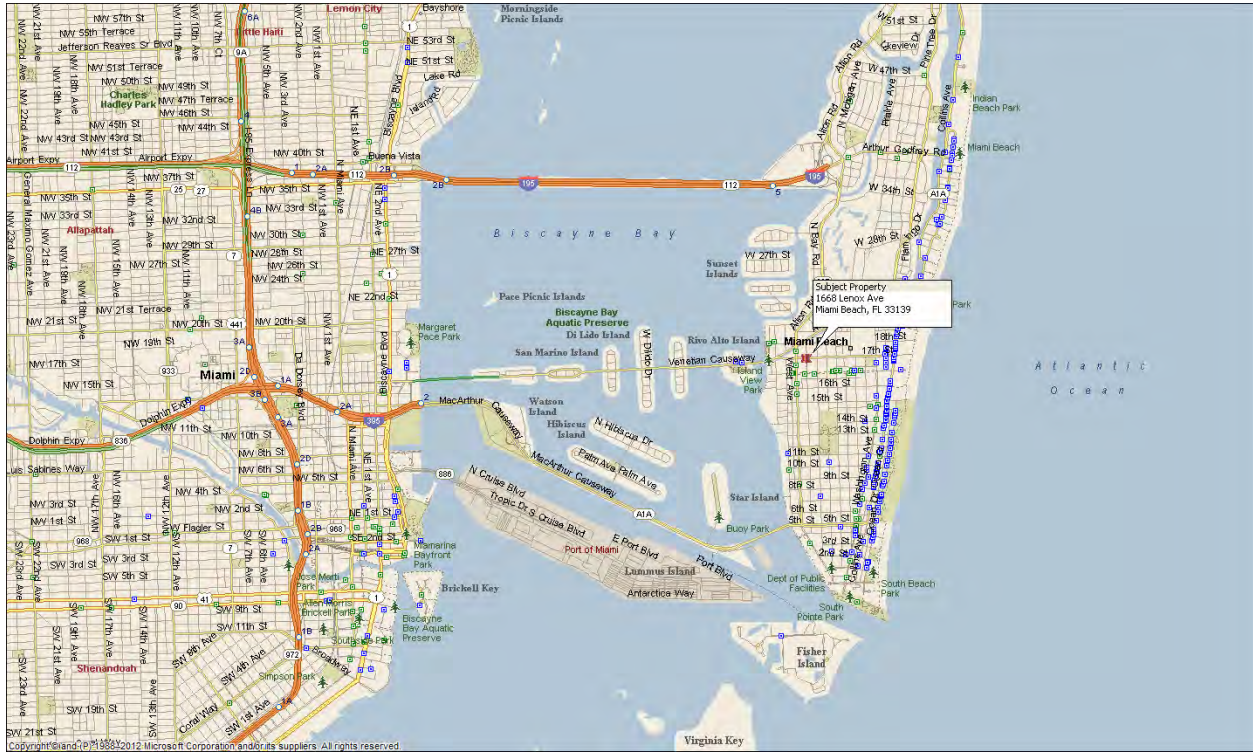
Growth in nonresidential construction jobs will also be robust because groundbreakings on major projects have become routine in MIA. Phase one of the MiamiCentral train station, which will eventually connect a new intercity train line with local transit options, debuted in May 2019. Not far from the station is the \$2 billion Miami Worldcenter that is transforming 27 acres of parking lots into a vast collection of residential, retail, office and hotel buildings. Over the next few years, the "tallest building in Florida" distinction will pass among multiple skyscrapers in downtown Miami. And county commissioners recently gave final approval to a \$4 billion mega-mall in northwest Miami-Dade County that will be America's largest shopping complex if it is completed as planned.

CONCLUSION

The economy in Miami-Dade County will continue to experience an increase in population, an increase in household income, and an increase in household values. In addition, MIA's international character and its high-skilled, bilingual workforce will help it exceed the U.S. in income growth over the long term.

DRAFT

Neighborhood Analysis



LOCATION

The subject properties are located one-block north of the world renowned Lincoln Road pedestrian mall, between Alton Road and Meridian Avenue in the South Beach submarket in the City of Miami Beach, Miami-Dade County, Florida 33139. The City of Miami Beach is a barrier island approximately one mile wide, ten miles long and extends in a north-south direction along the eastern seaboard parallel to mainland Miami-Dade County between Biscayne Bay and the Atlantic Ocean. The subject is located approximately 4-miles southeast of the Miami Central Business District (CBD).

BOUNDARIES

The subject property is located in the “South Beach” area of Miami Beach, which is bounded by Arthur Godfrey Road to the north, Biscayne Bay to the west, the Atlantic Ocean to the east and Government Cut to the south. The neighborhood boundaries may be generally described as follows:

- North:** Arthur Godfrey Road
- South:** Atlantic Ocean/Government Cut
- East:** Atlantic Ocean/beach
- West:** Biscayne Bay

LAND USE

Land uses within the subject neighborhood consist of a wide variety of commercial, residential & hotel developments. Lower density multi-family rental & condominium apartment uses are largely concentrated along Pennsylvania Avenue, Euclid Avenue and Meridian Avenue to the west. The neighborhood & community retail and office uses are typically clustered along the Alton Road, Washington Avenue, Collins Avenue and Dade Boulevard/Venetian Causeway corridors, as well as the pedestrian-only areas of Lincoln Road Mall. Hotels, condominiums, restaurants and retail are primarily concentrated along the Collins Avenue and Ocean Drive with additional retail uses, nightclubs, restaurants and smaller boutique hotels on Washington Avenue.

The subject location is one block south of the Lincoln Road pedestrian mall. The Lincoln Road pedestrian mall runs east-west from Collins Avenue to Alton Road between 16th and 17th Streets with storefronts on Lincoln Road and to a lesser extent along the side streets.



Since the capital improvement project in 1996, Lincoln Road has experienced substantial changes in tenant mix, including more restaurants and sidewalk cafes, and a shift to traditional retail shopping. At the west end of the mall, Regal Cinema opened an 18-screen stadium style movie theater in 1999. This development was strongly supported by the local municipality and has proved vital in attracting national retailers, such as Banana Republic, Pottery Barn, Williams–Sonoma, Bebe, Swatch, Victoria’s Secret’s, Ann Taylor Loft, Sunglass Hut, Anthropologie, Books &

Books, Chicos, Foot Locker, I. Strada, Morgan Miller, Payless ShoeSource, Quicksilver, White House/Black Market and Express to the pedestrian promenade. The addition of the Regal Cinemas solidified the Lincoln Road redevelopment and began to make it very attractive to the national retailers and high-end restaurateurs. While Lincoln Road is in and of itself a destination location, the cinemas also serve to attract year-round Miami-Dade residents to Lincoln Road. The Regal Cinemas is one of the most heavily patronized cinemas in South Florida.

Anchoring the east end of Lincoln Road Mall was the former New World Symphony which was housed within the subject property, also known as the Lincoln Theatre building. Established in 1987 under the artistic direction of Michael Tilson Thomas, the New World Symphony provides an instructional program to prepare graduates of distinguished music programs for leadership positions in orchestras and ensembles around the world. The New World Symphony recently relocated to 500 17th Street, just north of the subject's Lincoln Theatre location into a Frank Gehry designed concert hall and a 7,000 square foot projection wall on which concerts, video art and films are shown free-of-charge to audiences in Soundscape, a 2.5-acre public park, designed by Dutch architectural firm West 8.

Washington Avenue is four blocks to the east and after a long master planning process, development incentives and the establishment of a Business Improvement District (BID), the Washington Avenue corridor is starting to redevelop.

Under a BID, the property owners agree to a self-tax in order to provide funding for marketing, promotion and other initiatives to improve the area. The BID followed approval of the Washington Avenue Overlay in 2016 which increased allowable height to 75 feet for properties with more than 200 feet of frontage on Washington Avenue, reduced minimum hotel room sizes for new hotels and conversions, allowed for co-living or micro residential units, and eliminated parking requirements for hotels.

Since then, the Kimpton Anglers Hotel opened a new addition, a new Moxy Hotel has opened and the Good Time Hotel is soon to open. Approved and-or under construction projects include a new hotel at 1685 Washington Avenue and the Urbin Retreat.

On the following page is a concept presentation of development new projects along Washington Avenue.



Washington Avenue Project & Transaction Highlights:

- In September 2021 sale transaction of the 42-room Hotel Astor located at 956 Washington Avenue to the Victory Investments Group for \$12,750,000. The buyer is identified as Anil Monga, the CEO of Victory International USA, which manufactures and distributes name brand fragrances and cosmetics. The building features a swimming pool and 4,000 square feet +/- of restaurant space. It was built in 1936 on a 14,900-square-foot lot.
- Washington Park located at 1050 Washington Avenue is a 181-room hotel that sold in February 2021 for \$43,750,000. The buyer is Jean Simonian of WPH Properties and this was a lender REO from Ladder Capital.
- 601 Washington Avenue was recently completed and operating as The Goodtime Hotel with 266-rooms and a 30,000-SF restaurant called Strawberry Moon operated by Groot Hospitality. The eatery opens up to a rooftop pool and club area that hosts live music. The hotel also has around 46,000 rentable square feet of ground-floor retail space and 242 parking spaces, as presented in the following aerial photograph.



- Urbin, a co-living, co-work concept was approved by the City's Historic Preservation Board for a proposed six-story co-living and hotel project at 1234 Washington Avenue. The new building will contain 49 co-living units, 56 hotel rooms, retail and restaurant space. An adjacent 1960s office building will be renovated and restored as co-workspace. It will also contain a wellness center for residents and hotel guests on the first floor, rounding out the brand's live, work, wellness theme.



Residential uses in the Flamingo Park neighborhood are primarily single family and low-rise multifamily in design and date back to the 1920's and 1930's with higher density resort hotels and residential condominium towers found along the Atlantic Ocean/beach and Biscayne Bay shorelines. The waterfront is where the large-scale, high-rise multifamily residential projects are located, including rental apartments, condominiums, and hotels.

The 1 & 2-story single family residential dwellings range in value from \$800,000 to \$2,000,000 +/- and are clustered around the 36.5-acre Flamingo Park. This community park has 17 tennis courts, a baseball stadium, handball and racquetball courts, a softball field, basketball court, football field, soccer field, running track, playground, walking trails and a bark park that are all surrounded by lush tropical landscaping. Flamingo Park also features a state-of-the-art aquatic center with two (2) pool areas, lockers, lounge chairs, shower facilities and water playground.

The submarket area also includes the South Pointe Elementary School, several blocks of low-to-mid-rise residential apartment, condominium, and hotel properties than Ocean Drive and the Atlantic Ocean front with beach front resort hotels to the east.

Other primary influences in close proximity to the subject also include the Miami Beach Convention Center which provides about one million square feet of exhibition space and meeting hall facilities and is rated as one of the top convention centers in the United States; the Jackie Gleason Theater of the Perfuming Arts at the intersection of Washington Avenue and 17th Street; Alton Road, a commercially oriented, north-south primary arterial street; and the aforementioned Lincoln Road Pedestrian Mall which provides retail shops, restaurants, cafés and a movie theater complex located at Lincoln Road and Alton Road, just southwest of the subject property.

To the east is Ocean Drive, which runs parallel to the Atlantic Ocean and South Beach and is one of the area's premier attractions. The pristine beaches and warm waters of the Atlantic Ocean are to the east side of Ocean Drive, while a host of al fresco dining establishments and some of Florida's most luxurious, high-end hotels such as the Ritz-Carlton, The Delano, The Setai, The Shore Club and The Tides.

ACCESS

Overall, access to and throughout the subject neighborhood is considered good. The major east-west thoroughfares providing direct access to the subject area from the Miami mainland include the Venetian Causeway that becomes 17th Street, located immediately north of the subject; 5th Street/MacArthur Causeway (US Highway No. 41/State Road A1A), located to the south of the subject property; and Arthur Godfrey/Julia Tuttle Causeway (I-195) located north of the subject property. The Miami Tunnel opened in 2014 to alleviate congestion from PortMiami along the MacArthur Causeway. These arteries connect South Beach to mainland Miami to the west, as well as intersect with the primary north-south arteries of Alton Road, Collins Avenue, Washington Avenue and Ocean Drive.

Interstate 95 is the major north-south expressway providing direct access to Miami-Dade County, as well as points north along the eastern seaboard. Biscayne Boulevard (U.S. Highway No. 1) is a well-traveled artery providing north-south access from S.E. 3rd street in downtown Miami to the Broward County line to the north. Direct access to the subject property is provided via Washington Avenue which acts as the subject's eastern boundary line and is a two-way, two-lane, north-south city street with divided median and parallel (metered) street parking. The immediate subject area

has good access via the local artery/highway network, and to the area business and commercial community.

In addition to the existing access points, there is a proposal to connect Miami Beach with downtown Miami via a monorail line. The elevated monorail would include three (3) stations and run along the south side of the MacArthur Causeway. One station would be built on the Miami side of the line and close to where the causeway begins, while the other two stations would be on Miami Beach near the end of the causeway, and the other at the intersection of Washington Avenue and 5th Street.

DEMOGRAPHICS

Selected neighborhood demographics in 1-, 3- and 5-mile radius from the subject are shown in the following table:

SELECTED NEIGHBORHOOD DEMOGRAPHICS						
1688 Lenox Avenue Miami Beach, FL 33139	1 Mile Radius	3 Mile Radius	5 Mile Radius	33139 - Miami Beach	Florida	Miami-Dade County
Population						
2026 Total Population	29,936	68,714	327,681	40,166	23,197,833	2,877,849
2021 Total Population	29,175	66,111	297,946	38,928	21,733,419	2,745,677
2010 Total Population	28,753	61,927	246,903	38,179	18,801,310	2,496,435
2000 Total Population	29,728	57,613	218,912	37,950	15,982,378	30,982
Annual Growth 2021 - 2026	0.52%	0.78%	1.92%	0.63%	1.31%	0.94%
Annual Growth 2010 - 2021	0.13%	0.60%	1.72%	0.18%	1.33%	0.87%
Annual Growth 2000 - 2010	-0.33%	0.72%	1.21%	0.06%	1.64%	N/A
Households						
2026 Total Households	17,846	38,339	156,803	23,914	9,071,090	992,819
2021 Total Households	17,515	37,132	141,727	23,311	8,514,543	948,312
2010 Total Households	17,496	35,417	116,482	23,221	7,420,802	867,352
2000 Total Households	18,113	32,561	97,308	23,125	6,337,929	776,774
Annual Growth 2021 - 2026	0.38%	0.64%	2.04%	0.51%	1.27%	0.92%
Annual Growth 2010 - 2021	0.01%	0.43%	1.80%	0.04%	1.26%	0.81%
Annual Growth 2000 - 2010	-0.35%	0.84%	1.81%	0.04%	1.59%	1.11%
Income						
2021 Median Household Income	\$61,178	\$68,664	\$55,950	\$60,423	\$58,462	\$54,681
2021 Average Household Income	\$98,191	\$112,486	\$90,196	\$104,426	\$83,820	\$81,309
2021 Per Capita Income	\$58,636	\$63,244	\$43,313	\$62,604	\$32,917	\$28,156
2021 Pop 25+ College Graduates	13,350	30,903	101,581	17,424	4,922,526	612,307
Age 25+ Percent College Graduates - 2021	53.9%	56.9%	44.7%	52.5%	31.2%	31.2%

Source: ESRI

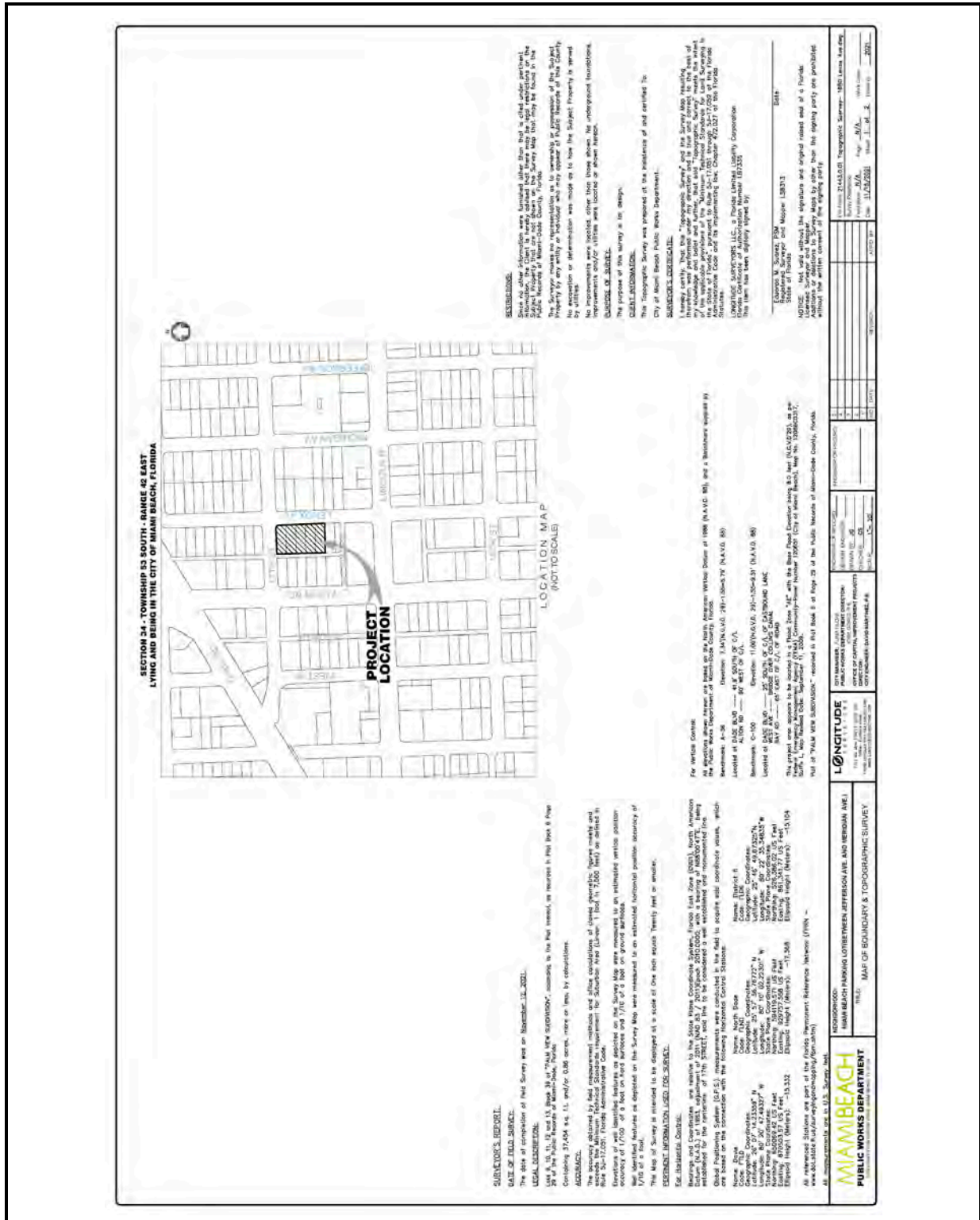
CONCLUSION

The subject neighborhood location is mature and built-out with growth in population and households through higher density, redevelopment opportunities along the major thoroughfares and waterfront. The local demographic profile is middle-to-upper-middle-income and the overall outlook is for favorable performance over the foreseeable future. Many neighborhood improvements are renovated, historically rehabilitated and-or in good-to-excellent condition.

