

RESOLUTION NO. \_\_\_\_\_

**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 LOTS P25 AND P26 (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 LEASES WITH LINCOLN ROAD PROPERTY OWNER, L.P., 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**

**WHEREAS**, the City Commission has expressed an interest in diversifying the City's economy and its revenue sources by capitalizing on the economic growth opportunities presented by the current and projected business growth in the region, particularly by making a concerted effort to attract the financial services and technology industries; and

**WHEREAS**, in furtherance of this objective, the City Commission has discussed the need to increase Class A office space inventory throughout the City; and

**WHEREAS**, at its December 11, 2019 meeting, the City Commission discussed the possibility of making available certain surface parking lots north of Lincoln Road to promote the development of Class A office space in the city center area; and

**WHEREAS**, on October 9, 2020, the Administration issued Request for Letters of Interest 2021-029-KB seeking expression of interest from developers interested in building Class A office developments on the surface parking lots P25, P26, and P27 immediately North of Lincoln Road (the "RFLI"); and

**WHEREAS**, the RFLI yielded significant interest, including expression of interest from eighteen (18) respondents, four (4) of which were companies based outside of Florida; and

**WHEREAS**, based on the results of the RFLI, on February 19, 2021, the Finance and Economic Resiliency Committee (FERC) recommended that 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 the three surface parking lots (P25, P26, and P27); and

**WHEREAS**, on March 17, 2021, the City Commission adopted Resolution No. 2021-31617, authorizing the preparation of an RFP for mixed-use development incorporating Class A office space at three City-owned sites along Lincoln Lane North and the 17<sup>th</sup> Street parking garage (G5)(the "RFP"); and

**WHEREAS**, on June 23, 2021, the Mayor and City Commission further discussed the goals, objectives, and format of the RFP and approved its issuance; and

**WHEREAS**, the City received proposals from the following three firms: (1) Infinity Collective LLC; (2) Lincoln Road Holdings LLC, a joint venture between The Peebles Corporation, Baron Corporation and Scott Robins Companies, Inc. (for clarity, Lincoln Road Holdings LLC is referred to as TPC); and (3) Lincoln Road Property Owners, L.P., a joint venture between Integra Investments, Starwood Capital, and The Comras Company (for clarity, Lincoln Road Property Owners, L.P. is referred to as Integra, as Integra); and

**WHEREAS**, after reviewing the various proposals submitted, the process and rankings of an Evaluation Committee appointed by the City Manager, and the assessments of staff and the City's consultant, the City Manager determined that the best options for the City to pursue were Option 3 with TPC (Parking Lot P27) and Option 5 with Integra (Parking Lots P25 and P26), and the City Manager recommended that the Mayor and City Commission authorize the commencement of negotiations with these bidders; and

**WHEREAS**, in order to mitigate against the risk that negotiations with one of the two firms reaches an impasse, the City Manager believes it would be prudent and in the best interests of the City for the Mayor and the City Commission to further authorize the Administration to pursue negotiations for both Options 3 and 5 with the other firm; and

**WHEREAS**, on February 23, 2022, the City Commission adopted Resolution 2020-31435, authorizing the Administration:

- (a) to enter into negotiations for a possible ground lease and development agreement with TPC in respect of parking lot P27 (Option 3)(the "Option 3 Project") to include terms consistent with the requirements of the RFP and such other terms of TPC's bid for Option 3 as are acceptable to the City and, if the Administration is unable to agree on principal terms with TPC within a reasonable timeframe, as determined by the Administration in its discretion, to cease negotiations with TPC and commence negotiations in respect of parking lot P27 with Integra Investments; and
- (b) to enter into negotiations for a possible a ground lease and development agreement with Integra in respect of parking lots P25 and P26 (Option 5) to include terms consistent with the requirements of the RFP and such terms of Integra's bid for Option 5 as are acceptable to the City and, if the Administration is unable to agree on principal terms with Integra Investments within a reasonable timeframe, as determined by the Administration in its discretion, to cease negotiations with Integra and commence negotiations with TPC in respect of parking lots P25 and P26; and, further, the Mayor and City Commission; and
- (c) refer the proposed projects and/or any accompanying amendments to the City's Land Development Regulations to the Finance and Economic Resiliency Committee, the Land Use and Sustainability Committee (LUSC), and the Planning Board for review, in accordance with the requirements of the City Code; and
- (d) direct the Administration to maintain the RFP open and subject to the Cone of Silence with regard to Option 4 (Garage G5) for a period of one (1) year from the date of adoption.