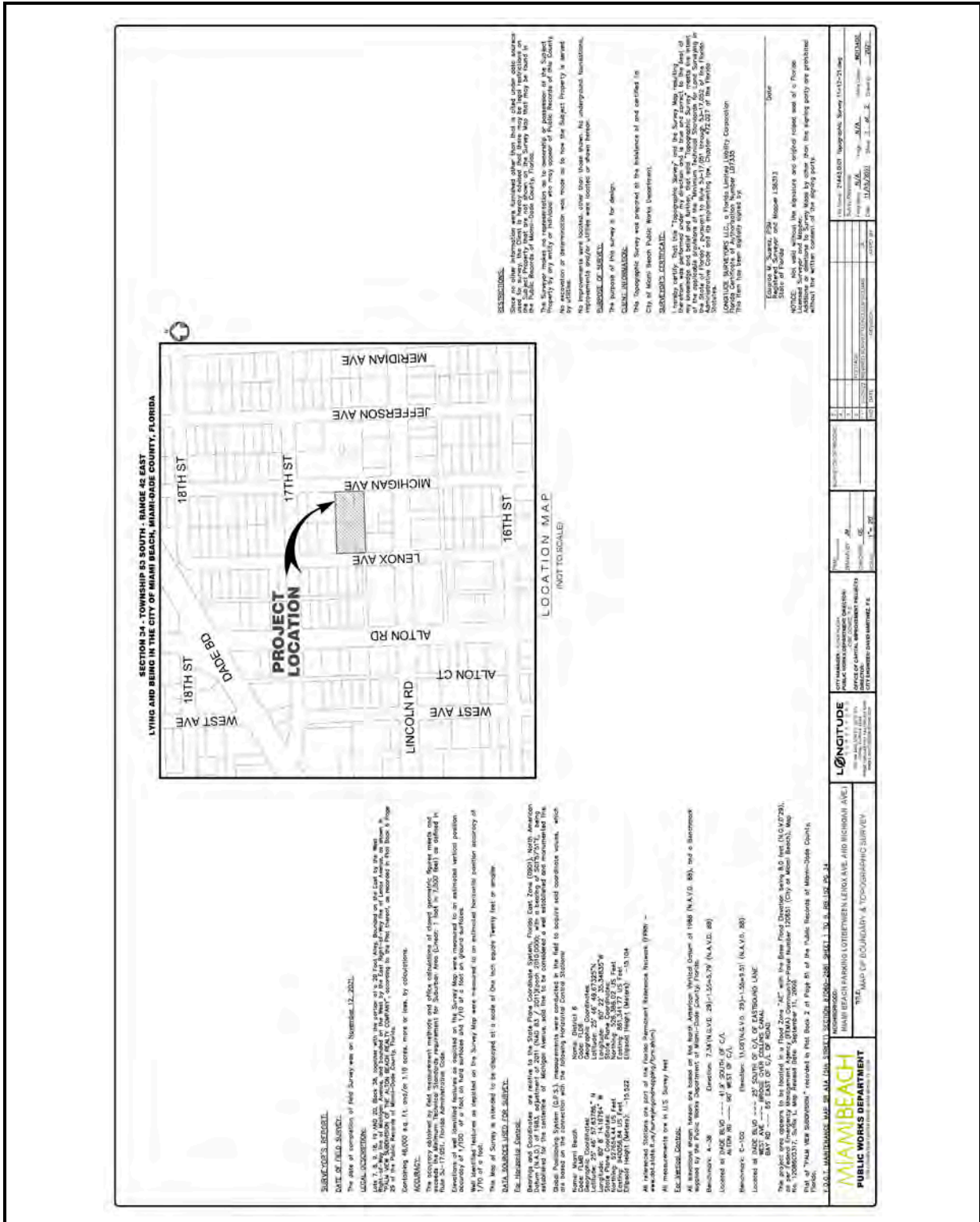
Access to the neighborhood is good and utility services are adequate. Supporting commercial uses are good and surrounding land uses are compatible. Overall, it is our opinion that the subject neighborhood will continue to remain a very desirable area, with continued potential for appreciation. In addition, the Miami Beach submarket is a destination resort community and international “hot spot” that continues to flourish over the long term despite adverse macro-economic cycles.

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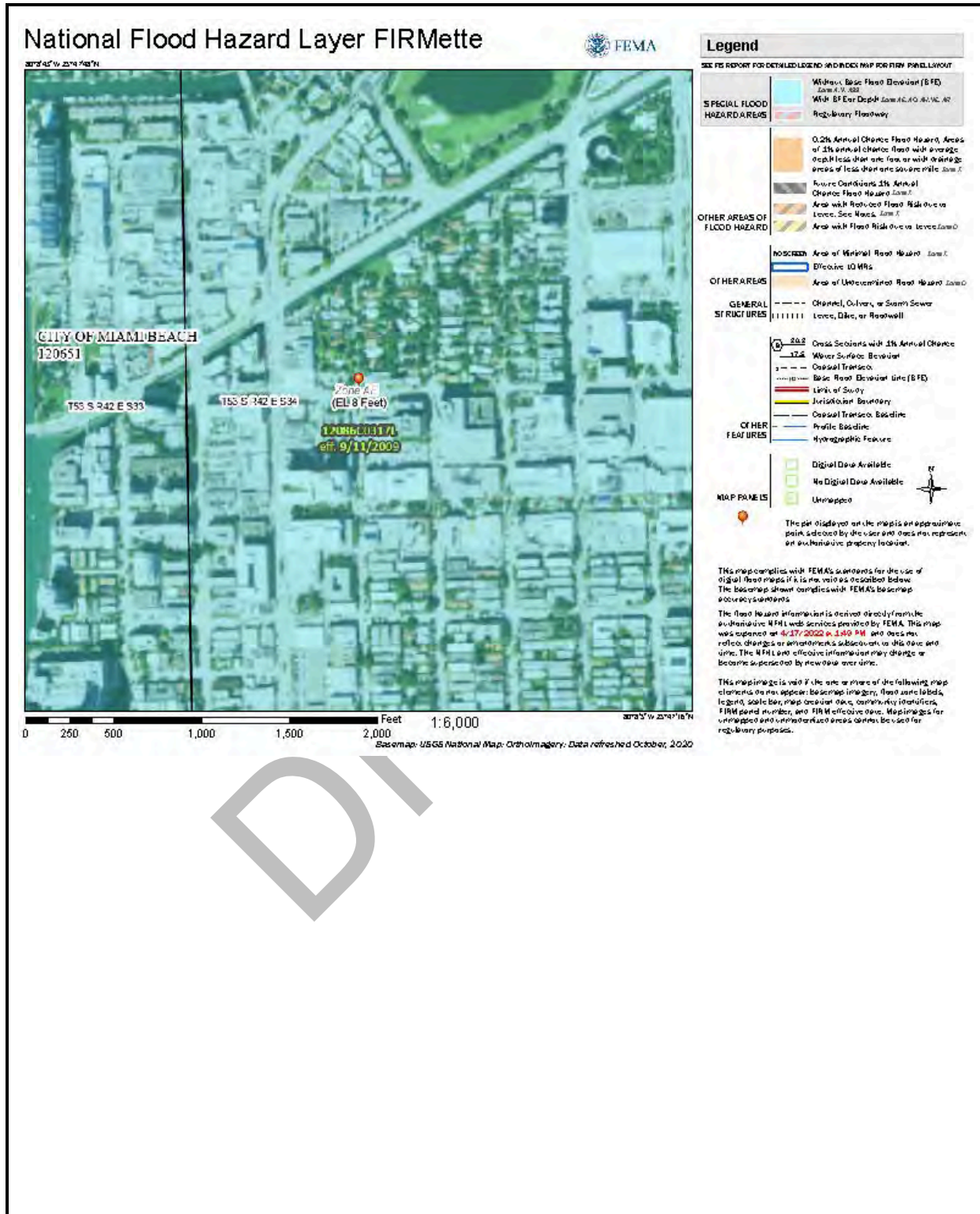
SURVEY EXHIBIT FOR P25



SURVEY EXHIBIT FOR P26



FLOOD PLAIN MAP



Site Analysis

The following chart summarizes the salient characteristics of the subject site.

SITE SUMMARY AND ANALYSIS			
Physical Description			
Net Site Area - P25	0.86 Acres	37,454 Sq. Ft.	
Net Site Area - P26	1.10 Acres	48,000 Sq. Ft.	
Net Site Area - P27	1.36 Acres	59,273 Sq. Ft.	
Road Frontage - P25	17th Street	150 Feet	
Road Frontage - P25	Lenox Avenue	250 Feet	
Road Frontage - P26	Lenox Avenue	130 Feet	
Road Frontage - P26	Lincoln Lane North	320 Feet	
Road Frontage - P26	Michigan Avenue	130 Feet	
Road Frontage - P27	Jefferson Avenue	250 Feet	
Road Frontage - P27	Lincoln Lane North	300 Feet	
Road Frontage - P27	Meridian Avenue	145 Feet	
Shape - P25 & P26	Rectangular		
Shape - P27	L-shape		
Topography	Improved to road grade		
Primary Traffic Counts (24 hrs.)	17th Street	17,300	
Secondary Traffic Counts (24 hrs.)	Alton Road	27,500	
Zoning District - Existing	GU, Government Use District		
Zoning District - Proposed for P25	CD-2, Commercial, Medium Intensity District		
Zoning District - Proposed for P25, P26 & P27	CD-3, Commercial, High Intensity District		
Flood Map Panel No. & Date	12086C0317L	11-Sep-09	
Flood Zone	Zone AE		
Comparative Analysis		Rating	
Visibility	Good local street & pedestrian visibility		
Functional Utility	Good potential for mixed-uses		
Traffic Volume	Neighborhood, Commercial & seasonal		
Adequacy of Utilities	Municipal utility services		
Landscaping	Urban streetscape		
Drainage	Municipal storm drainage		
Utilities		Provider	Availability
Water	City of Miami Beach		Yes
Sewer	City of Miami Beach		Yes
Natural Gas	Contract service		Yes
Electricity	FPL		Yes
Telephone	AT&T land lines		Yes
Mass Transit	Miami-Dade County (MDT) bus service and Miami Beach Trolley		Yes
Other	Yes	No	Unknown
Detrimental Easements			X
Encroachments			X
Deed Restrictions			X
Reciprocal Parking Rights	TBD		
Various sources compiled by CBRE			

SITE DESCRIPTION

The subject sites are all improved with municipal metered, surface parking lot site improvements. We have relied on the legal descriptions, surveys, recorded plats and Miami-Dade County Property Appraiser's data referenced throughout this report.

INGRESS/EGRESS

Vehicular ingress/egress is available to each of the subject sites via public rights-of-way, while pedestrian access is provided on all fronts via improved sidewalks.

Street improvements include asphalt paved traffic lanes, signalized crosswalks, metered street parking, concrete curbs, gutters and sidewalks, and street lighting.

TOPOGRAPHY AND INFRASTRUCTURE

The subject sites are all improved to road grade in a built out submarket with all off-site infrastructure in-place including urban streetscape, pedestrian sidewalks, underground utilities, and concrete curbs, gutters & storm drainage system.

The topography of the site is not seen as an impediment to the development of the property. During our inspection of the site, we observed no drainage problems. However, it is important to note that the City of Miami Beach is a barrier island and reported to be ground zero for sea level rise issues and engineering.

SOILS

A soils analysis for the site has not been provided for the preparation of this appraisal. In the absence of a soils report, it is a specific assumption that the site has adequate soils to support the highest and best use.

EASEMENTS AND ENCROACHMENTS

There are no known easements or encroachments impacting the site that are considered to affect the marketability or highest and best use. It is recommended that the client/reader obtain a current title policy outlining all easements and encroachments on the property, if any, prior to making a business decision.

COVENANTS, CONDITIONS AND RESTRICTIONS

There are no known covenants, conditions or restrictions impacting the site that are considered to affect the marketability or highest and best use. It is recommended that the client/reader obtain a copy of the current covenants, conditions and restrictions, if any, prior to making a business decision.

UTILITIES AND SERVICES

The site includes all municipal services, including police, fire and refuse garbage collection. All utilities are available to the site in adequate quality and quantity to service the highest and best use.

ENVIRONMENTAL ISSUES

Although CBRE was not provided an Environmental Site Assessment (ESA), a tour of the site did not reveal any obvious issues regarding environmental contamination or adverse conditions.

The appraiser is not qualified to detect the existence of potentially hazardous material or underground storage tanks which may be present on or near the site. The existence of hazardous materials or underground storage tanks may affect the value of the property. For this appraisal, CBRE, Inc. has specifically assumed that the property is not affected by any hazardous materials that may be present on or near the property.

CONCLUSION

The subject sites are all well located along north-south thoroughfares with excellent walkability to the Lincoln Road pedestrian mall, as well as, resort hotels, residential neighborhoods and the Atlantic Ocean beach front.

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Zoning

The following chart summarizes the subject’s existing zoning requirements.

ZONING SUMMARY	
Current Zoning	GU, Government Use District
Intent & Purpose	Any land or air rights owned by or leased to the city or other governmental agency for no less than an initial term of 20 years shall automatically convert to a GU government use district.
Uses Permitted	The main permitted uses in the GU government use district are government buildings and uses, including but not limited to parking lots and garages; parks and associated parking; schools; performing arts and cultural facilities; monuments and memorials. Any use not listed above shall only be approved after the city commission holds a public hearing. See subsection 142-425(e) for public notice requirements.
Private Uses	Private or joint government/private uses in the GU government use district, including air rights, shall be reviewed by the planning board prior to approval by the city commission. See subsection 142-425(e) for public notice requirements.
Accessory Uses	Accessory uses in the GU government use district are as required in section 142-903.
Development Regulations	<p>(a) The development regulations (setbacks, floor area ratio, signs, parking, etc.) in the GU government use district shall be the average of the requirements contained in the surrounding zoning districts as determined by the planning and zoning director, which shall be approved by the city commission.</p> <p>Upon the sale of GU property, the zoning district classification shall be determined, after public hearing with notice pursuant to Florida Statutes, by the city commission in a manner consistent with the comprehensive plan. Upon the (b) expiration of a lease to the city or other government agency, the district shall revert to the zoning district and its regulations in effect at the initiation of the lease.</p> <p>(c) Setback regulations for parking lots and garages when they are the main permitted use are listed in subsection 142-1132(n).</p> <p>(d) Following a public hearing, the development regulations required by these land development regulations, except for the historic preservation and design review processes, may be waived by a five-sevenths vote of the city commission for developments pertaining to governmental owned or leased buildings, uses and sites which are wholly used by, open and accessible to the general public, or used by not-for-profit, educational, or cultural organizations, or for convention center hotels, or convention center hotel accessory garages, or city utilized parking lots, provided they are continually used for such purposes. Notwithstanding the above, no GU property may be used in a manner inconsistent with the comprehensive plan. In all cases involving the use of GU property by the private sector, or joint government/private use, development shall conform to all development regulations in addition to all applicable sections contained in these land development regulations and shall be reviewed by the planning board prior to approval by the city commission. All such private or joint government/private uses are allowed to apply for any permittee variances and shall not be eligible to waive any regulations as described in this paragraph. However, not-for-profit, educational, or cultural organizations as forth herein, shall be eligible for a city commission waiver of development regulations as described in this paragraph, except for the historic preservation and design review processes. Additionally, private uses on the GU lots fronting Collins Avenue between 79th and 87th Streets approved by the city commission for a period of less than ten years shall be eligible for a city commission waiver of the development regulations as described in this paragraph, for temporary structures only. Such waivers applicable to GU lots fronting Collins Avenue between 79th and 87th Streets may include, but not be limited to, the design review process, provided the city commission, as part of the waiver process, evaluates and considers all applicable design review requirements and criteria in chapter 118 of</p> <p>(e) When a public hearing is required to waive development regulations before the city commission, the public notice shall be advertised in a newspaper of general paid circulation in the city at least 15 days prior to the hearing. Fifteen days prior to the public hearing date, both a description of the request and the time and place of such hearing shall be posted on the property, and notice shall also be given by mail to the owners of land lying within 375 feet of the property. A five-sevenths vote of the city commission is required to approve a waiver or use that is considered under this regulation.</p>

Source: City of Miami Beach Planning & Zoning Department

The following chart summarizes the subject’s proposed rezoning regulation.

ZONING SUMMARY	
Current Zoning	CD-2, Commercial, Medium Intensity District
Purpose	The CD-2 commercial, medium intensity district provides for commercial activities, services, offices and related activities which serve the entire city.
Main Permitted Uses	<p>The main permitted uses in the CD-2 commercial, medium intensity district are commercial uses (including, for example, personal service establishments); apartments; apartment hotels, hotels, hostels, and suite hotels (pursuant to <u>section 142-1105</u> of this chapter); religious institutions with an occupancy of 199 persons or less and alcoholic beverages establishments pursuant to the regulations set forth in <u>chapter 6</u>; Alcoholic beverage establishments located in the following geographic areas within the CD-2 commercial, medium intensity district shall be subject to the additional requirements set forth in <u>section 142-310</u>:</p> <p>a) <i>Alton Road corridor.</i> Properties on the west side of Alton Road and east of Alton Court, between 5th Street and 11th Street, and between 14th Street and Collins Canal; and properties on the east side of West Avenue, between Lincoln Road and 17th Street, except alcoholic beverage establishments fronting Lincoln Road between West Avenue and Alton Road.</p> <p>b) <i>Sunset Harbour neighborhood.</i> The geographic area generally bounded by Purdy Avenue to the west, 20th Street and the waterway to the north, Alton Road to the east, and Dade Boulevard to the south.</p>
Conditional Uses	The conditional uses in the CD-2 commercial, medium intensity district are funeral home; religious institutions; pawnshops; video game arcades; public and private institutions; schools; any use selling gasoline; new construction of structures 50,000 square feet and over (even when divided by a district boundary line), which review shall be the first step in the process before the review by any of the other land development boards; outdoor entertainment establishment; neighborhood impact establishment; open air entertainment establishment; and storage and/or parking of commercial vehicles on a site other than the site at which the associated commerce, trade or business is located. See section 142-1103.
Accessory Uses	The accessory uses in the CD-2 commercial, medium intensity district are as required in article IV, division 2 of this chapter; and accessory outdoor bar counters, provided that the accessory outdoor bar counter is not operated or utilized between midnight and 8:00 a.m.; however, for an accessory outdoor bar counter which is adjacent to a property with an apartment unit, the accessory outdoor bar counter may not be operated or utilized between 8:00 p.m. and 8:00 a.m.
Prohibited Uses	The prohibited uses in the CD-2 commercial, medium intensity district are accessory outdoor bar counters, except as provided in article IV, division 2 of this chapter and in chapter 6.
Source: City of Miami Beach Planning & Zoning Department	

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ZONING SUMMARY - Continued

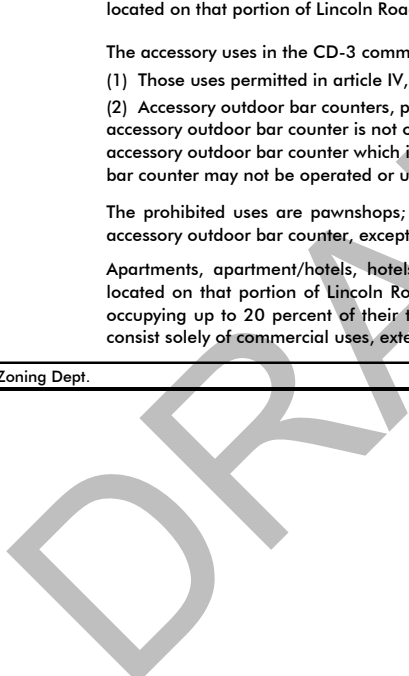
Maximum Floor Area Ratio	1.50 FAR, plus Code Section 142-307(d) allows 2.0 FAR where more than 25% of the building is used for
Minimum Lot Area	None
Minimum Lot Width	None
Minimum Apt. Unit Size	New Construction: 550-SF; Rehabilitated Buildings: 400-SF Non-elderly and elderly low and moderate income housing: 400-SF Workforce Housing: 400-SF
Average Apt. Unit Size	New Construction: 800-SF; Rehabilitated Buildings: 550-SF Non-elderly and elderly low and moderate income housing: 400-SF Workforce housing: 400-SF
Minimum Hotel Unit Size	15%: 300-SF to 335-SF and 85%: 335-SF & up; Rehabilitation of Historic Buildings: 200-SF For contributing hotel structures, located within an individual historic site, a local historic district or a national register district, which are being renovated in accordance with the Secretary of the Interior Standards and Guidelines for the Rehabilitation of Historic Structures as amended, retaining the existing room configuration shall be permitted, provided all rooms are a minimum of 200 square feet. Additionally, existing room configurations for the above described hotel structures may be modified to address applicable life-safety and accessibility regulations, provided the 200 square feet minimum unit size is maintained, and provided the maximum occupancy per hotel room does not exceed 4 persons. In addition, the minimum hotel unit size for a property formerly zoned HD is 250 square feet, provided that the property does not exceed 25,000 square feet as of March 23, 2019. Hotel units within rooftop additions to contributing structures in a historic district and individually designated historic buildings—200. The number of units may not exceed the maximum density set forth in the comprehensive plan.
Average Hotel Unit Size	50 Feet (except as provided in Section 142-1161)
Maximum Height	Notwithstanding the above, the design review board or historic preservation board, in accordance with the applicable review criteria, may allow up to an additional five feet of height, not to exceed a maximum height of 55 feet. In order to utilize the additional height, the first floor shall provide at least 12 feet in height, as measured from the base flood elevation plus maximum freeboard, to the top of the second floor slab. 40 Feet for self-storage warehouse, except that the building height shall be limited to 25 feet within 50 feet from the rear property line for lots abutting an alley; and within 60 feet from a residential district for blocks with no alley. 60 Feet for mixed-use and commercial buildings that include structured parking for properties on the west side of Alton Road from 6th Street to Collins Canal.
Maximum Stories	5 Stories (except for permitted height exceptions as provided in Code Section 142-1161)
Minimum Setbacks;	
Front, At Grade Parking Lot	5 Feet
Front, Pedestal & Tower Non-Oceanfront	-0- Feet and residential uses follow the RM-1, 2 & 3 setbacks
Front, Pedestal & Tower Oceanfront	Pedestal: 15 Feet; Tower: 20 Feet + 1 foot for every 50 feet in height, to a maximum of 50 feet, then 5 Feet
Side, Interior, At Grade Parking Lot	5 Feet
Side, Interior, Pedestal & Tower Non-Oceanfront	10 feet when abutting a residential district, otherwise none. Notwithstanding the foregoing, rooftop additions to contributing structures in a historic district and individually designated historic buildings may follow existing nonconforming rear pedestal setbacks.
Side, Interior, Pedestal & Tower Oceanfront	Notwithstanding the foregoing, rooftop additions to contributing structures in a historic district and individually designated historic buildings may follow existing nonconforming rear pedestal setbacks.
Side, Facing a Street, At Grade	5 Feet
Side, Facing a Street, Pedestal & Tower Non-Oceanfront	10 feet when abutting a residential district, unless separated by a street or waterway otherwise none
Side, Facing a Street, Pedestal & Tower Oceanfront	10 Feet
Rear, At Grade Parking Lot	5 Feet and if abutting an alley -0- Feet
Rear, Pedestal & Tower Non-Oceanfront	5 Feet; and, 10 Feet when abutting residential district, unless separated by a street or waterway, then -0-
Rear, Pedestal & Tower Oceanfront	25% of lot depth, 75 feet minimum from the bulkhead line whichever is greater (b) The tower setback shall not be less than the pedestal setback. (c) Parking lots and garages: If located on the same lot as the main structure the above setbacks shall apply. If primary use the setbacks are listed in subsection 142-1132(n). (d) Mixed use buildings: Calculation of setbacks and floor area ratio: (1) Setbacks. When more than 25 percent of the total area of a building is used for residential or hotel units, any floor containing such units shall follow the RM-1, 2, 3 setback regulations. (2) Floor area ratio. When more than 25 percent of the total area of a building is used for residential or hotel units, the floor area ratio range shall be as set forth in the RM-2 district. (3) The maximum floor area ratio (FAR) for self-storage warehouses shall be 1.5. The floor area ratio provision for mixed use buildings in section 142-307(d)(2) above shall not apply to self-storage warehouse development.
Buildings Containing Parking Spaces	Residential or commercial uses, as applicable, at the first level along every facade facing a street, sidewalk or waterway; for properties not having access to an alley, the required residential space shall accommodate entrance and exit drives. Residential or commercial uses above the first level along every facade facing a waterway. For properties less than 60 feet in width, the total amount of commercial space at the first level along a street side shall be determined by the design review or historic preservation board, as applicable. All facades above the first level, facing a street or sidewalk, shall include a substantial portion of residential or commercial uses; the total amount of residential or commercial space shall be determined by the design review or historic preservation board, as applicable, based upon their respective criteria.
Parking Requirements - District No. 6	Refer to Section 130-31 of municipal zoning code.

Source: City of Miami Beach Planning & Zoning Department

ZONING SUMMARY

Current Zoning	CD-3, Commercial, High Intensity District
Purpose	The CD-3 district is designed to accommodate a highly concentrated business core in which activities serving the entire city are located.
Permitted Uses	The main permitted uses are commercial uses; apartments; apartment/hotels; hotels, alcoholic beverage establishments pursuant to the regulations set forth in Chapter 6, and religious institutions with an occupancy of 199 persons or less. Offices are prohibited on the ground floor on that portion of Lincoln Road which is closed to traffic, unless the office area is located in a mezzanine, or at least 75 feet back from the storefront; also apartments, apartment/hotels and hotels located on that portion of Lincoln Road shall comply with section 142-335. Dance halls (as defined in section 114-1 of this Code) not also operating as restaurants with full kitchens and serving full meals and licensed as alcoholic beverage establishments are prohibited on properties having a lot line adjoining Lincoln Road, from the Atlantic Ocean to Biscayne Bay, unless the dance hall is located within a hotel with a minimum of 100 hotel units.
Conditional Uses	The conditional uses are adult living congregate facilities; new construction of structures 50,000 square feet and over (even when divided by a district boundary line), which review shall be the first step in the process before the review by any of the other land development boards; outdoor entertainment establishment, neighborhood impact establishment, open air entertainment establishment, nursing homes; religious institutions with an occupancy greater than 199 persons; video game arcades; public and private institutions; schools and major cultural dormitory facilities as specified in section 142-1332; and storage and/or parking of commercial vehicles on a site other than the site at which the associated commerce, trade or business is located, except such storage and/or parking of commercial vehicles shall not be permitted on lots with frontage on Lincoln Road, Collins Avenue, 41st Street and 71st Street. See subsection 142-1103(c). When located on that portion of Lincoln Road that is closed to traffic, these uses shall comply with section 142-335.
Accessory Uses	The accessory uses in the CD-3 commercial, high intensity district are as follows: (1) Those uses permitted in article IV, division 2 of this chapter. (2) Accessory outdoor bar counters, pursuant to the regulations set forth in Chapter 6, provided that the accessory outdoor bar counter is not operated or utilized between midnight and 8:00 a.m.; however, for an accessory outdoor bar counter which is adjacent to a property with an apartment unit, the accessory outdoor bar counter may not be operated or utilized between 8:00 p.m. and 8:00 a.m.
Prohibited Uses	The prohibited uses are pawnshops; secondhand dealers of precious metals/precious metals dealers; and accessory outdoor bar counter, except as provided in Article IV, Division 2 of this Chapter and in Chapter 6.
Lincoln Road	Apartments, apartment/hotels, hotels and the conditional uses, as described in this division, which are located on that portion of Lincoln Road that is closed to traffic, may have first floor entrances and lobbies occupying up to 20 percent of their total street frontage(s). The remainder of their first floor frontage shall consist solely of commercial uses, extending back at least 75 feet from the street frontage(s).

Source: Miami Beach Planning & Zoning Dept.



ZONING SUMMARY - Continued

F.A.R.	<p>1) Lot area equal to or less than 45,000 sq. ft.—2.25; Lot area greater than 45,000 sq. ft.—2.75; Oceanfront lots with lot area greater than 45,000 sq. ft.—3.0.</p> <p>2) Notwithstanding the above, oceanfront lots in architectural district shall have a maximum FAR of 2.0.</p> <p>3) Notwithstanding the above, lots located between Drexel Avenue and Collins Avenue and between 16th Street and 17th Street shall have a maximum FAR of 2.75.</p> <p>4) Notwithstanding the above, lots which, as of the effective date of this ordinance (November 14, 1998), are oceanfront lots with a lot area greater than 100,000 sq. ft. with an existing building, shall have a maximum FAR of 3.0; however, additional FAR shall be available for the sole purpose of providing hotel amenities as follows: the lesser of 0.15 FAR or 20,000 sq. ft.</p> <p>However, the floor area ratio maximum for residential development, inclusive of hotels, in the architectural district shall be 2.50.</p>
Minimum Lot Area	Commercial - None; Residential - 7,000 SF
Minimum Lot Width	Commercial - none; residential - 50 feet
Maximum Height	<p>75 feet.</p> <p>Lots within the architectural district: 50 feet.</p> <p>Lots fronting on 17th Street: 80 feet.</p> <p>City Center Area (bounded by Drexel Avenue, 16th Street, Collins Avenue and the south property line of those lots fronting on the south side of Lincoln Road): 100 feet.</p> <p>Notwithstanding the foregoing requirement for City Center Area, the following additional shall apply: The height for lots fronting on Lincoln Road and 16th Street between Drexel Avenue and Washington Avenue are limited to 50 feet for the first 50' of lot depth.</p> <p>The height for lots fronting on Drexel Avenue is limited to 50 feet for the first 25' of lot depth (except as provided in section 142-1161).</p>
Maximum Stories	<p>7 stories.</p> <p>Lots within the agricultural district: 5 stories.</p> <p>Lots fronting on 17th Street: 7 stories.</p> <p>City Center Area (bounded by Drexel Avenue, 16th Street, Collins Avenue and the south property line of those lots fronting on the south side of Lincoln Road): 11 stories, subject to the applicable height restrictions (except as provided in section 142-1161).</p>
Minimum Setbacks;	
Front Yard	5 Feet
Street Side Yard	Subterranean design is 0 feet; pedestal & tower is 0 to 10 feet for non-Oceanfront properties and 10 feet for Oceanfront commercial properties and for residential uses, must follow RM 1, 2, & 3 setbacks.
Interior Side Yard	5 Feet
Rear Yard	5 Feet and -0- if abutting an alley
Minimum Unit Size	<p>New Construction - 550 SF</p> <p>Rehabilitated buildings - 400 SF</p> <p>Hotels - 15% of units - 300 SF to 335 SF; and the remaining 85% of units - 335 SF or more</p> <p>For contributing hotel structures, located within an individual historic site, a local historic district or a national register district, which are being renovated in accordance with the Secretary of the Interior Standards and Guidelines for the Rehabilitation of Historic Structures as amended, retaining the existing room configuration shall be permitted, provided all rooms are a minimum of 200 square feet. Additionally, existing room configurations for the above described hotel structures may be modified to address applicable life-safety and accessibility regulations, provided the 200 square feet minimum unit size is maintained, and provided the maximum occupancy per hotel room does not exceed 4 persons.</p>
Average Unit Size	<p>New Construction - 800 SF</p> <p>Rehabilitated buildings - 550 SF</p> <p>Hotels - N/A</p>
Off-Street Parking Requirement;	
Alcoholic Beverage Establishment	1 space per 4 seats & 1 space per 60-SF of non-seating area
Amusement Place	1 space per 60-SF
Apartment & Apt.-Hotel	1.5 spaces per unit on lots 50 feet in width or less
Outdoor Cafe	1 space per 4 seats
Sidewalk Cafes	None required
Grocery Stores & Supermarket	1 space per 250-SF
Hotel	1 space per unit for structures under 250-units
Office	1 space per 400-SF
Retail Store	1 space per 300-SF

Source: Miami Beach Planning & Zoning Dept.

ANALYSIS AND CONCLUSION

The existing municipal metered, surface parking lot improvements represent a legally-conforming use and the City of Miami Beach is considering potential redevelopment of the subject properties, subject to a citywide voter referendum, a comprehensive land use modification and rezoning from GU, Government Use to CD-2, Commercial, Medium Intensity and CD-3, Commercial, High Intensity districts.

The responses to the City's RFP is summarized as follows:

Municipal Lot	Site Size	Proposal	Proposed FAR
P25	0.86-Acre	65,000-SF Office	1.735-FAR
P25 & P26	1.96-Acres	132,954-SF Office/Retail & 427-Space Garage	1.557-FAR
P27	1.36-Acres	87,396-SF Office/Retail + 43-Residential Units & 288- Space Garage	1.475-FAR (Excluding Residential Units)

According to the client, the P25 lot is proposed to be split zoned CD-2, Commercial, Medium Intensity & CD-3, Commercial, High Intensity, while P26 & P27 are proposed for the CD-3, Commercial, High Intensity designation. As such, the foregoing proposals appear to be in general conformance with the proposed rezoning districts.

Additional information may be obtained from the City of Miami Beach Planning & Zoning Department. For purposes of this appraisal, CBRE has assumed the information obtained is correct.

Tax and Assessment Data

AD VALOREM TAX INFORMATION - MUNICIPAL PARKING LOT P25				
Parcel	Assessor's Parcel No.	2020	2021	Pro Forma
1	02-3234-004-0870	760,656	760,545	\$26,000,000
2	02-3234-004-0880	760,546	760,545	
3	02-3234-004-0890	760,670	760,559	
4	02-3234-004-0900	750,000	750,000	
5	02-3234-004-0910	760,670	760,559	
Subtotal		\$3,792,542	\$3,792,208	\$26,000,000
% of Assessed Value		100%	100%	65%
Final Assessed Value		3,792,542	3,792,208	\$16,900,000
General Tax Rate (per \$100 A.V.)		1.935960	1.930810	1.930810
Total Taxes		\$73,422	\$73,220	\$326,307
4% Tax Reduction for Early Pay Discount		(\$2,937)	(\$2,929)	(\$13,052)
Total Adjusted Taxes		Exempt	Exempt	\$313,255
Taxes per SF		---	---	\$8.36

Source: Assessor's Office

AD VALOREM TAX INFORMATION - MUNICIPAL PARKING LOT P26				
Parcel	Assessor's Parcel No.	2020	2021	Pro Forma
1	02-3234-004-0710	491,592	491,471	\$33,600,000
2	02-3234-004-0720	811,578	811,457	
3	02-3234-004-0730	811,592	811,471	
4	02-3234-004-0820	811,585	811,464	
5	02-3234-004-0830	811,585	811,464	
6	02-3234-004-0840	491,585	491,464	
Subtotal		\$4,229,517	\$4,228,791	\$33,600,000
% of Assessed Value		100%	100%	65%
Final Assessed Value		3,792,542	3,792,208	\$21,840,000
General Tax Rate (per \$100 A.V.)		1.935960	1.930810	1.930810
Total Taxes		\$73,422	\$73,220	\$421,689
4% Tax Reduction for Early Pay Discount		(\$2,937)	(\$2,929)	(\$16,868)
Total Adjusted Taxes		Exempt	Exempt	\$404,821
Taxes per SF		---	---	\$8.43

Source: Assessor's Office

AD VALOREM TAX INFORMATION - MUNICIPAL PARKING LOT P27				
Parcel	Assessor's Parcel No.	2020	2021	Pro Forma
1	02-3234-007-0560	750,000	750,000	\$39,000,000
2	02-3234-007-0570	1,425,000	1,425,000	
3	02-3234-007-0630	750,000	750,000	
4	02-3234-007-0640	750,000	750,000	
5	02-3234-007-0650	755,486	755,486	
6	02-3434-007-0660	750,000	750,000	
7	02-3234-007-0670	750,000	750,000	
Subtotal		\$5,930,486	\$5,930,486	\$39,000,000
% of Assessed Value		100%	100%	65%
Final Assessed Value		3,792,542	3,792,208	\$25,350,000
General Tax Rate (per \$100 A.V.)		1.935960	1.930810	1.930810
Total Taxes		\$73,422	\$73,220	\$489,460
4% Tax Reduction for Early Pay Discount		(\$2,937)	(\$2,929)	(\$19,578)
Total Adjusted Taxes		Exempt	Exempt	\$469,882
Taxes per SF		---	---	\$7.93

Source: Assessor's Office

The local Assessor's methodology for valuation is sales comparison approach to value. The next re-assessment of the subject was scheduled for January 1, 2023. If the subject sold for the value estimate in this report, a reassessment at that value could occur based on the "just value" statute, less cost of sale.

It should also be noted that the subject property is exempt from real estate property taxes based on city government ownership. However, if the subject property were sold-off to a third party developer or user, the exemption would be rescinded. In addition, under a ground lease scenario, the land component would remain exempt while the third party leasehold improvements would be taxable, unless a non-profit or municipal government entity developed and operated the leasehold improvements.

According to the "just value" statute for all Counties within the State of Florida, the assessment for taxation purposes, is supposed to reflect 100% of market value, less cost of sale, i. e. marketing & real estate commissions, transaction & mortgage recording fees, etc., which typically equates to 65% to 85% of a recorded sale price and/or a market value estimate.

According to a representative of Miami-Dade County Revenue Collector, there are no delinquent property taxes encumbering the subject.

Market Analysis

The market analysis forms a basis for assessing market area boundaries, supply and demand factors, and indications of financial feasibility. Primary data sources used for this analysis includes CoStar Group, Inc., PriceWaterhouseCoopers (PWC), Econometric Advisors (a subsidiary of CBRE, Inc.), REIS, Costar Group and Esri.

METROPOLITAN MIAMI-DADE COUNTY, FL OFFICE MARKET OVERVIEW

Recent Performance

The following table summarizes historical and projected performance for the overall metropolitan Miami-Dade County, FL office market, as reported by CoStar.

MIAMI-DADE COUNTY, FL OFFICE MARKET								
Year Ending	Inventory (SF)	Completions (SF)	Occupied Stock (SF)	Occupancy	Asking Rent (\$/SF Gross)	Asking Rent Change	Net Absorption (SF)	Transaction Price Per Area (SF)
2016	106,096,975	553,859	97,149,576	91.6%	\$34.14	5.49%	963,660	\$362.06
2017	106,783,221	686,246	98,602,568	92.3%	\$35.28	3.32%	1,423,636	\$219.22
2018	107,979,683	1,196,462	98,794,912	91.5%	\$36.86	4.49%	92,413	\$246.24
2019	108,175,314	100,631	98,963,904	91.5%	\$37.99	3.05%	168,055	\$72.40
Q1 2020	108,381,075	205,761	98,886,248	91.2%	\$38.49	1.32%	-77,650	\$105.32
Q2 2020	108,379,320	-1,755	98,518,624	90.9%	\$38.56	0.18%	-367,622	\$143.39
Q3 2020	108,723,329	344,009	97,804,304	90.0%	\$38.58	0.05%	-714,325	\$342.48
Q4 2020	109,377,302	653,973	98,002,408	89.6%	\$39.04	1.21%	198,104	\$176.66
2020	109,377,302	1,201,988	98,002,408	89.6%	\$39.04	2.79%	-961,493	\$176.66
Q1 2021	109,542,901	165,599	97,805,296	89.3%	\$39.38	0.85%	-197,115	\$237.50
Q2 2021	109,782,836	239,935	98,017,000	89.3%	\$39.87	1.26%	211,708	\$255.42
Q3 2021	109,782,836	0	98,540,200	89.8%	\$40.27	0.99%	523,202	\$293.31
Q4 2021	110,163,132	380,296	98,556,576	89.5%	\$40.77	1.25%	16,378	\$190.03
2021	110,163,132	785,830	98,556,576	89.5%	\$40.77	4.43%	554,173	\$190.03
2022*	111,642,204	1,479,072	100,376,832	89.9%	\$43.11	5.74%	1,824,607	-
2023*	111,605,976	-36,228	101,398,704	90.9%	\$45.70	6.00%	1,026,079	-
2024*	112,704,024	1,098,048	102,423,472	90.9%	\$47.76	4.52%	1,029,858	-
2025*	114,072,358	1,368,334	103,322,992	90.6%	\$49.06	2.70%	903,353	-
2026*	115,128,240	1,055,882	104,037,560	90.4%	\$49.82	1.55%	718,845	-

* Future Projected Data according to CoStar

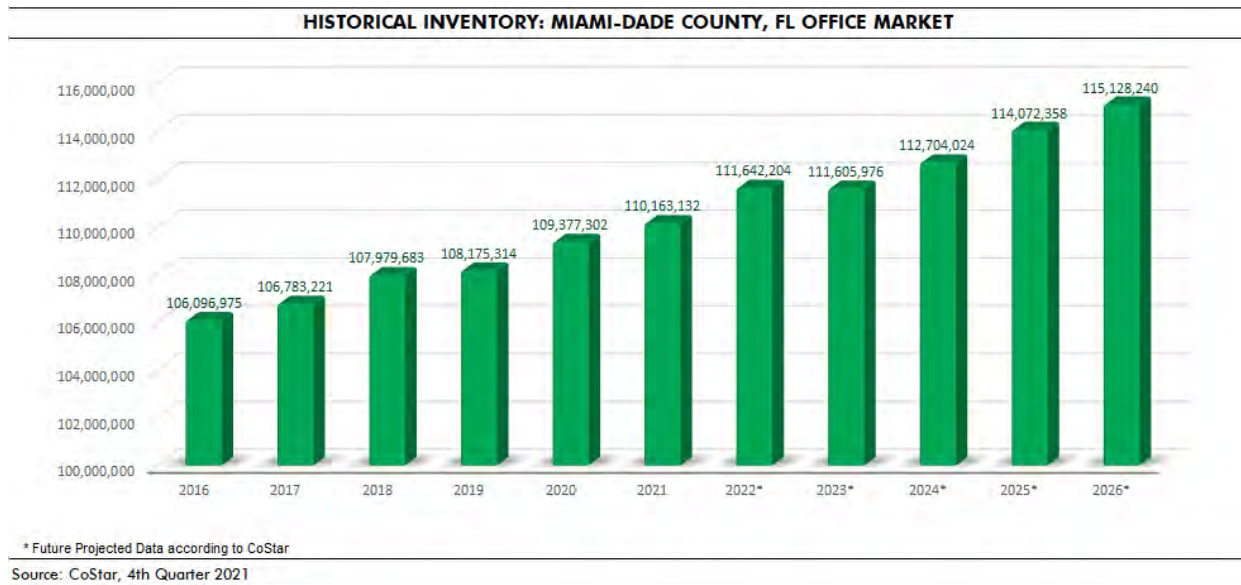
Source: CoStar, 4th Quarter 2021

The Miami-Dade County, FL office market consists of approximately 110,163,132 square feet of office space. The following observations are noted from the table above:

- As of 4th Quarter 2021, there was approximately 98,556,576 square feet of occupied office space (including sublet space), resulting in an occupancy rate of 89.5% for the metro area. This reflects a decrease from the previous quarter's occupancy of 89.8%, and a small decrease from an occupancy rate of 89.6% from last year.
- The area experienced positive 16,378 square feet of net absorption for the current quarter. This indicates a decline from the previous quarter's positive 523,202 square feet of net absorption, and an improvement from the negative 961,493 square feet of net absorption from last year.