**WHEREAS**, Integra and the Administration negotiated a term sheet dated April 26, 2022, which is attached as an Exhibit to the Commission Memorandum accompanying this Resolution (the "Term Sheet"); and

**WHEREAS**, pursuant to the Term Sheet:

- (a) on P25, Integra proposes a six-story building with three levels of Class A office space, two and a half levels of parking, including both required parking and a public parking component, and ground floor retail and
- (b) on P26, an eight-story building with four levels of Class A office space, four levels of parking, including both required parking and a public parking component, and ground floor retail; and

**WHEREAS**, as proposed, the City and Integra will enter a long-term ground lease for P25, a long-term ground lease for P26 (together, the "Ground Leases"), and a development agreement (the "Development Agreement") to govern the development of both sites, with Integra responsible for financing the design and construction of the Project and no funding or financing participation from the City, the proposed rent structure and other key terms of which are more fully described in the Term Sheet; and

**WHEREAS**, pursuant to Section 1.03(b)(2) of the City Charter governing leases of ten years or longer of the City-owned property referred to as the Lincoln Road Parking Lots, the Ground Leases require approval by a majority vote of the voters in a City-wide referendum; and

**WHEREAS**, on March 30, 2022, the Finance and Economic Resiliency Committee received an update on the negotiations and requested that the proposed terms for the Project and the Option 3 Project be presented in tandem side-by-side to facilitate the Committee's comparison of both projects; and

**WHEREAS**, on April 8, 2022, the Land Use and Sustainability Committee considered three legislative amendments requested in support of the two projects, and transmitted the proposed ordinances to the City Commission for consideration; and

**WHEREAS**, on April 19, 2022, the Finance and Economic Resiliency Committee reviewed the draft Term Sheets and provided feedback on the Project as proposed; and

**WHEREAS**, on April 29, 2022, the Finance and Economic Resiliency Committee reviewed the Project's proposed terms and recommended that the Project be transmitted back to the City Commission with a recommendation that the Commission direct the Administration to negotiate a Development Agreement and Ground Leases with Integra for the City Commission's consideration; and

**WHEREAS**, in light of the favorable recommendation of the Finance and Economic Resiliency Committee, the Administration has also recommended that the City Commission adopt this Resolution and direct the Administration to negotiate the Development Agreement and Ground Leases with Integra, to include terms consistent with the Term Sheet and such other terms and conditions as are customary or otherwise necessary or desirable (as determined by the Administration) for further consideration and possible approval of the City Commission.

**NOW, THEREFORE, BE IT DULY RESOLVED BY THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA,** that the Mayor and City Commission accept the recommendation of the Finance and Economic Resiliency Committee at its April 29, 2022 meeting regarding Request for Proposals (RFP) 2021-173-KB for mixed-use developments incorporating Class A office space with respect to City-owned parking lots P25 and P26 (the "Project") and approve the Term Sheet for the Project attached as an Exhibit to the Commission Memorandum accompanying this Resolution; further, the Mayor and City Commission direct the Administration to negotiate a Development Agreement and Ground Leases (collectively, the "Agreements") with Lincoln Road Property Owner, L.P. for a mixed use development incorporating Class A office space and retail, as well as all necessary parking, with such Development Agreement and Ground Leases to include terms consistent with the Term Sheet as well as such other terms and conditions as are customary or otherwise determined by the Administration to be necessary or desirable, 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.

**PASSED AND ADOPTED** this \_\_\_\_\_ day of May, 2022.

**ATTEST:**

\_\_\_\_\_  
RAFAEL E. GRANADO, CITY CLERK

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DAN GELBER, MAYOR

APPROVED AS TO  
FORM & LANGUAGE  
& FOR EXECUTION

  
\_\_\_\_\_  
City Attorney

  
\_\_\_\_\_  
Date