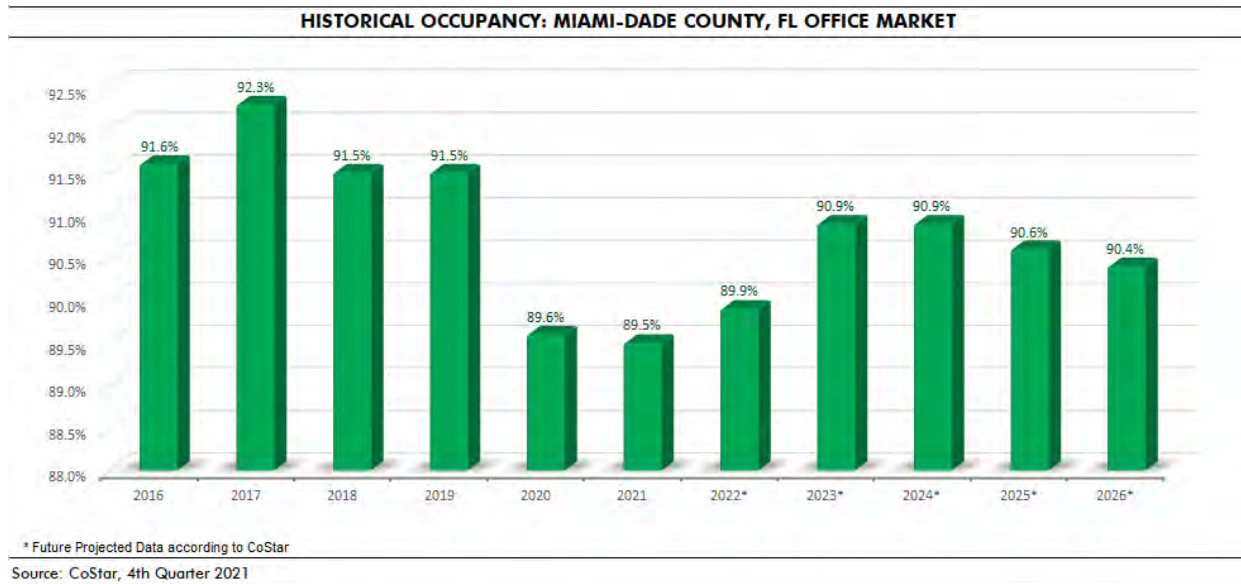
- The area had completions of positive 380,296 square feet for the current quarter, which indicates an increase from the previous quarter’s zero completions, and indicates a decline from completions of positive 1,201,988 square feet from last year.
- The area achieved average asking rent of \$40.77 per square foot, which indicates an increase from the previous quarter’s asking rent of \$40.27 per square foot, and an increase from the asking rent of \$39.04 per square foot from last year.

Historical Inventory – Market



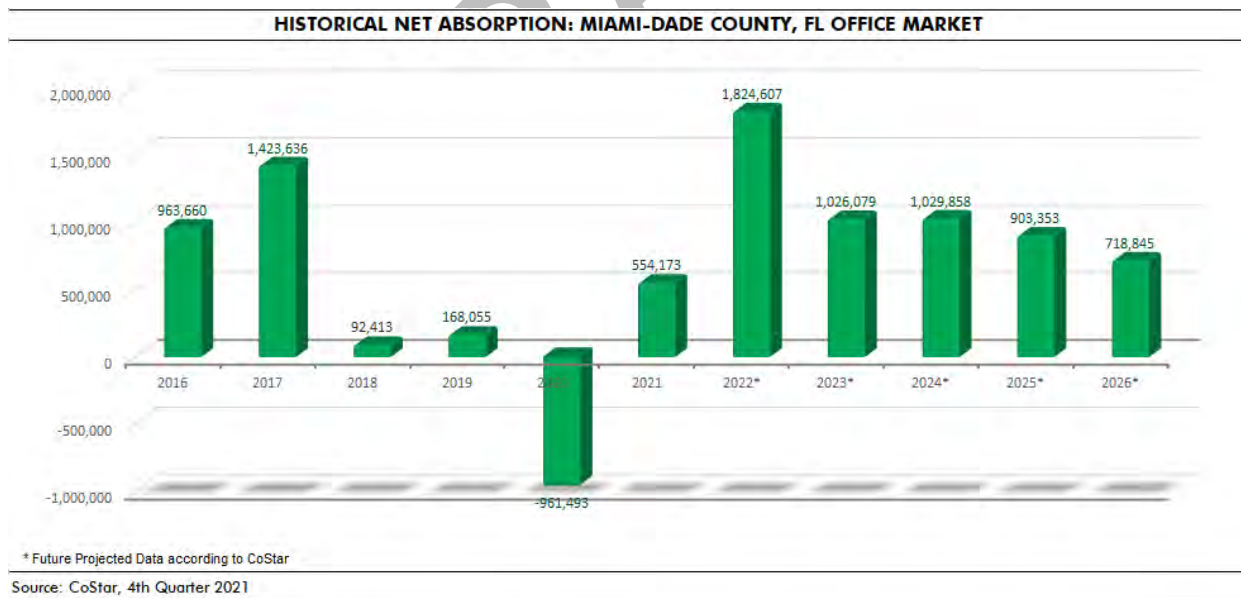
Inventory is projected to be 110,163,132 square feet at the end of the current year, which represents an increase from the previous year’s inventory of 109,377,302 square feet. Inventory for next year is projected to be 111,642,204 square feet, reflecting an increase from the current year.

Historical Occupancy - Market



At the end of the current year, the occupancy rate is projected to be 89.5%, which reflects a small decrease from the 89.6% occupancy rate at the end of last year. Occupancy for next year is projected to be 89.9%, reflecting an increase from the current year.

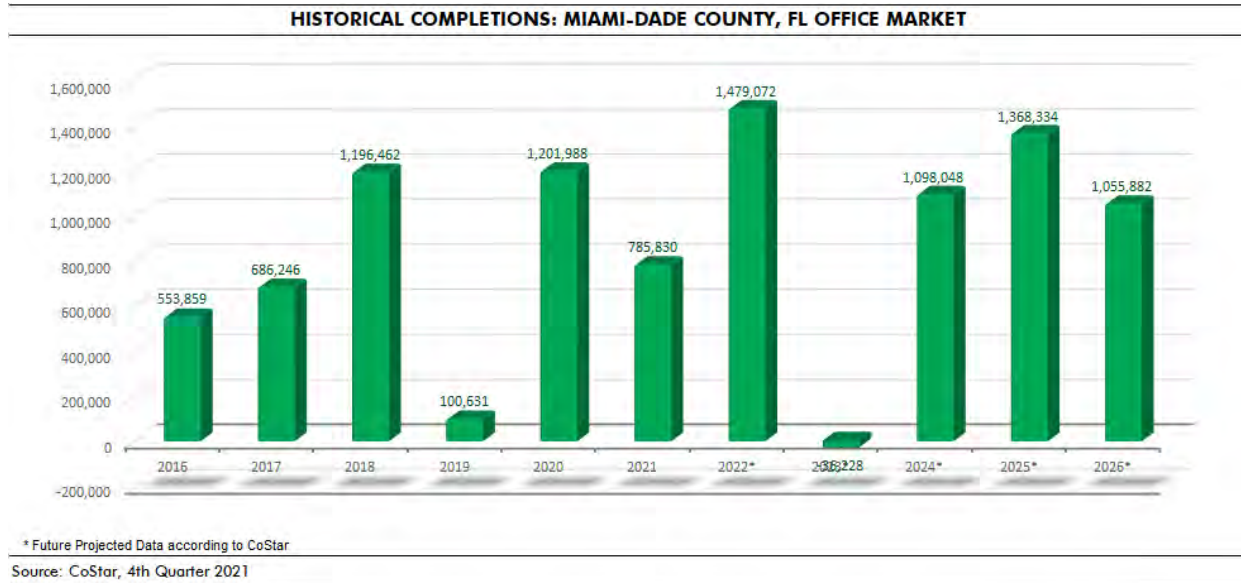
Historical Net Absorption - Market



At the end of the current year, the area is projected to experience positive 554,173 square feet of net absorption, which indicates an improvement from the negative 961,493 square feet of net absorption for the previous year. The area is projected to experience positive 1,824,607 square

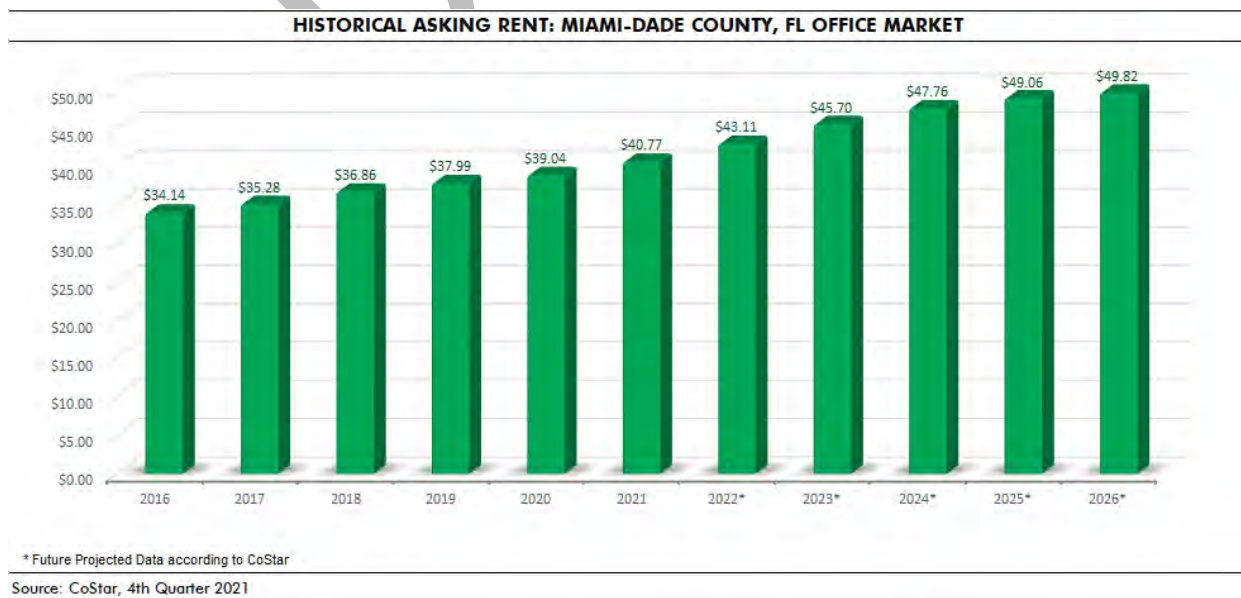
feet of net absorption as of the end of next year, which indicates an improvement from the current year.

Historical Completions - Market



The area is projected to achieve completions of positive 785,830 square feet for the current year, which indicates a decline from the previous year's completions of positive 1,201,988 square feet. The area is projected to experience completions of positive 1,479,072 square feet as of the end of next year, which indicates an improvement from the current year.

Historical Asking Rent - Market



The area is projected to achieve average asking rent of \$40.77 per square foot at the end of the current year, which indicates an increase from the previous year's asking rent of \$39.04 per square foot. The area is projected to achieve asking rent of \$43.11 per square foot by the end of next year, indicating an increase from the current year.

SUBMARKET SNAPSHOT

The following table summarizes the supply of office square footage for each submarket within the Miami-Dade County, FL market as of 4th Quarter 2021.

MIAMI-DADE COUNTY, FL OFFICE SUBMARKET SNAPSHOT				
Submarket	Inventory (SF)	Completions* (SF)	Asking Rent (\$/SF Gross)	Occupancy
Aventura	2,620,852	0	\$52.42	93.1%
Biscayne Corridor	3,627,163	0	\$39.96	90.0%
Brickell	9,683,969	-101,902	\$55.51	88.6%
Coconut Grove	2,631,519	180,000	\$49.96	87.4%
Coral Gables	11,714,591	-6,000	\$42.98	87.2%
Coral Way	2,556,561	0	\$34.93	95.1%
Downtown Miami	12,358,989	0	\$43.92	82.8%
Hialeah	3,346,786	6,750	\$33.32	98.8%
Kendall	12,751,379	0	\$37.50	95.0%
Miami	6,182,078	0	\$36.75	95.9%
Miami Airport	19,598,106	203,000	\$35.60	86.2%
Miami Beach	4,850,144	0	\$46.30	90.8%
Miami Gardens/Opa Locka	459,743	1,000	\$33.80	95.8%
Miami Lakes	3,630,962	0	\$31.51	91.2%
Northeast Dade	7,039,810	17,348	\$33.48	93.7%
Outlying Miami-Dade Cnty	345,524	71,886	\$35.64	40.5%
South Dade	2,566,949	51,000	\$34.40	94.8%
West Miami	2,061,777	0	\$34.51	98.0%
Wynwood-Design District	2,136,230	362,748	\$52.38	70.7%
*Completions include trailing 4 quarters				
Source: CoStar, 4th Quarter				

Miami Beach Submarket

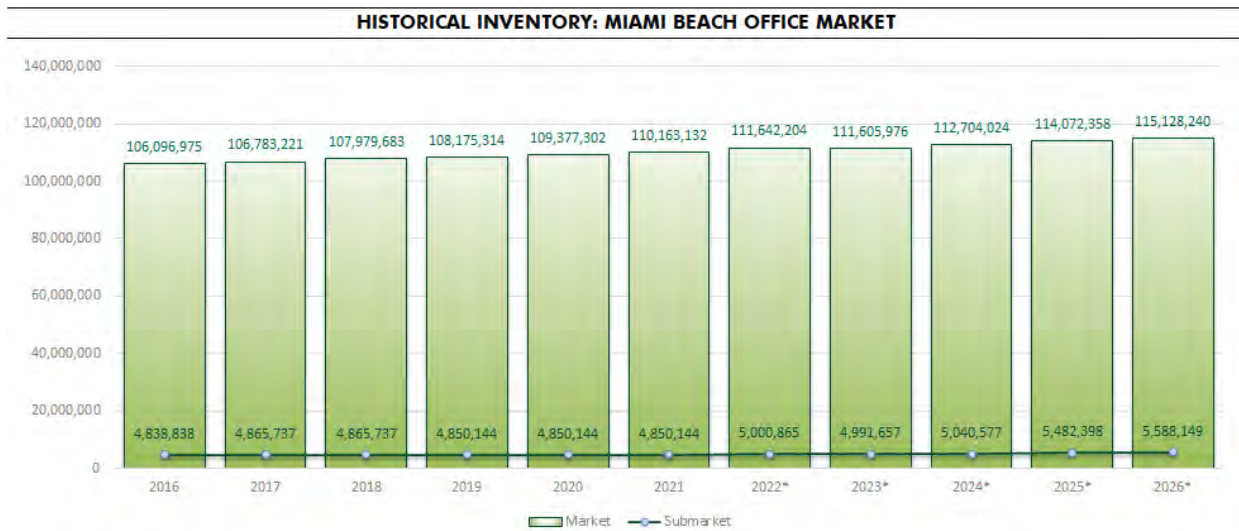
Important characteristics of the Miami Beach office market are summarized below:

MIAMI BEACH OFFICE SUBMARKET							
Year Ending	Inventory (SF)	Completions (SF)	Occupied Stock (SF)	Occupancy	Asking Rent (\$/SF Gross)	Asking Rent Change	Net Absorption (SF)
2016	4,838,838	18,161	4,611,901	95.3%	\$39.33	3.94%	125,097
2017	4,865,737	26,899	4,568,462	93.9%	\$41.35	5.13%	-44,250
2018	4,865,737	0	4,514,967	92.8%	\$41.60	0.59%	-53,431
2019	4,850,144	-15,593	4,481,266	92.4%	\$42.84	3.00%	-33,701
Q1 2020	4,850,144	0	4,479,237	92.4%	\$43.45	1.41%	-2,029
Q2 2020	4,850,144	0	4,442,718	91.6%	\$43.54	0.22%	-36,519
Q3 2020	4,850,144	0	4,411,341	91.0%	\$43.54	-0.02%	-31,377
Q4 2020	4,850,144	0	4,456,258	91.9%	\$44.21	1.54%	44,917
2020	4,850,144	0	4,456,258	91.9%	\$44.21	3.18%	-25,008
Q1 2021	4,850,144	0	4,469,047	92.1%	\$44.70	1.12%	12,789
Q2 2021	4,850,144	0	4,469,475	92.2%	\$45.29	1.33%	428
Q3 2021	4,850,144	0	4,468,880	92.1%	\$45.76	1.02%	-595
Q4 2021	4,850,144	0	4,405,526	90.8%	\$46.30	1.18%	-63,354
2021	4,850,144	0	4,405,526	90.8%	\$46.30	4.73%	-50,732
2022*	5,000,865	150,721	4,489,860	89.8%	\$48.84	5.49%	84,481
2023*	4,991,657	-9,208	4,513,617	90.4%	\$51.72	5.89%	23,874
2024*	5,040,577	48,920	4,564,136	90.5%	\$53.99	4.39%	50,651
2025*	5,482,398	441,821	4,975,278	90.8%	\$55.44	2.68%	411,119
2026*	5,588,149	105,751	5,064,359	90.6%	\$56.29	1.54%	88,921
*Future Projected Data according to CoStar							
Source: CoStar, 4th Quarter 2021							

The Miami Beach office submarket consists of approximately 4,850,144 square feet of office space. The current submarket inventory represents approximately 4.4% of the overall market inventory. The following observations were noted from the table above:

- As of 4th Quarter 2021, there was approximately 4,405,526 square feet of occupied office space (including sublet space), resulting in an occupancy rate of 90.8% for the submarket. This reflects a decrease from the previous quarter's occupancy of 92.1%, and a decrease from an occupancy rate of 91.9% from last year. The submarket occupancy is above the 89.5% market occupancy.
- The submarket experienced negative 63,354 square feet of net absorption for the current quarter. This indicates a decline from the previous quarter's negative 595 square feet of net absorption, and a decline from the negative 25,008 square feet of net absorption from a year ago. Overall, the submarket has experienced negative 50,732 square feet of net absorption for the current year-to-date period. The submarket's current net absorption of negative 63,354 square feet is below the overall market net absorption of positive 16,378 square feet.
- The submarket had zero completions for the current quarter, which indicates no change from the previous quarter's zero completions, and no change from the zero completions from last year.
- The submarket achieved average asking rent of \$46.30 per square foot, which indicates an increase from the previous quarter's asking rent of \$45.76 per square foot, and an increase from the asking rent of \$44.21 per square foot from last year. The submarket's current asking rent of \$46.30 per square foot compares favorably with the overall market asking rent of \$40.77 per square foot.

Historical Inventory - Submarket

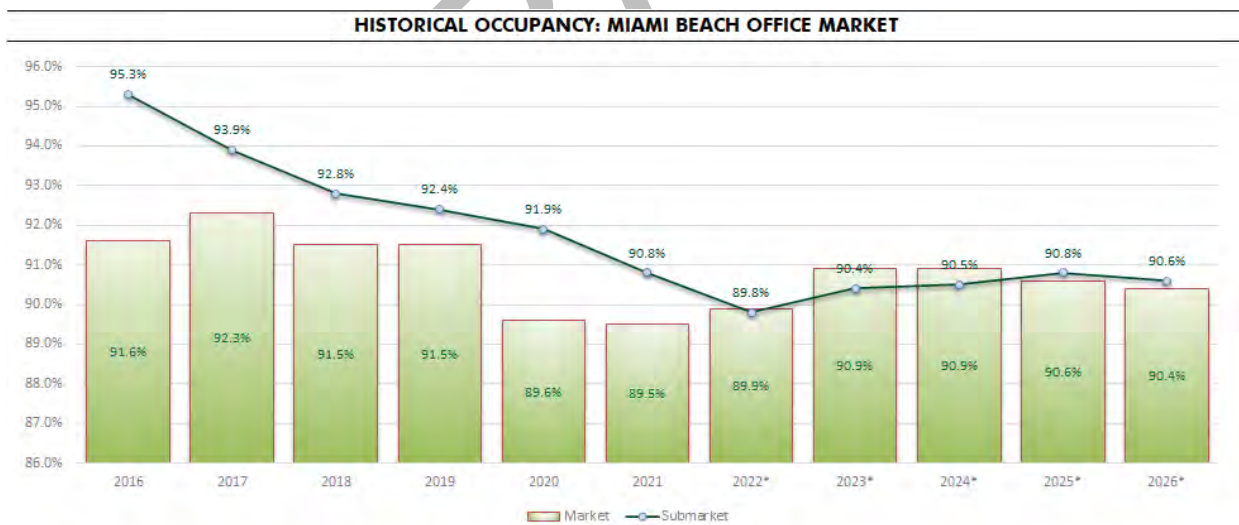


* Future Projected Data according to CoStar

Source: CoStar, 4th Quarter 2021

Submarket Inventory is projected to be 4,850,144 square feet at the end of the current year, which represents no change from the previous year’s submarket inventory of 4,850,144 square feet. Inventory for next year is projected to be 5,000,865 square feet, reflecting an increase from the current year.

Historical Occupancy - Submarket

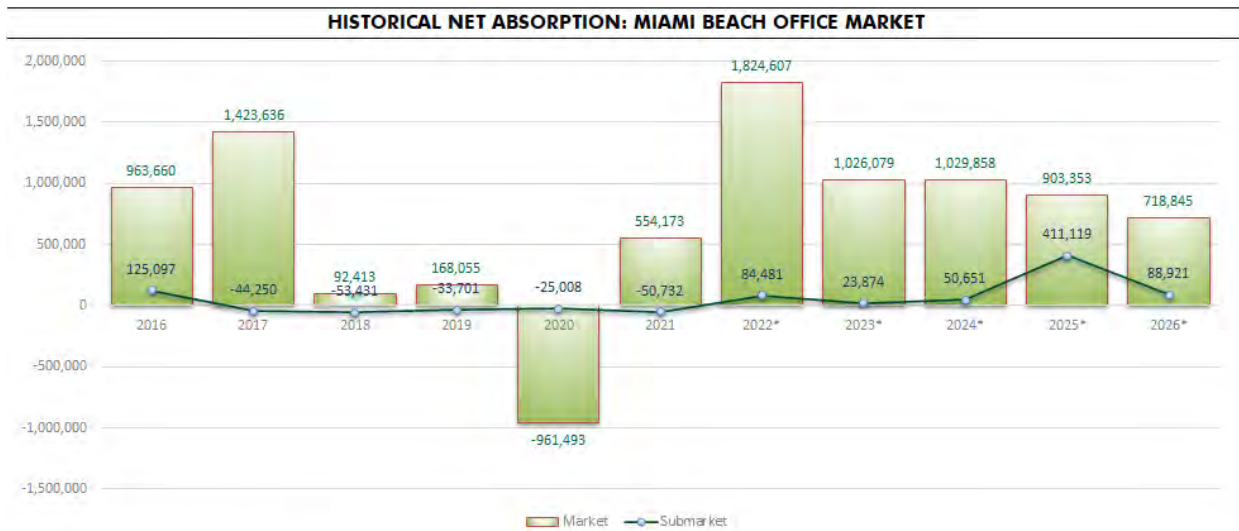


* Future Projected Data according to CoStar

Source: CoStar, 4th Quarter 2021

Submarket occupancy is projected to be 90.8% at the end of the current year, which represents a decrease from the previous year’s submarket occupancy of 91.9%. Submarket occupancy for next year is projected to be 89.8%, reflecting a decrease from the current year.

Historical Net Absorption - Submarket

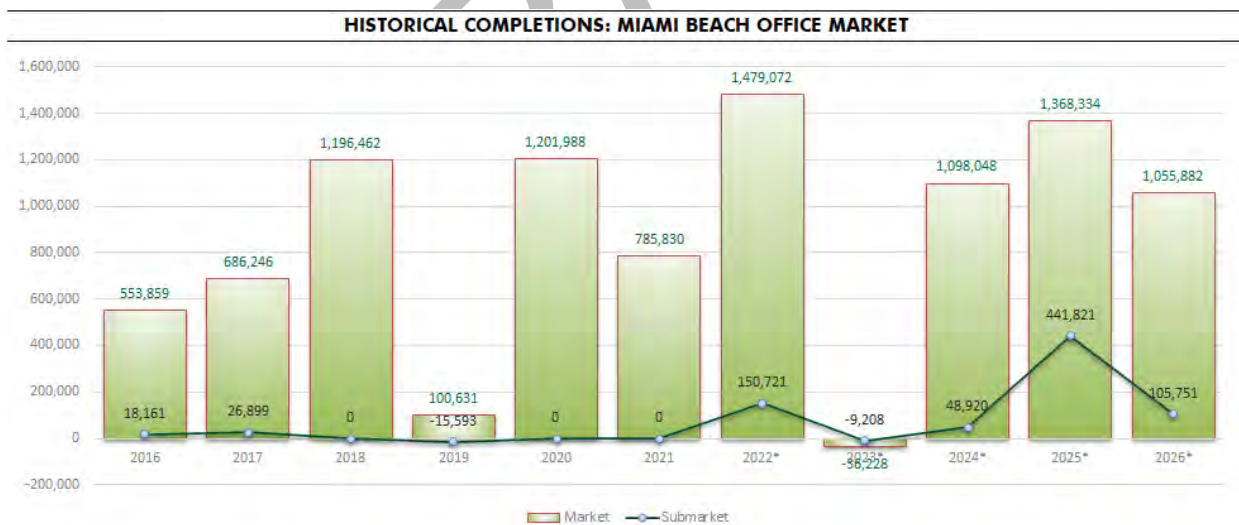


* Future Projected Data according to CoStar

Source: CoStar, 4th Quarter 2021

Net absorption in the submarket is projected to be negative 50,732 square feet at the end of the current year, reflecting a decline from the previous year’s net absorption of negative 25,008 square feet. Net absorption for next year is projected to be positive 84,481 square feet, indicating an improvement from the current year.

Historical Completions - Submarket



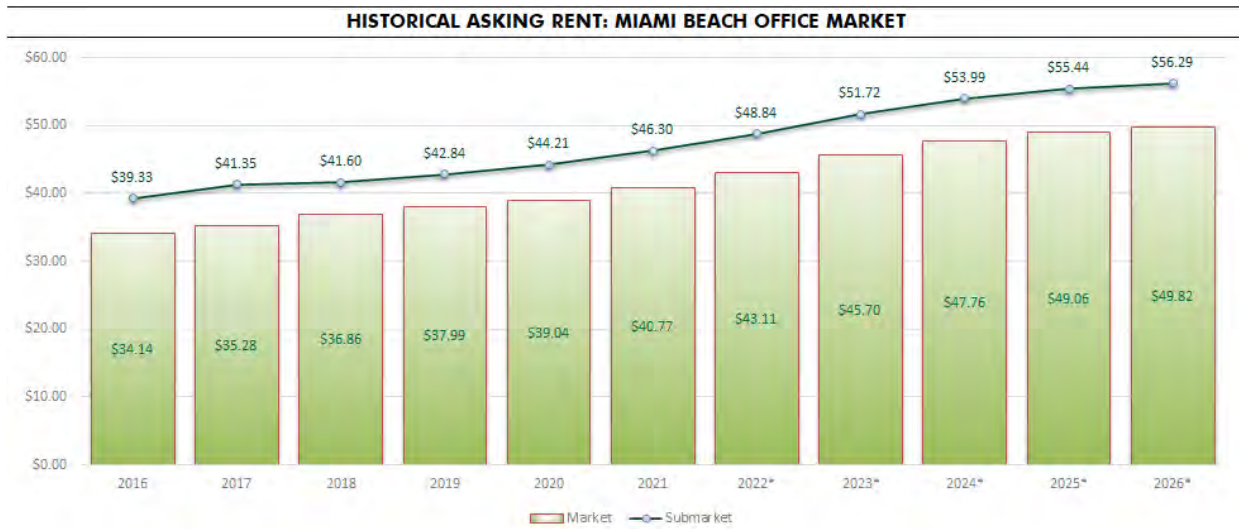
* Future Projected Data according to CoStar

Source: CoStar, 4th Quarter 2021

The submarket is projected to achieve zero completions at the end of the current year, which is unchanged from the previous year’s zero completions. The submarket is projecting completions

of positive 150,721 square feet for next year, which indicates an improvement from the current year.

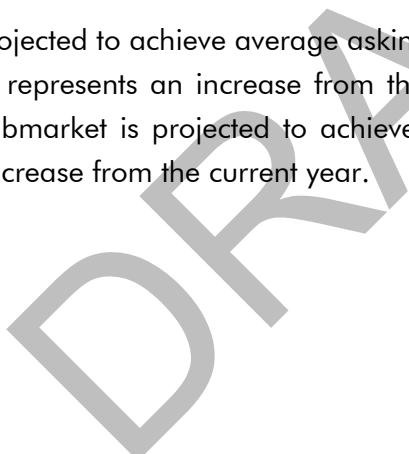
Historical Asking Rent - Submarket



* Future Projected Data according to CoStar

Source: CoStar, 4th Quarter 2021

The submarket is projected to achieve average asking of \$46.30 per square foot at the end of the current year, which represents an increase from the previous year’s asking rent of \$44.21 per square foot. The submarket is projected to achieve average asking rent of \$48.84 per square foot, reflecting an increase from the current year.



Highest and Best Use

In appraisal practice, the concept of highest and best use represents the premise upon which value is based. The four criteria the highest and best use must meet are:

- legally permissible;
- physically possible;
- financially feasible; and
- maximally productive.

The highest and best use analysis of the subject is discussed below.

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Legal Permissibility

The legally permissible uses were discussed in the Site Analysis and Zoning Sections.

Physical Possibility

The subject properties are all adequately served by utilities, and has an adequate shape and size, sufficient access, etc., to be a developable site. There are no known physical reasons why the subject site would not support any legally probable development (i. e. it appears adequate for development).

Existing low-to-midrise multi-family residential, retail, office & hotel structures on similar sites provides additional evidence for the physical possibility of development.

Financial Feasibility

The determination of financial feasibility is dependent primarily on the relationship of supply and demand for the legally probable land uses versus the cost to create the uses. With respect to the legal uses for the subject site, the local submarket is in a growth & redevelopment cycle. Development of new retail, hotel and mixed-use properties has occurred in the recent past and continues to this day. Further, within the subject market, there are several under construction and proposed multi-family residential, retail, office & hotel projects along the Washington Avenue corridor.

Maximum Productivity - Conclusion

The final test of highest and best use of the site as if vacant is that the use be maximally productive, yielding the highest return to the land.

Based on the information presented above and upon information contained in the sales comparison approach section and neighborhood analysis, we conclude that the highest and best use of the subject properties As If vacant and available to be put to the highest & best use would be the development of mixed-use multi-family residential, retail, office & hotel uses. More specifically, the subject properties could be developed to a height of 5-to-7 stories and a density of 1.50 to 2.75 FAR.

Land Value – Municipal Parking Lot P25

The following map and table summarize the comparable data used in the valuation of the subject site. A detailed description of each transaction is included in the addenda.



SUMMARY OF COMPARABLE LAND SALES - MUNICIPAL PARKING LOT P25

No.	Property Location	Transaction Type	Transaction Date	Proposed Use	Actual Sale Price	Adjusted Sale Price ¹	Size (Acres)	Size (SF)	Allowable Bldg. Area (SF)	Indicated FAR	Price Per SF	Price PSF of FAR
1	601-685 Washington Avenue Miami Beach, FL 33139	Sale	Jun-15	Mixed-use retail, residential & parking	\$55,500,000	\$57,500,000	1.58	68,770	111,645	1.62	\$836.12	\$515.03
2	1685 Washington Avenue Miami Beach, FL 33139	Sale	Aug-17	Mixed-use hotel, retail & branch bank	\$19,200,000	\$21,200,000	0.69	30,000	67,500	2.25	\$706.67	\$314.07
3	1910 Alton Road Miami Beach, FL 33139	Sale	Feb-20	Mixed-use office/residential	\$4,500,000	\$4,500,000	0.18	8,000	15,997	2.00	\$562.50	\$281.30
4	1212 Lincoln Road Miami Beach, FL 33139	Sale	Jun-20	Boutique hotel	\$9,000,000	\$9,000,000	0.42	18,263	44,938	2.46	\$492.80	\$200.28
5	1234 - 1260 Washington Avenue Miami Beach, FL 33139	Sale	May-21	Retail/office redevelopment	\$20,000,000	\$20,000,000	0.77	33,525	66,978	2.00	\$596.57	\$298.61
6	1683 & 1695 Alton Road Miami Beach, FL 33139	Sale	Feb-22	TBD	\$10,400,000	\$10,400,000	0.34	14,810	22,215	1.50	\$702.21	\$468.15
7	2206 Park Avenue Miami Beach, FL 33139	Sale	Feb-22	Hotel	\$13,500,000	\$13,500,000	0.39	17,040	49,441	2.90	\$792.25	\$273.05
Subj.	1688 Lenox Avenue, Miami Beach, Florida	---	---	Mixed-use retail, hotel, office & multi-family apartments	---	---	0.86	37,454	70,039	1.87	---	---

¹ Adjusted sale price for cash equivalency and/or development costs (where applicable)

Compiled by CBRE

The sales utilized represent the best data available for comparison with the subject and were selected from the greater Miami Beach area within 1-to-2-mile radius of the subject. These sales were chosen based upon location and zoning/density.

DISCUSSION/ANALYSIS OF LAND SALES

We have considered similarities and differences for each of the comparable sales in direct comparison to the subject site, as if vacant and available to be put to its highest & best use. We have considered and/or applied adjustments to the comparable sales for differences in favorable financing terms, conditions of sale, i. e. seller motivation, distress and/or buyer assemblage premiums, market conditions (time), size/value, shape/configuration, corner influence, frontage/access, topography/site conditions, location and zoning/density when compared to the subject property.

Land Sale One

This comparable land sale is improved with seven (7) existing 1 & 2 story retail store buildings fronting Washington Avenue between 6th Street and 7th Street in the Flamingo Park Historic District on Miami Beach that were owned or were "in contract" to Washington Squared, LLC, as part of an assemblage for mixed-use redevelopment for a total purchase price of \$40,210,436, including lease buyouts, exiting debt & real estate commission obligations to the buyer. The assembled site area totals 68,770 square feet of medium intensity zoned land area that is improved with approximately 63,601 square feet of obsolete retail store building area dating to 1934, 1936 & 1948. The proposed redevelopment is conceptually site planned for 55,120 square feet of ground floor retail, plus 66-residential condominium units with 56,525 square feet or an average of 856-SF of living area per unit in a 9-story tower and 2-levels of structured parking with 240 spaces. In addition, there are several other redevelopment scenario options including a potential hotel tower instead of the residential condominium units.

The majority of the contracts, excluding 619-627 Washington Avenue, all closed simultaneously in the third week of June 2015. In addition to the assemblage purchase price, the buyer/investor, Washington Squared, LLC was able to negotiate & execute a membership interest purchase & sale to IC 601 Washington LLC, dated May 27, 2015. The forward purchase price is \$55,500,000 for a 96.5% interest in a joint venture agreement between the seller & purchaser. The seller retains a 3.5% interest in the joint venture valued at \$2,000,000, for a total purchase price valued at \$57,500,000 for 100% interest in the joint venture partnership.

Part of the assemblage strategy was the Washington Avenue Vision and Master Plan being developed with a Washington Avenue Blue Ribbon Panel (WABRP) that was recommending an increase building height restriction. The WABRP was recommending a FAR as high as 2.75, subject to municipal government approvals, versus the current zoning of CD-2, Commercial, Medium Intensity District permits a maximum floor area ratio (FAR) of 1.50, plus Code Section 142-307(d) 2.0 FAR where more than 25% of the building is used for residential or hotel units.

We have adjusted Sale 1 downwards for conditions of sale, i. e. buyer assemblage premium upwards and upwards for improving market conditions between the date of sale and our effective date of this appraisal. We have also adjusted Sale 1 upwards for larger size/value relationship and downwards for superior road frontage when compared to the subject property As If rezoned.

Land Sale Two

This comparable land sale is a 0.69-acre site, high density zoned site improved with a 7,389 SF Citibank branch and is located at the southeast corner of Washington Avenue and 17th Street in Miami Beach, Florida. The improvements were constructed in 1996. However, the buyer is a very active Miami Beach hotel developer and was scouting potential redevelopment sites along the Lincoln Road mall. The transaction and redevelopment plan was negotiated to include a new, replacement branch bank for Citibank in 4,000-SF of net rentable area on the ground floor of the proposed, 8-story, 150-room hotel tower. Citibank intends to continue to operate during construction and will enter a long-term leaseback of the new space upon completion. According to the broker, the value of the leaseback was considered to be \$100.00-PSF, triple net but details were confidential and not provided. However, the 4,000-SF branch bank shell cost contribution to the buyer/developer is estimated to be \$500.00-PSF for hard & soft costs and parking space allocations.

We have adjusted Sale 2 downwards for conditions of sale, i. e. buyer/developer branch bank construction obligation and upwards for improving market conditions between the date of sale and our effective date of this appraisal. We have also adjusted Sale 2 downwards for smaller size/value relationship when compared to the subject property As If rezoned.

Land Sale Three

This comparable land sale is located along the west side of Alton Road in the Sunset Harbour submarket in Miami Beach, Florida. The property was improved with an obsolete office/educational building and broker listed at \$5,750,000 for approximately 13-months +/- before going into contract at \$4,500,000 in an "all cash" transaction. The buyer is a developer who demolished the building and secured site plan approvals for a 5-story, 15,997-SF mixed-use office building with a top floor residential unit including rooftop deck, 2-floors of office space, a ground floor art gallery, secured lobby and 15-mechincal lift parking spaces.

We have adjusted Sale 3 upwards for improving market conditions between the date of sale and our effective date of this appraisal. We have also adjusted Sale 3 downwards for smaller size/value relationship and upwards for inferior submarket location when compared to the subject property As If rezoned.

Land Sale Four

This comparable land sale is located at the southwest corner intersection of Alton Road & Lincoln Road in the South Beach submarket of Miami Beach, Florida. The site is improved with an existing 2-story, 18,105-SF Wells Fargo branch bank built in 1940 that will be redeveloped into a 5-story, 168-room boutique hotel with roof top terrace. The seller previously acquired the property from Wells Fargo in January 2020 for \$8,500,000. The site location is across the street from the west end of the Lincoln Road pedestrian mall and is part of a mixed-use master plan anchored by a 55,000-SF Whole Foods with 3-levels of structured parking support.

We have adjusted Sale 4 upwards for improving market conditions between the date of sale and our effective date of this appraisal. We have also adjusted Sale 4 downwards for smaller size/value relationship and upwards for inferior submarket location when compared to the subject property As If rezoned.

Land Sale Five

This comparable land sale comprises an existing 1-story, 10,697-SF retail building (1260) and a 3-story, 19,519-SF office building (1234) located along the west side of Washington Avenue at 13th Street and spanning west to the Drexel Avenue frontage. The buyer operates a co-living & co-working business with plans to demolish the 1-story retail building and replace it with a new, ground-up 6-story office building and will gut renovate & restore the existing 3-story office building. The proposed site plan comprises a total of 44,153-SF of rentable area and 82,160-SF of gross building area that includes a 5,000-SF wellness center on the ground floor and 21,000-SF of new, flexible office space on the upper floors including co-working area as small as 50-SF and more traditional office suites ranging from 1,000 to 5,000 square feet with fully furnished, turn-key options. Project amenities include a food market, cafe & raw juice bar, 60-residential units and roof deck with pool, yoga lawn and bar. The residential units will be a mix of 275-SF micro units and co-living units with 2-to-4 bedroom floor plans including private bathrooms in each bedroom and shared living room, kitchen and laundry machines.

The sale transaction was facilitated with a \$14 million purchase money mortgage in favor of the sellers and the buyer raised \$56 million from investors for the redevelopment program.

We have adjusted Sale 5 upwards for improving market conditions between the date of sale and our effective date of this appraisal. We have also adjusted Sale 5 downwards for superior road frontage and upwards for inferior submarket location when compared to the subject property As If rezoned.

Land Sale Six

This comparable land sale is the former BankUnited branch bank located on the southeast, signalized corner of Alton Road and 17th Street in the South Beach submarket in Miami Beach, Florida. The BankUnited lease commenced in May 2010 with the "like new" branch bank opening in 2012. The lease terms & conditions were for 10 years plus two (2), 5 year renewal option and 3% annual escalations throughout initial term and options periods. However, BankUnited vacated after the initial base term expired. Prior to a branch bank, it was the former Burger King fast food restaurant. The current seller previously acquired the property in December 2012 and a single tenant, triple net lease investment for \$8,150,000 and relisted the property more recently once it was known that BankUnited was not renewing. The broker listing was priced at \$12,000,000 and sold at \$10,400,000 in an "all cash" sale transaction to a local, high net worth investor. The underlying zoning permits a 5-story building and floor-area-ratio of 1.50 or a maximum 2.0 in mixed-use buildings when more than 25 percent of the total area of a building is used for residential or hotel units, as set forth in the RM-2 district.

We have adjusted Sale 6 downwards for smaller size/value relationship and superior road frontage, and upwards for inferior submarket location when compared to the subject property.

Land Sale Seven

This comparable land sale is located along the northwest corner of Park Avenue and 22nd Street in the South Beach submarket in Miami Beach, Florida. The property was broker listed at \$15,900,000 and sold for \$13,500,000 with the buyer securing a \$6,000,000 conventional loan from City National Bank and the seller providing a \$2,500,000 short term purchase money mortgage. The property was previously acquired in October 2013 for \$7,000,000 by the developers of the adjacent & former 44-room Lido Park Hotel located at 2216 Park Avenue who re-branded the 2216 Park Avenue property as the Vintro Hotel & Kitchen and is now known as the Kayak Miami Beach. The 2206 Park Avenue land sale property was previously proposed and entitled for a 5-story condo hotel comprising of 50,000-SF +/- with a mechanical parking lift system. The project was finally approved for 49,441-SF of FAR with 120-hotel rooms, ground floor retail and reduced off-street parking variance. The site location is at the crossroads of Park Avenue and the renovated Collins Canal that is a restricted access canal that connects to Biscayne Bay, Indian Creek and Lake Pancoast.

We have adjusted Sale 7 downwards for smaller size/value relationship and upwards for inferior submarket location when compared to the subject property As If rezoned.

SUMMARY OF ADJUSTMENTS

Based on our comparative analysis, the following chart summarizes the adjustments warranted to each comparable.

LAND SALES ADJUSTMENT GRID - MUNICIPAL PARKING LOT P25								Subject
Comparable Number	1	2	3	4	5	6	7	
Transaction Type	Sale	Sale	Sale	Sale	Sale	Sale	Sale	---
Transaction Date	Jun-15	Aug-17	Feb-20	Jun-20	May-21	Feb-22	Feb-22	---
Proposed Use	Mixed-use retail, residential & parking	Mixed-use hotel, retail & branch bank	Mixed-use office/residential	Boutique hotel	Retail/office redevelopment	TBD	Hotel	Mixed-use retail, hotel, office & multi-family
Actual Sale Price	\$55,500,000	\$19,200,000	\$4,500,000	\$9,000,000	\$20,000,000	\$10,400,000	\$13,500,000	-----
Adjusted Sale Price ¹	\$57,500,000	\$21,200,000	\$4,500,000	\$9,000,000	\$20,000,000	\$10,400,000	\$13,500,000	---
Size (Acres)	1.58	0.69	0.18	0.42	0.77	0.34	0.39	0.86
Size (SF)	68,770	30,000	8,000	18,263	33,525	14,810	17,040	37,454
Density (UPA)	41.81 du/ac	217.80 du/ac	---	400.67 du/ac	139.03 du/ac	---	306.75 du/ac	---
Allowable Units	66 Units	150 Units	---	168 Units	107 Units	---	120 Units	---
Allowable Bldg. Area (SF)	111,645 SF	67,500 SF	15,997 SF	44,938 SF	66,978 SF	22,215 SF	49,441 SF	70,039 SF
Indicated FAR	1.62	2.25	2.00	2.46	2.00	1.50	2.90	1.87
Price Per SF	\$836.12	\$706.67	\$562.50	\$492.80	\$596.57	\$702.21	\$792.25	---
Price Per Bldg. Area	\$515.03	\$314.07	\$281.30	\$200.28	\$298.61	\$468.15	\$273.05	---
Price Per Unit	\$871,212	\$141,333	---	\$53,571	\$186,916	---	\$112,500	---
Price (\$ PSF)	\$836.12	\$706.67	\$562.50	\$492.80	\$596.57	\$702.21	\$792.25	
Property Rights Conveyed	0%	0%	0%	0%	0%	0%	0%	0%
Financing Terms ¹	0%	0%	0%	0%	0%	0%	0%	0%
Conditions of Sale	-30%	-10%	0%	0%	0%	0%	0%	0%
Market Conditions (Time)	35%	25%	10%	10%	5%	0%	0%	0%
Subtotal	\$790.13	\$795.00	\$618.75	\$542.08	\$626.40	\$702.21	\$792.25	
Size	10%	-5%	-20%	-10%	0%	-10%	-10%	
Shape	0%	0%	0%	0%	0%	0%	0%	
Corner	0%	0%	0%	0%	0%	0%	0%	
Frontage	-10%	0%	0%	0%	-10%	-10%	0%	
Topography	0%	0%	0%	0%	0%	0%	0%	
Location	0%	0%	25%	25%	10%	10%	10%	
Zoning/Density	0%	0%	0%	0%	0%	0%	0%	
Utilities	0%	0%	0%	0%	0%	0%	0%	
Highest & Best Use	0%	0%	0%	0%	0%	0%	0%	
Total Other Adjustments	0%	-5%	5%	15%	0%	-10%	0%	
Value Indication PSF of Site	\$790.13	\$755.25	\$649.69	\$623.39	\$626.40	\$631.99	\$792.25	
Value Indication PSF of FAR	\$486.70	\$335.67	\$324.90	\$253.35	\$313.54	\$421.34	\$273.05	
Absolute Adjustment	85%	40%	55%	45%	25%	30%	20%	

¹ Adjusted sale price for cash equivalency and/or development costs (where applicable)

Compiled by CBRE

Zoning/Density Adjustments

After adjusting the comparable sales for economic and physical characteristics in direct comparison to the subject property, we have considered & applied an adjustment for zoning/density/FAR in direct comparison to the subject potential proposed rezoning floor-area-ratio (FAR), calculated as follows:

FAR ADJUSTMENT GRID				
Sale	Indicated FAR	Adjusted Sale Price Per FAR	Subject FAR	Adjusted Sale Price Per FAR
6	1.50	\$421.34	1.87	\$337.97
1	1.62	\$486.70	1.87	\$421.63
Subject	1.87	---	---	---
3	2.00	\$324.90	1.87	\$347.49
5	2.00	\$313.54	1.87	\$335.33
2	2.25	\$335.67	1.87	\$403.88
4	2.46	\$253.35	1.87	\$333.28
7	2.90	\$273.05	1.87	\$423.45

Compiled by: CBRE, Inc.

CONCLUSION

The comparables sales produced an overall unadjusted value indicator range from \$492.80 to \$836.12 per square foot of site area; and, \$200.28 to \$515.03 per square foot of rentable/sellable building FAR. After adjustments were considered and/or applied for property rights conveyed, conditions of sale, i. e. assemblage or distress, market conditions (time), size, corner or frontage/view corridors, topography/site conditions, location and zoning/density when compared to the subject property, the range of value indicators was narrowed considerably to \$623.39 to \$792.25 per square foot of site area; and, \$333.28 to \$423.45 per square foot of rentable/sellable building FAR.

Based on the preceding analysis, Comparable Sales 1, 3 & 5 were the most representative of the subject site, and warranted greatest consideration because of recent transaction dates, size, location and zoning/density.

In conclusion, a price per square foot of site area and a price per square foot of rentable/sellable building FAR within the overall unadjusted and adjusted ranges is most appropriate for valuing the subject site As If rezoned to CD-2, Commercial, Medium Intensity & CD-3, Commercial, High Intensity, and is calculated as follows:

CONCLUDED LAND VALUE - P25				
\$ PSF of Site		Site SF		Total
\$650.00	x	37,454	=	\$24,345,100
\$750.00	x	37,454	=	\$28,090,500
\$ PSF of FAR		Proposed FAR		Total
\$340.00	x	70,039 SF	=	\$23,813,253
\$400.00	x	70,039 SF	=	\$28,015,592
Indicated Value As If Rezoned CD-2 & CD-3:				\$26,000,000
		(Rounded PSF of Site)		\$694.18
		(Rounded PSF of FAR)		\$371.22

Compiled by CBRE

Land Value – Municipal Parking Lot P26

The following map and table summarize the comparable data used in the valuation of the subject site. A detailed description of each transaction is included in the addenda.



SUMMARY OF COMPARABLE LAND SALES - MUNICIPAL PARKING LOT P26

No.	Property Location	Transaction Type	Date	Proposed Use	Actual Sale Price	Adjusted Sale Price ¹	Size (Acres)	Size (SF)	Allowable Bldg. Area (SF)	Indicated FAR	Price Per SF	Price PSF of FAR
1	601-685 Washington Avenue Miami Beach, FL 33139	Sale	Jun-15	Mixed-use retail, residential & parking	\$55,500,000	\$57,500,000	1.58	68,770	111,645	1.62	\$836.12	\$515.03
2	1685 Washington Avenue Miami Beach, FL 33139	Sale	Aug-17	Mixed-use hotel, retail & branch bank	\$19,200,000	\$21,200,000	0.69	30,000	67,500	2.25	\$706.67	\$314.07
3	1910 Alton Road Miami Beach, FL 33139	Sale	Feb-20	Mixed-use office/residential	\$4,500,000	\$4,500,000	0.18	8,000	15,997	2.00	\$562.50	\$281.30
4	1212 Lincoln Road Miami Beach, FL 33139	Sale	Jun-20	Boutique hotel	\$9,000,000	\$9,000,000	0.42	18,263	44,938	2.46	\$492.80	\$200.28
5	1234 - 1260 Washington Avenue Miami Beach, FL 33139	Sale	May-21	Retail/office redevelopment	\$20,000,000	\$20,000,000	0.77	33,525	66,978	2.00	\$596.57	\$298.61
6	1683 & 1695 Alton Road Miami Beach, FL 33139	Sale	Feb-22	TBD	\$10,400,000	\$10,400,000	0.34	14,810	22,215	1.50	\$702.21	\$468.15
7	2206 Park Avenue Miami Beach, FL 33139	Sale	Feb-22	Hotel	\$13,500,000	\$13,500,000	0.39	17,040	49,441	2.90	\$792.25	\$273.05
Subj.	1080 Lincoln Lane North, Miami Beach, FL 33139	---	---	Mixed-use retail, hotel, office & multi-family apartments	---	---	1.10	48,000	132,000	2.75	---	---

¹ Adjusted sale price for cash equivalency and/or development costs (where applicable)

Compiled by CBRE

The same sales utilized in the preceding section represent the best data available for comparison with the subject and were selected from the greater Miami Beach area within 1-to-2-mile radius of the subject. These sales were chosen based upon location and zoning/density.

DISCUSSION/ANALYSIS OF LAND SALES

We have considered similarities and differences for each of the comparable sales in direct comparison to the subject site, as if vacant and available to be put to its highest & best use. We have considered and/or applied adjustments to the comparable sales for differences in favorable financing terms, conditions of sale, i. e. seller motivation, distress and/or buyer assemblage premiums, market conditions (time), size/value, shape/configuration, corner influence, frontage/access, topography/site conditions, location and zoning/density when compared to the subject property.

SUMMARY OF ADJUSTMENTS

Based on our comparative analysis, the following chart summarizes the adjustments warranted to each comparable.

LAND SALES ADJUSTMENT GRID - MUNICIPAL PARKING LOT 26								Subject
Comparable Number	1	2	3	4	5	6	7	
Transaction Type	Sale	Sale	Sale	Sale	Sale	Sale	Sale	---
Transaction Date	Jun-15	Aug-17	Feb-20	Jun-20	May-21	Feb-22	Feb-22	---
Proposed Use	Mixed-use retail, residential & parking	Mixed-use hotel, retail & branch bank	Mixed-use office/residential	Boutique hotel	Retail/office redevelopment	TBD	Hotel	Mixed-use retail, hotel, office & multi-family apartments
Actual Sale Price	\$55,500,000	\$19,200,000	\$4,500,000	\$9,000,000	\$20,000,000	\$10,400,000	\$13,500,000	---
Adjusted Sale Price ¹	\$57,500,000	\$21,200,000	\$4,500,000	\$9,000,000	\$20,000,000	\$10,400,000	\$13,500,000	---
Size (Acres)	1.58	0.69	0.18	0.42	0.77	0.34	0.39	1.10
Size (SF)	68,770	30,000	8,000	18,263	33,525	14,810	17,040	48,000
Allowable Bldg. Area (SF)	111,645 SF	67,500 SF	15,997 SF	44,938 SF	66,978 SF	22,215 SF	49,441 SF	132,000 SF
Indicated FAR	1.62	2.25	2.00	2.46	2.00	1.50	2.90	2.75
Price Per SF	\$836.12	\$706.67	\$562.50	\$492.80	\$596.57	\$702.21	\$792.25	---
Price PSF of FAR	\$515.03	\$314.07	\$281.30	\$200.28	\$298.61	\$468.15	\$273.05	---
Price (\$ PSF)	\$836.12	\$706.67	\$562.50	\$492.80	\$596.57	\$702.21	\$792.25	
Property Rights Conveyed	0%	0%	0%	0%	0%	0%	0%	
Financing Terms ¹	0%	0%	0%	0%	0%	0%	0%	
Conditions of Sale	-30%	-10%	0%	0%	0%	0%	0%	
Market Conditions	35%	25%	10%	10%	5%	0%	0%	
Subtotal	\$790.13	\$795.00	\$618.75	\$542.08	\$626.40	\$702.21	\$792.25	
Size	10%	-5%	-20%	-10%	0%	-10%	-10%	
Shape	0%	0%	0%	0%	0%	0%	0%	
Corner	0%	0%	0%	0%	0%	0%	0%	
Frontage	-10%	0%	0%	0%	-10%	-10%	0%	
Topography	0%	0%	0%	0%	0%	0%	0%	
Location	0%	0%	25%	25%	10%	10%	10%	
Zoning/Density	0%	0%	0%	0%	0%	0%	0%	
Utilities	0%	0%	0%	0%	0%	0%	0%	
Highest & Best Use	0%	0%	0%	0%	0%	0%	0%	
Total Other Adjustments	0%	-5%	5%	15%	0%	-10%	0%	
Value Indication PSF of Site	\$790.13	\$755.25	\$649.69	\$623.39	\$626.40	\$631.99	\$792.25	
Value Indication PSF of FAR	\$486.70	\$335.67	\$324.90	\$253.35	\$313.54	\$421.34	\$273.05	
<i>Absolute Adjustment</i>	85%	40%	55%	45%	25%	30%	20%	

¹ Adjusted sale price for cash equivalency and/or development costs (where applicable)

Compiled by CBRE

Zoning/Density Adjustments

After adjusting the comparable sales for economic and physical characteristics in direct comparison to the subject property, we have considered & applied an adjustment for zoning/density/FAR in direct comparison to the subject potential proposed rezoning "as of right" floor-area-ratio (FAR), calculated as follows:

FAR ADJUSTMENT GRID				
Sale	Indicated FAR	Adjusted Sale Price Per FAR	Subject FAR	Adjusted Sale Price Per FAR
6	1.50	\$421.34	2.75	\$229.82
1	1.62	\$486.70	2.75	\$286.71
3	2.00	\$324.90	2.75	\$236.29
5	2.00	\$313.54	2.75	\$228.03
2	2.25	\$335.67	2.75	\$274.64
4	2.46	\$253.35	2.75	\$226.63
Subject	2.75	---	---	---
7	2.90	\$273.05	2.75	\$287.95

Compiled by: CBRE, Inc.

CONCLUSION

The comparables sales produced an overall unadjusted value indicator range from \$492.80 to \$836.12 per square foot of site area; and, \$200.28 to \$515.03 per square foot of rentable/sellable building FAR. After adjustments were considered and/or applied for property rights conveyed, conditions of sale, i. e. assemblage or distress, market conditions (time), size, corner or frontage/view corridors, topography/site conditions, location and zoning/density when compared to the subject property, the range of value indicators was narrowed considerably to \$623.39 to \$792.25 per square foot of site area; and, \$226.63 to \$287.95 per square foot of rentable/sellable building FAR.

Based on the preceding analysis, Comparable Sales 1, 2, 4, 5 & 7 were the most representative of the subject site, and warranted greatest consideration because of recent transaction dates, size, location and zoning/density.

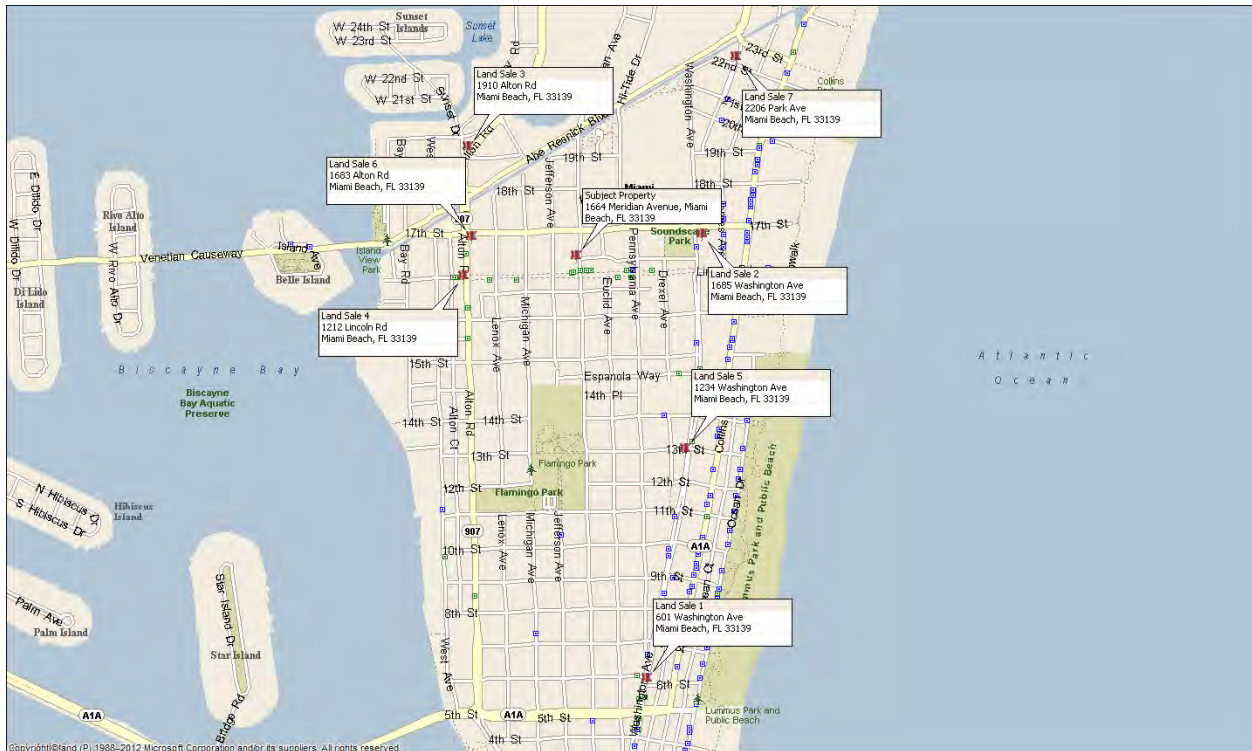
In conclusion, a price per square foot of site area and a price per square foot of rentable/sellable building FAR within the overall unadjusted and adjusted ranges is most appropriate for valuing the subject site As If rezoned to CD-3, Commercial, High Intensity, and is calculated as follows:

CONCLUDED LAND VALUE - P26				
\$ PSF of Site		Site SF	=	Total
\$650.00	x	48,000	=	\$31,200,000
\$750.00	x	48,000	=	\$36,000,000
\$ PSF of FAR		Potential "As of Right" FAR	=	Total
\$230.00	x	132,000 SF	=	\$30,360,000
\$280.00	x	132,000 SF	=	\$36,960,000
Indicated Value As If Rezoned CD-3:				\$33,600,000
(Rounded PSF of Site)				\$700.00
(Rounded PSF of FAR)				\$254.55

Compiled by CBRE

Land Value – Municipal Parking Lot P27

The following map and table summarize the comparable data used in the valuation of the subject site. A detailed description of each transaction is included in the addenda.



SUMMARY OF COMPARABLE LAND SALES - MUNICIPAL PARKING LOT P27

No.	Property Location	Transaction Type	Date	Proposed Use	Actual Sale Price	Adjusted Sale Price ¹	Size (Acres)	Size (SF)	Allowable Bldg. Area (SF)	Indicated FAR	Price Per SF	Price PSF of FAR
1	601-685 Washington Avenue Miami Beach, FL 33139	Sale	Jun-15	Mixed-use retail, residential & parking	\$55,500,000	\$57,500,000	1.58	68,770	111,645	1.62	\$836.12	\$515.03
2	1685 Washington Avenue Miami Beach, FL 33139	Sale	Aug-17	Mixed-use hotel, retail & branch bank	\$19,200,000	\$21,200,000	0.69	30,000	67,500	2.25	\$706.67	\$314.07
3	1910 Alton Road Miami Beach, FL 33139	Sale	Feb-20	Mixed-use office/residential	\$4,500,000	\$4,500,000	0.18	8,000	15,997	2.00	\$562.50	\$281.30
4	1212 Lincoln Road Miami Beach, FL 33139	Sale	Jun-20	Boutique hotel	\$9,000,000	\$9,000,000	0.42	18,263	44,938	2.46	\$492.80	\$200.28
5	1234 - 1260 Washington Avenue Miami Beach, FL 33139	Sale	May-21	Retail/office redevelopment	\$20,000,000	\$20,000,000	0.77	33,525	66,978	2.00	\$596.57	\$298.61
6	1683 & 1695 Alton Road Miami Beach, FL 33139	Sale	Feb-22	TBD	\$10,400,000	\$10,400,000	0.34	14,810	22,215	1.50	\$702.21	\$468.15
7	2206 Park Avenue Miami Beach, FL 33139	Sale	Feb-22	Hotel	\$13,500,000	\$13,500,000	0.39	17,040	49,441	2.90	\$792.25	\$273.05
Subj.	1664 Meridian Avenue, Miami Beach, FL 33139	---	---	Mixed-use retail, hotel, office & multi-family apartments	---	---	1.36	59,273	163,001	2.75	---	---

¹ Adjusted sale price for cash equivalency and/or development costs (where applicable)

Compiled by CBRE

The same sales utilized in the preceding section represent the best data available for comparison with the subject and were selected from the greater Miami Beach area within 1-to-2-mile radius of the subject. These sales were chosen based upon location and zoning/density.

DISCUSSION/ANALYSIS OF LAND SALES

We have considered similarities and differences for each of the comparable sales in direct comparison to the subject site, as if vacant and available to be put to its highest & best use. We have considered and/or applied adjustments to the comparable sales for differences in favorable financing terms, conditions of sale, i. e. seller motivation, distress and/or buyer assemblage premiums, market conditions (time), size/value, shape/configuration, corner influence, frontage/access, topography/site conditions, location and zoning/density when compared to the subject property.

SUMMARY OF ADJUSTMENTS

Based on our comparative analysis, the following chart summarizes the adjustments warranted to each comparable.

LAND SALES ADJUSTMENT GRID - MUNICIPAL PARKING LOT 27								Subject
Comparable Number	1	2	3	4	5	6	7	
Transaction Type	Sale	Sale	Sale	Sale	Sale	Sale	Sale	---
Transaction Date	Jun-15	Aug-17	Feb-20	Jun-20	May-21	Feb-22	Feb-22	---
Proposed Use	Mixed-use retail, residential & parking	Mixed-use hotel, retail & branch bank	Mixed-use office/residential	Boutique hotel	Retail/office redevelopment	TBD	Hotel	Mixed-use retail, hotel, office & multi-family apartments
Actual Sale Price	\$55,500,000	\$19,200,000	\$4,500,000	\$9,000,000	\$20,000,000	\$10,400,000	\$13,500,000	---
Adjusted Sale Price ¹	\$57,500,000	\$21,200,000	\$4,500,000	\$9,000,000	\$20,000,000	\$10,400,000	\$13,500,000	---
Size (Acres)	1.58	0.69	0.18	0.42	0.77	0.34	0.39	1.36
Size (SF)	68,770	30,000	8,000	18,263	33,525	14,810	17,040	59,273
Allowable Bldg. Area (SF)	111,645 SF	67,500 SF	15,997 SF	44,938 SF	66,978 SF	22,215 SF	49,441 SF	163,001 SF
Indicated FAR	1.62	2.25	2.00	2.46	2.00	1.50	2.90	2.75
Price Per SF	\$836.12	\$706.67	\$562.50	\$492.80	\$596.57	\$702.21	\$792.25	---
Price PSF of FAR	\$515.03	\$314.07	\$281.30	\$200.28	\$298.61	\$468.15	\$273.05	---
Price (\$ PSF)	\$836.12	\$706.67	\$562.50	\$492.80	\$596.57	\$702.21	\$792.25	
Property Rights Conveyed	0%	0%	0%	0%	0%	0%	0%	
Financing Terms ¹	0%	0%	0%	0%	0%	0%	0%	
Conditions of Sale	-30%	-10%	0%	0%	0%	0%	0%	
Market Conditions	35%	25%	10%	10%	5%	0%	0%	
Subtotal	\$790.13	\$795.00	\$618.75	\$542.08	\$626.40	\$702.21	\$792.25	
Size	0%	-10%	-25%	-10%	-10%	-20%	-20%	
Shape	0%	0%	0%	0%	0%	0%	0%	
Corner	0%	0%	0%	0%	0%	0%	0%	
Frontage	-10%	0%	0%	0%	-10%	-10%	0%	
Topography	0%	0%	0%	0%	0%	0%	0%	
Location	0%	0%	25%	25%	10%	10%	10%	
Zoning/Density	0%	0%	0%	0%	0%	0%	0%	
Utilities	0%	0%	0%	0%	0%	0%	0%	
Highest & Best Use	0%	0%	0%	0%	0%	0%	0%	
Total Other Adjustments	-10%	-10%	0%	15%	-10%	-20%	-10%	
Value Indication PSF of Site	\$711.12	\$715.50	\$618.75	\$623.39	\$563.76	\$561.77	\$713.03	
Value Indication PSF of FAR	\$438.03	\$318.00	\$309.43	\$253.35	\$282.18	\$374.52	\$245.75	
<i>Absolute Adjustment</i>	75%	45%	60%	45%	35%	40%	30%	

¹ Adjusted sale price for cash equivalency and/or development costs (where applicable)

Compiled by CBRE

Zoning/Density Adjustments

After adjusting the comparable sales for economic and physical characteristics in direct comparison to the subject property, we have considered & applied an adjustment for zoning/density/FAR in direct comparison to the subject potential proposed rezoning "as of right" floor-area-ratio (FAR), calculated as follows:

FAR ADJUSTMENT GRID				
Sale	Indicated FAR	Adjusted Sale Price Per FAR	Subject FAR	Adjusted Sale Price Per FAR
6	1.50	\$374.52	2.75	\$204.28
1	1.62	\$438.03	2.75	\$258.04
3	2.00	\$309.43	2.75	\$225.04
5	2.00	\$282.18	2.75	\$205.22
2	2.25	\$318.00	2.75	\$260.18
4	2.46	\$253.35	2.75	\$226.63
Subject	2.75	---	---	---
7	2.90	\$245.75	2.75	\$259.15

Compiled by: CBRE, Inc.

CONCLUSION

The comparables sales produced an overall unadjusted value indicator range from \$492.80 to \$836.12 per square foot of site area; and, \$200.28 to \$515.03 per square foot of rentable/sellable building FAR. After adjustments were considered and/or applied for property rights conveyed, conditions of sale, i. e. assemblage or distress, market conditions (time), size, corner or frontage/view corridors, topography/site conditions, location and zoning/density when compared to the subject property, the range of value indicators was narrowed considerably to \$561.77 to \$715.50 per square foot of site area; and, \$204.28 to \$259.15 per square foot of rentable/sellable building FAR.

Based on the preceding analysis, Comparable Sales 1, 2, 4, 5 & 7 were the most representative of the subject site, and warranted greatest consideration because of recent transaction dates, size, location and zoning/density.

In conclusion, a price per square foot of site area and a price per square foot of rentable/sellable building FAR within the overall unadjusted and adjusted ranges is most appropriate for valuing the subject site As If rezoned to CD-3, Commercial, High Intensity, and is calculated as follows:

CONCLUDED LAND VALUE - P27				
\$ PSF of Site		Site SF		Total
\$600.00	x	59,273	=	\$35,563,800
\$700.00	x	59,273	=	\$41,491,100
\$ PSF of FAR		Potential "As of Right" FAR		Total
\$225.00	x	163,001 SF	=	\$36,675,169
\$260.00	x	163,001 SF	=	\$42,380,195
Indicated Value As If Rezoned CD-3:				\$39,000,000
(Rounded PSF of Site)				\$657.97
(Rounded PSF of FAR)				\$239.26

Compiled by CBRE

Reconciliation of Value

In the sales comparison approach, the subject is compared to similar properties that have been sold recently or for which listing prices or offers are known. The sales used in this analysis are considered comparable to the subject, and the required adjustments were based on reasonable and well-supported rationale. In addition, market participants are currently analyzing purchase prices on other properties as they relate to available substitutes in the market. Therefore, the sales comparison approach is considered to provide a very reliable value indication for each subject property.

Based on the foregoing, the market value of the subject has been concluded as follows:

MARKET VALUE CONCLUSION			
Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Municipal Parking Lot P25 As If Rezoned CD-2 & CD-3	Fee Simple Estate	April 12, 2022	\$26,000,000
Municipal Parking Lot P26 As If Rezoned CD-3	Fee Simple Estate	April 12, 2022	\$33,600,000
Municipal Parking Lot P27 As If Rezoned CD-3	Fee Simple Estate	April 12, 2022	\$39,000,000
Compiled by CBRE			

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Assumptions and Limiting Conditions

1. CBRE, Inc. through its appraiser (collectively, "CBRE") has inspected through reasonable observation the subject property. However, it is not possible or reasonably practicable to personally inspect conditions beneath the soil and the entire interior and exterior of the improvements on the subject property. Therefore, no representation is made as to such matters.
2. The report, including its conclusions and any portion of such report (the "Report"), is as of the date set forth in the letter of transmittal and based upon the information, market, economic, and property conditions and projected levels of operation existing as of such date. The dollar amount of any conclusion as to value in the Report is based upon the purchasing power of the U.S. Dollar on such date. The Report is subject to change as a result of fluctuations in any of the foregoing. CBRE has no obligation to revise the Report to reflect any such fluctuations or other events or conditions which occur subsequent to such date.
3. Unless otherwise expressly noted in the Report, CBRE has assumed that:
 - (i) Title to the subject property is clear and marketable and that there are no recorded or unrecorded matters or exceptions to title that would adversely affect marketability or value. CBRE has not examined title records (including without limitation liens, encumbrances, easements, deed restrictions, and other conditions that may affect the title or use of the subject property) and makes no representations regarding title or its limitations on the use of the subject property. Insurance against financial loss that may arise out of defects in title should be sought from a qualified title insurance company.
 - (ii) Existing improvements on the subject property conform to applicable local, state, and federal building codes and ordinances, are structurally sound and seismically safe, and have been built and repaired in a workmanlike manner according to standard practices; all building systems (mechanical/electrical, HVAC, elevator, plumbing, etc.) are in good working order with no major deferred maintenance or repair required; and the roof and exterior are in good condition and free from intrusion by the elements. CBRE has not retained independent structural, mechanical, electrical, or civil engineers in connection with this appraisal and, therefore, makes no representations relative to the condition of improvements. CBRE appraisers are not engineers and are not qualified to judge matters of an engineering nature, and furthermore structural problems or building system problems may not be visible. It is expressly assumed that any purchaser would, as a precondition to closing a sale, obtain a satisfactory engineering report relative to the structural integrity of the property and the integrity of building systems.
 - (iii) Any proposed improvements, on or off-site, as well as any alterations or repairs considered will be completed in a workmanlike manner according to standard practices.
 - (iv) Hazardous materials are not present on the subject property. CBRE is not qualified to detect such substances. The presence of substances such as asbestos, urea formaldehyde foam insulation, contaminated groundwater, mold, or other potentially hazardous materials may affect the value of the property.
 - (v) No mineral deposit or subsurface rights of value exist with respect to the subject property, whether gas, liquid, or solid, and no air or development rights of value may be transferred. CBRE has not considered any rights associated with extraction or exploration of any resources, unless otherwise expressly noted in the Report.
 - (vi) There are no contemplated public initiatives, governmental development controls, rent controls, or changes in the present zoning ordinances or regulations governing use, density, or shape that would significantly affect the value of the subject property.
 - (vii) All required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, nor national government or private entity or organization have been or can be readily obtained or renewed for any use on which the Report is based.
 - (viii) The subject property is managed and operated in a prudent and competent manner, neither inefficiently or super-efficiently.
 - (ix) The subject property and its use, management, and operation are in full compliance with all applicable federal, state, and local regulations, laws, and restrictions, including without limitation environmental laws, seismic hazards, flight patterns, decibel levels/noise envelopes, fire hazards, hillside ordinances, density, allowable uses, building codes, permits, and licenses.
 - (x) The subject property is in full compliance with the Americans with Disabilities Act (ADA). CBRE is not qualified to assess the subject property's compliance with the ADA, notwithstanding any discussion of possible readily achievable barrier removal construction items in the Report.

- (xi) All information regarding the areas and dimensions of the subject property furnished to CBRE are correct, and no encroachments exist. CBRE has neither undertaken any survey of the boundaries of the subject property nor reviewed or confirmed the accuracy of any legal description of the subject property.

Unless otherwise expressly noted in the Report, no issues regarding the foregoing were brought to CBRE's attention, and CBRE has no knowledge of any such facts affecting the subject property. If any information inconsistent with any of the foregoing assumptions is discovered, such information could have a substantial negative impact on the Report. Accordingly, if any such information is subsequently made known to CBRE, CBRE reserves the right to amend the Report, which may include the conclusions of the Report. CBRE assumes no responsibility for any conditions regarding the foregoing, or for any expertise or knowledge required to discover them. Any user of the Report is urged to retain an expert in the applicable field(s) for information regarding such conditions.

4. CBRE has assumed that all documents, data and information furnished by or behalf of the client, property owner, or owner's representative are accurate and correct, unless otherwise expressly noted in the Report. Such data and information include, without limitation, numerical street addresses, lot and block numbers, Assessor's Parcel Numbers, land dimensions, square footage area of the land, dimensions of the improvements, gross building areas, net rentable areas, usable areas, unit count, room count, rent schedules, income data, historical operating expenses, budgets, and related data. Any error in any of the above could have a substantial impact on the Report. Accordingly, if any such errors are subsequently made known to CBRE, CBRE reserves the right to amend the Report, which may include the conclusions of the Report. The client and intended user should carefully review all assumptions, data, relevant calculations, and conclusions of the Report and should immediately notify CBRE of any questions or errors within 30 days after the date of delivery of the Report.
5. CBRE assumes no responsibility (including any obligation to procure the same) for any documents, data or information not provided to CBRE, including without limitation any termite inspection, survey or occupancy permit.
6. All furnishings, equipment and business operations have been disregarded with only real property being considered in the Report, except as otherwise expressly stated and typically considered part of real property.
7. Any cash flows included in the analysis are forecasts of estimated future operating characteristics based upon the information and assumptions contained within the Report. Any projections of income, expenses and economic conditions utilized in the Report, including such cash flows, should be considered as only estimates of the expectations of future income and expenses as of the date of the Report and not predictions of the future. Actual results are affected by a number of factors outside the control of CBRE, including without limitation fluctuating economic, market, and property conditions. Actual results may ultimately differ from these projections, and CBRE does not warrant any such projections.
8. The Report contains professional opinions and is expressly not intended to serve as any warranty, assurance or guarantee of any particular value of the subject property. Other appraisers may reach different conclusions as to the value of the subject property. Furthermore, market value is highly related to exposure time, promotion effort, terms, motivation, and conclusions surrounding the offering of the subject property. The Report is for the sole purpose of providing the intended user with CBRE's independent professional opinion of the value of the subject property as of the date of the Report. Accordingly, CBRE shall not be liable for any losses that arise from any investment or lending decisions based upon the Report that the client, intended user, or any buyer, seller, investor, or lending institution may undertake related to the subject property, and CBRE has not been compensated to assume any of these risks. Nothing contained in the Report shall be construed as any direct or indirect recommendation of CBRE to buy, sell, hold, or finance the subject property.
9. No opinion is expressed on matters which may require legal expertise or specialized investigation or knowledge beyond that customarily employed by real estate appraisers. Any user of the Report is advised to retain experts in areas that fall outside the scope of the real estate appraisal profession for such matters.
10. CBRE assumes no responsibility for any costs or consequences arising due to the need, or the lack of need, for flood hazard insurance. An agent for the Federal Flood Insurance Program should be contacted to determine the actual need for Flood Hazard Insurance.
11. Acceptance or use of the Report constitutes full acceptance of these Assumptions and Limiting Conditions and any special assumptions set forth in the Report. It is the responsibility of the user of the Report to read in full, comprehend and thus become aware of all such assumptions and limiting conditions. CBRE assumes no responsibility for any situation arising out of the user's failure to become familiar with and understand the same.
12. The Report applies to the property as a whole only, and any pro ration or division of the title into fractional interests will invalidate such conclusions, unless the Report expressly assumes such pro ration or division of interests.

13. The allocations of the total value estimate in the Report between land and improvements apply only to the existing use of the subject property. The allocations of values for each of the land and improvements are not intended to be used with any other property or appraisal and are not valid for any such use.
14. The maps, plats, sketches, graphs, photographs, and exhibits included in this Report are for illustration purposes only and shall be utilized only to assist in visualizing matters discussed in the Report. No such items shall be removed, reproduced, or used apart from the Report.
15. The Report shall not be duplicated or provided to any unintended users in whole or in part without the written consent of CBRE, which consent CBRE may withhold in its sole discretion. Exempt from this restriction is duplication for the internal use of the intended user and its attorneys, accountants, or advisors for the sole benefit of the intended user. Also exempt from this restriction is transmission of the Report pursuant to any requirement of any court, governmental authority, or regulatory agency having jurisdiction over the intended user, provided that the Report and its contents shall not be published, in whole or in part, in any public document without the written consent of CBRE, which consent CBRE may withhold in its sole discretion. Finally, the Report shall not be made available to the public or otherwise used in any offering of the property or any security, as defined by applicable law. Any unintended user who may possess the Report is advised that it shall not rely upon the Report or its conclusions and that it should rely on its own appraisers, advisors and other consultants for any decision in connection with the subject property. CBRE shall have no liability or responsibility to any such unintended user.

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ADDENDA

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Addendum A

LAND SALE DATA SHEETS

Property Name 6th & Washington
 Address 601-685 Washington Avenue
 Miami Beach, FL 33139
 United States

Government Tax Agency Miami-Dade
 Govt./Tax ID N/A

Site/Government Regulations

	Acres	Square feet
Land Area Net	1.579	68,770
Land Area Gross	1.579	68,770



Site Development Status	Finished
Shape	Rectangular
Topography	Other(See Comments)
Utilities	Available to site

Maximum FAR 1.62
 Min Land to Bldg Ratio 0.62:1
 Maximum Density 41.81 per ac

Frontage Distance/Street	549 ft	Washington Ave
Frontage Distance/Street	133 ft	6th Street
Frontage Distance/Street	130 ft	7th Street
Frontage Distance/Street	519 ft	Collins Court - Alley

General Plan Mixed-use retail/residential & parking
 Specific Plan Mixed-use retail/residential & parking
 Zoning CD-2, Commercial (See Comments)
 Entitlement Status Other (See Comments)

Sale Summary

Recorded Buyer	IC 601 Washington, LLC	Marketing Time	N/A
True Buyer	Eric Birnbaum	Buyer Type	Developer
Recorded Seller	Washington Squared, LLC	Seller Type	Private Investor
True Seller	Andrew Joblon, Managing Member	Primary Verification	Contract & Appraisal on-file
Interest Transferred	Fee Simple/Freehold	Type	Sale
Current Use	Obsolete strip retail	Date	6/23/2015
Proposed Use	Mixed-use retail, residential & parking	Sale Price	\$55,500,000
Listing Broker	N/A	Financing	Cash to Seller
Selling Broker	N/A	Cash Equivalent	\$55,500,000
Doc #	See Comments	Capital Adjustment	\$2,000,000
		Adjusted Price	\$57,500,000

Transaction Summary plus Five-Year CBRE View History

Transaction Date	Transaction Type	Buyer	Seller	Price	Price/ac and /sf
06/2015	Sale	IC 601 Washington, LLC	Washington Squared, LLC	\$55,500,000	\$36,422,373 / \$836.12

Units of Comparison

\$836.12 / sf	\$871,212 / Unit
\$36,422,372.84 / ac	\$871,212 / Allowable Bldg. Units
	\$515.03 / Building Area

Financial

No information recorded

Map & Comments



This comparable land sale is improved with seven (7) existing 1 & 2 story retail store buildings fronting Washington Avenue between 6th Street and 7th Street in the Flamingo Park Historic District on Miami Beach that were owned or were "in contract" to Washington Squared, LLC, as part of an assemblage for mixed-use redevelopment for a total purchase price of \$40,210,436, including lease buyouts, exiting debt & real estate commission obligations to the buyer. The assembled site area totals 68,770 square feet of medium intensity zoned land area that is improved with approximately 63,601 square feet of obsolete retail store building area dating to 1934, 1936 & 1948. The proposed redevelopment is conceptually site planned for 55,120 square feet of ground floor retail, plus 66-residential condominium units with 56,525 square feet or an average of 856-SF of living area per unit in a 9-story tower and 2-levels of structured parking with 240 spaces. In addition, there are several other redevelopment scenario options including a potential hotel tower instead of the residential condominium units.

The majority of the contracts, excluding 619-627 Washington Avenue, all closed simultaneously in the third week of June 2015. In addition to the assemblage purchase price, the buyer/investor, Washington Squared, LLC was able to negotiate & execute a membership interest purchase & sale to IC 601 Washington LLC, dated May 27, 2015. The forward purchase price is \$55,500,000 for a 96.5% interest in a joint venture agreement between the seller & purchaser. The seller retains a 3.5% interest in the joint venture valued at \$2,000,000, for a total purchase price valued at \$57,500,000 for 100% interest in the joint venture partnership.

Part of the assemblage strategy was the Washington Avenue Vision and Master Plan being developed with a Washington Avenue Blue Ribbon Panel (WABRP) that was recommending to increase building height restrictions. The WABRP was recommending a FAR as high as 2.75, subject to municipal government approvals, versus the current zoning of CD-2, Commercial, Medium Intensity District permits a maximum floor area ratio (FAR) of 1.50, plus Code Section 142-307(d) 2.0 FAR where more than 25% of the building is used for residential or hotel units.

Property Name 1685 Washington Avenue
 Address 1685 Washington Avenue
 Miami Beach, FL 33139
 United States

Government Tax Agency Miami-Dade
 Govt./Tax ID 02-3234-019-0730

Site/Government Regulations

	Acres	Square feet
Land Area Net	0.689	30,000
Land Area Gross	0.689	30,000

Site Development Status	Finished
Shape	Rectangular
Topography	Level, At Street Grade
Utilities	All available

Maximum FAR 2.25
 Min Land to Bldg Ratio 0.44:1
 Maximum Density 217.80 per ac

Frontage Distance/Street	N/A Washington Avenue
Frontage Distance/Street	N/A 17th Street

General Plan Mixed-use
 Specific Plan Mixed-use hotel, retail & branch bank
 Zoning CD-3, Commercial High Intensity District
 Entitlement Status N/A



Sale Summary

Recorded Buyer	Sobe Center, LLC	Marketing Time	N/A
True Buyer	Ronny Finvarb	Buyer Type	Developer
Recorded Seller	Citibank, N.A.	Seller Type	End User
True Seller	N/A	Primary Verification	Paul Weimer, Listing Broker
Interest Transferred	Leased Fee	Type	Sale
Current Use	Branch bank	Date	8/16/2017
Proposed Use	Mixed-use hotel, retail & branch bank	Sale Price	\$19,200,000
Listing Broker	CBRE, Inc. Hotel & Resort Group	Financing	All Cash
Selling Broker	Paul Weimer, CBRE, Inc.	Cash Equivalent	\$19,200,000
Doc #	30658/1799	Capital Adjustment	\$2,000,000
		Adjusted Price	\$21,200,000

Transaction Summary plus Five-Year CBRE View History

<u>Transaction Date</u>	<u>Transaction Type</u>	<u>Buyer</u>	<u>Seller</u>	<u>Price</u>	<u>Price/ac and /sf</u>
08/2017	Sale	Sobe Center, LLC	Citibank, N.A.	\$19,200,000	\$30,782,634 / \$706.67

Units of Comparison

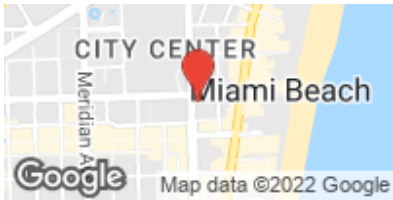
\$706.67 / sf
 \$30,782,633.95 / ac

N/A / Unit
 \$141,333 / Allowable Bldg. Units
 \$314.07 / Building Area

Financial

No information recorded

Map & Comments



This comparable land sale is a 0.69-acre site, high density zoned site improved with a 7,389 SF Citibank branch and is located at the southeast corner of Washington Avenue and 17th Street in Miami Beach, Florida. The improvements were constructed in 1996. However, the buyer is a very active Miami Beach hotel developer and was scouting potential redevelopment sites along the Lincoln Road mall. The transaction and redevelopment plan was negotiated to include a new, replacement branch bank for Citibank in 4,000-SF of net rentable area on the ground floor of the proposed, 8-story, 150-room hotel tower. Citibank intends to continue to operate during construction and will enter a long-term leaseback of the new space upon completion. According to the broker, the value of the leaseback was considered to be \$100.00-PSF, triple net but details were confidential and not provided. However, the 4,000-SF branch bank shell cost contribution to the buyer/developer is estimated to be \$500.00-PSF for hard & soft costs and parking space allocations.

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Property Name 1910 Alton Road
 Address 1910 Alton Road
 Miami Beach, FL 33139
 United States

Government Tax Agency Miami-Dade
 Govt./Tax ID 02-3233-022-0020

Site/Government Regulations

	Acres	Square feet
Land Area Net	0.184	8,000
Land Area Gross	N/A	N/A

Site Development Status	Finished
Shape	Rectangular
Topography	Level, At Street Grade
Utilities	Available to site

Maximum FAR 2.00
 Min Land to Bldg Ratio 0.50:1
 Maximum Density N/A

Frontage Distance/Street N/A Alton Road

General Plan Mixed-use commercial
 Specific Plan Mixed-use office/residential
 Zoning CD-2, Commercial, Medium Intensity
 Entitlement Status N/A



Sale Summary

Recorded Buyer	Alton Office Holdings, LLC	Marketing Time	13 Month(s)
True Buyer	Wayne Boich	Buyer Type	Developer
Recorded Seller	Talmudic College of Florida, Inc.	Seller Type	End User
True Seller	Rabbi Yitzchak Zweig	Primary Verification	Zach Winkler, Listing Broker

Interest Transferred Fee Simple/Freehold
 Current Use Obsolete office & educational use
 Proposed Use Mixed-use office/residential
 Listing Broker JLL #305-704-1333
 Selling Broker N/A
 Doc # 31835/4257

Type	Sale
Date	2/19/2020
Sale Price	\$4,500,000
Financing	All Cash
Cash Equivalent	\$4,500,000
Capital Adjustment	\$0
Adjusted Price	\$4,500,000

Transaction Summary plus Five-Year CBRE View History

Transaction Date	Transaction Type	Buyer	Seller	Price	Price/ac and /sf
02/2020	Sale	Alton Office Holdings, LLC	Talmudic College of Florida, Inc.	\$4,500,000	\$24,496,462 / \$562.50

Units of Comparison

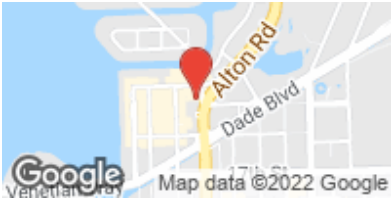
\$562.50 / sf
\$24,496,461.62 / ac

N/A / Unit
N/A / Allowable Bldg. Units
\$281.30 / Building Area

Financial

No information recorded

Map & Comments



This comparable land sale is located along the west side of Alton Road in the Sunset Harbour submarket in Miami Beach, Florida. The property was improved with an obsolete office/educational building and broker listed at \$5,750,000 for approximately 13-months +/- before going into contract at \$4,500,000 in an "all cash" transaction. The buyer is a developer who demolished the building and secured site plan approvals for a 5-story, 15,997-SF mixed-use office building with a top floor residential unit including rooftop deck, 2-floors of office space, a ground floor art gallery, secured lobby and 15-mechincal lift parking spaces.

DRAFT

Property Name citizenM Hotel
 Address 1212 Lincoln Road
 Miami Beach, FL 33139
 United States

Government Tax Agency N/A
 Govt./Tax ID Multiple

Site/Government Regulations

	Acres	Square feet
Land Area Net	0.419	18,263
Land Area Gross	N/A	N/A

Site Development Status	Finished
Shape	Rectangular
Topography	Level, At Street Grade
Utilities	All available to site

Maximum FAR 2.46
 Min Land to Bldg Ratio 0.41:1
 Maximum Density 400.67 per ac

Frontage Distance/Street	N/A Alton Road
Frontage Distance/Street	N/A Lincoln Road

General Plan Mixed-use commercial
 Specific Plan Hotel
 Zoning CD-2, Commercial, Medium Intensity
 Entitlement Status N/A



Sale Summary

Recorded Buyer	OSIB Miami Beach Properties LLC	Marketing Time	N/A
True Buyer	Craig Kinnon, citizenM Hotels	Buyer Type	End User
Recorded Seller	1212 Lincoln LLC	Seller Type	Developer
True Seller	Russell Galbut, Crescent Heights	Primary Verification	Buyer & Public Records
Interest Transferred	Fee Simple/Freehold	Type	Sale
Current Use	Obsolete bank	Date	6/25/2020
Proposed Use	Boutique hotel	Sale Price	\$9,000,000
Listing Broker	Off-market transaction	Financing	All Cash
Selling Broker	N/A	Cash Equivalent	\$9,000,000
Doc #	31988/2369	Capital Adjustment	\$0
		Adjusted Price	\$9,000,000

Transaction Summary plus Five-Year CBRE View History

<u>Transaction Date</u>	<u>Transaction Type</u>	<u>Buyer</u>	<u>Seller</u>	<u>Price</u>	<u>Price/ac and /sf</u>
06/2020	Sale	OSIB Miami Beach Properties LLC	1212 Lincoln LLC	\$9,000,000	\$21,464,345 / \$492.80

Sale**Land - Hotel / Motel****No. 4****Units of Comparison**

\$492.80 / sf
\$21,464,345.34 / ac

\$53,571 / Unit
\$53,571 / Allowable Bldg. Units
\$200.28 / Building Area

Financial**No information recorded****Map & Comments**

This comparable land sale is located at the southwest corner intersection of Alton Road & Lincoln Road in the South Beach submarket of Miami Beach, Florida. The site is improved with an existing 2-story, 18,105-SF Wells Fargo branch bank built in 1940 that will be redeveloped into a 5-story, 168-room boutique hotel with roof top terrace. The seller previously acquired the property from Wells Fargo in January 2020 for \$8,500,000. The site location is across the street from the west end of the Lincoln Road pedestrian mall and is part of a mixed-use master plan anchored by a 55,000-SF Whole Foods with 3-levels of structured parking support.

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Property Name 1234 - 1260 Washington Avenue
 Address 1234 - 1260 Washington Avenue
 Miami Beach, FL 33139
 United States

Government Tax Agency Miami-Dade
 Govt./Tax ID Multiple

Site/Government Regulations

	Acres	Square feet
Land Area Net	0.770	33,525
Land Area Gross	N/A	N/A

Site Development Status	Finished
Shape	Rectangular
Topography	Level, At Street Grade
Utilities	All available to site

Maximum FAR 2.00
 Min Land to Bldg Ratio 0.50:1
 Maximum Density 139.03 per ac

Frontage Distance/Street	N/A Washington Avenue
Frontage Distance/Street	N/A Drexel Avenue
Frontage Distance/Street	N/A 13th Street

General Plan High density, mixed-use retail, office, residential & hotel
 Specific Plan Mixed-use retail & office
 Zoning CD-2, Commercial Medium Intensity
 Entitlement Status N/A



Sale Summary

Recorded Buyer	Urbin Miami Beach Owner, LLC	Marketing Time	N/A
True Buyer	Rishi Kapoor	Buyer Type	Private Syndicator
Recorded Seller	1234 Partners, Ltd.	Seller Type	Private Investor
True Seller	Jonathan Fryd & David Resnick	Primary Verification	Buyer #786-701-6724
Interest Transferred	Fee Simple/Freehold	Type	Sale
Current Use	Obsolete retail/office	Date	5/4/2021
Proposed Use	Retail/office redevelopment	Sale Price	\$20,000,000
Listing Broker	Off-market transaction	Financing	Other(See Comments)
Selling Broker	N/A	Cash Equivalent	\$20,000,000
Doc #	32501/292	Capital Adjustment	\$0
		Adjusted Price	\$20,000,000

Transaction Summary plus Five-Year CBRE View History

Transaction Date	Transaction Type	Buyer	Seller	Price	Price/ac and /sf
05/2021	Sale	Urbin Miami Beach Owner, LLC	1234 Partners, Ltd.	\$20,000,000	\$25,987,526 / \$596.57

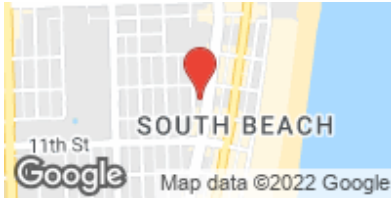
Units of Comparison

\$596.57 / sf	\$186,916 / Unit
\$25,987,525.99 / ac	\$186,916 / Allowable Bldg. Units
	\$298.61 / Building Area

Financial

No information recorded

Map & Comments



This comparable land sale comprises an existing 1-story, 10,697-SF retail building (1260) and a 3-story, 19,519-SF office building (1234) located along the west side of Washington Avenue at 13th Street and spanning west to the Drexel Avenue frontage. The buyer operates a co-living & co-working business with plans to demolish the 1-story retail building and replace it with a new, ground-up 6-story office building and will gut renovate & restore the existing 3-story office building. The proposed site plan comprises a total of 44,153-SF of rentable area and 82,160-SF of gross building area that includes a 5,000-SF wellness center on the ground floor and 21,000-SF of new, flexible office space on the upper floors including co-working area as small as 50-SF and more traditional office suites ranging from 1,000 to 5,000 square feet with fully furnished, turn key options. Project amenities include a food market, cafe & raw juice bar, 60-residential units and roof deck with pool, yoga lawn and bar. The residential units will be a mix of 275-SF micro units and co-living units with 2-to-4 bedroom floor plans including private bathrooms in each bedroom and shared living room, kitchen and laundry machines.

The sale transaction was facilitated with a \$14 million purchase money mortgage in favor of the sellers and the buyer raised \$56 million from investors for the redevelopment program.

DRAFT

Property Name 1683 & 1695 Alton Road
 Address 1683 & 1695 Alton Road
 Miami Beach, FL 33139
 United States

Government Tax Agency Miami-Dade
 Govt./Tax ID 02-3234-017-0090 & 0100



Site/Government Regulations

	Acres	Square feet
Land Area Net	0.340	14,810
Land Area Gross	N/A	N/A

Site Development Status	Finished
Shape	Rectangular
Topography	Level, At Street Grade
Utilities	Available to site

Maximum FAR 1.50
 Min Land to Bldg Ratio 0.67:1
 Maximum Density N/A

Frontage Distance/Street	N/A Alton Road
Frontage Distance/Street	N/A 17th Street

General Plan Mixed-use commercial
 Specific Plan TBD
 Zoning CD-2, Commercial, Medium Intensity
 Entitlement Status N/A

Sale Summary

Recorded Buyer	1695 Alton, LLC	Marketing Time	18 Month(s)
True Buyer	Alan Potamkin	Buyer Type	Private Investor
Recorded Seller	Sanel, Inc.	Seller Type	Private Investor
True Seller	Eleonora Carina Zocco	Primary Verification	Rich Tallman, Listing Broker
Interest Transferred	Fee Simple/Freehold	Type	Sale
Current Use	Vacant branch bank building & parking lot	Date	2/3/2022
Proposed Use	TBD	Sale Price	\$10,400,000
Listing Broker	La Playa Properties Group, Inc. #305-672-0773	Financing	Cash to Seller
Selling Broker	N/A	Cash Equivalent	\$10,400,000
Doc #	33019/3462	Capital Adjustment	\$0
		Adjusted Price	\$10,400,000

Transaction Summary plus Five-Year CBRE View History

Transaction Date	Transaction Type	Buyer	Seller	Price	Price/ac and /sf
02/2022	Sale	1695 Alton, LLC	Sanel, Inc.	\$10,400,000	\$30,588,235 / \$702.21

Units of Comparison

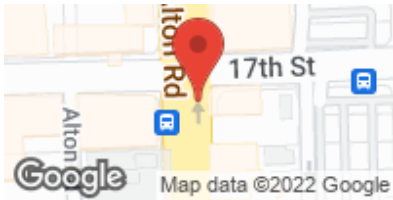
\$702.21 / sf
 \$30,588,235.29 / ac

N/A / Unit
 N/A / Allowable Bldg. Units
 \$468.15 / Building Area

Financial

No information recorded

Map & Comments



This comparable land sale is the former BankUnited branch bank located on the southeast, signalized corner of Alton Road and 17th Street in the South Beach submarket in Miami Beach, Florida. The BankUnited lease commenced in May 2010 with the "like new" branch bank opening in 2012. The lease terms & conditions were for 10 years plus two (2), 5 year renewal option and 3% annual escalations throughout initial term and options periods. However, BankUnited vacated after the initial base term expired. Prior to a branch bank, it was the former Burger King fast food restaurant. The current seller previously acquired the property in December 2012 and a single tenant, triple net lease investment for \$8,150,000 and relisted the property more recently once it was known that BankUnited was not renewing. The broker listing was priced at \$12,000,000 and sold at \$10,400,000 in an "all cash" sale transaction to a local, high net worth investor. The underlying zoning permits a 5-story building and floor-area-ratio of 1.50 or a maximum 2.0 in mixed-use buildings when more than 25 percent of the total area of a building is used for residential or hotel units, as set forth in the RM-2 district.

DRAFT

Property Name 2206 Park Avenue
 Address 2206 Park Avenue
 Miami Beach, FL 33139
 United States

Government Tax Agency Miami-Dade
 Govt./Tax ID Multiple

Site/Government Regulations

	Acres	Square feet
Land Area Net	0.391	17,040
Land Area Gross	N/A	N/A

Site Development Status	Finished
Shape	Rectangular
Topography	Level, At Street Grade
Utilities	Available to site

Maximum FAR 2.90
 Min Land to Bldg Ratio 0.34:1
 Maximum Density 306.75 per ac

Frontage Distance/Street	N/A Park Avenue
Frontage Distance/Street	N/A 22nd Street

General Plan Mixed-use residential & hotel uses
 Specific Plan Hotel
 Zoning CD-3, Commercial, High Intensity
 Entitlement Status N/A



Sale Summary

Recorded Buyer	22 Landlord LLC	Marketing Time	5 Month(s)
True Buyer	Mathieu Massa	Buyer Type	Developer
Recorded Seller	Encotol LLC	Seller Type	Developer
True Seller	Enrique Colmenaras	Primary Verification	Susan Gale, Listing Agent
Interest Transferred	Fee Simple/Freehold	Type	Sale
Current Use	Vacant land	Date	2/11/2022
Proposed Use	Hotel	Sale Price	\$13,500,000
Listing Broker	One Sotheby's International #305-766-1988	Financing	Market Rate Financing
Selling Broker	N/A	Cash Equivalent	\$13,500,000
Doc #	33027/4911	Capital Adjustment	\$0
		Adjusted Price	\$13,500,000

Transaction Summary plus Five-Year CBRE View History

<u>Transaction Date</u>	<u>Transaction Type</u>	<u>Buyer</u>	<u>Seller</u>	<u>Price</u>	<u>Price/ac and /sf</u>
02/2022	Sale	22 Landlord LLC	Encotol LLC	\$13,500,000	\$34,509,202 / \$792.25

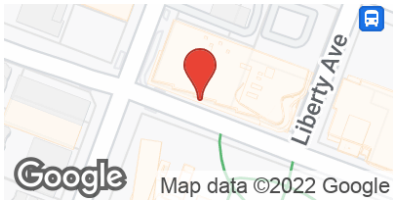
Units of Comparison

\$792.25 / sf	\$112,500 / Unit
\$34,509,202.45 / ac	\$112,500 / Allowable Bldg. Units
	\$273.05 / Building Area

Financial

No information recorded

Map & Comments



This comparable land sale is located along the northwest corner of Park Avenue and 22nd Street in the South Beach submarket in Miami Beach, Florida. The property was broker listed at \$15,900,000 and sold for \$13,500,000 with the buyer securing a \$6,000,000 conventional loan from City National Bank and the seller providing a \$2,500,000 short term purchase money mortgage. The property was previously acquired in October 2013 for \$7,000,000 by the developers of the adjacent & former 44-room Lido Park Hotel located at 2216 Park Avenue who re-branded the 2216 Park Avenue property as the Vintro Hotel & Kitchen and is now known as the Kayak Miami Beach. The 2206 Park Avenue land sale property was previously proposed and entitled for a 5-story condo hotel comprising of 50,000-SF +/- with a mechanical parking lift system. The project was finally approved for 49,441-SF of FAR with 120-hotel rooms, ground floor retail and reduced off-street parking variance. The site location is at the crossroads of Park Avenue and the renovated Collins Canal that is a restricted access canal that connects to Biscayne Bay, Indian Creek and Lake Pancoast.

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