

**Key Terms - Legacy March 13, 2024**

<b>Developer</b>	Potential joint venture between Legacy Real Estate Development and Urban American (“Developer” or “Legacy”)				
<b>Lease Structure</b>	<ul style="list-style-type: none"> <li>• <b>No sale; the City retains ownership of the land</b> over 99-year Lease Term</li> <li>• City’s fee interest shall be senior, and not subordinated, to any financing (which is non-recourse to the City)</li> </ul>				
<b>Existing Property</b>	<ul style="list-style-type: none"> <li>• Address: 1940 Park Avenue</li> <li>• Lot Size: 30,359 sf</li> <li>• Zoning District: GU</li> <li>• Existing Structure: 3-story contributing building</li> <li>• Construction Year: 1935</li> <li>• Historic District: Museum Historic District and Miami Beach Architectural District</li> </ul>				
	<b>Option 1</b>	<b>Option 2</b>	<b>Option 3</b>	<b>Option 4</b>	<b>Option 5</b>
<b>Design &amp; Site Plan</b>	<p>Two (2) buildings:</p> <p><u>Existing Structure:</u> 40 studios with ground floor commercial</p> <p><u>New Construction:</u> 31 units with ground floor parking</p>	<p>Two (2) buildings:</p> <p><u>Existing Structure:</u> 36 studios with ground floor commercial</p> <p><u>New Construction:</u> 77 units with ground floor parking</p>	<p>One (1) building:</p> <p><u>New Construction only:</u> 82 units with ground floor commercial and parking</p> <p>(Existing Structure demolished)</p>	<p>One (1) building:</p> <p><u>New Construction only:</u> 141 units with commercial use and parking on the ground floor</p> <p>(Existing Structure demolished)</p>	<p>One (1) building:</p> <p><u>Existing Structure only:</u> 70 affordable units (no workforce or market rate) and no accessory commercial uses</p>
<b>Historic Preservation</b>	Yes	Yes	No	No	Yes
<b>Gross Floor Area</b>	52,686 sf	105,146 sf	72,500 sf	162,048 sf	52,686 sf
<b>Height</b>	77 ft / 7 floors	132 ft / 12 floors	66 feet / 6 floors	132 ft / 12 floors	38 ft / 3 floors
<b>FAR</b>	2.58	3.46	2.375	5.33	1.73
<b>Residential Units</b>	71	113	82	141	71
<b>Project Cost</b>	\$27,477,106	\$50,792,404	\$41,403,067	\$67,776,900	\$25,812,004

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	Option 1	Option 2	Option 3	Option 4	Option 5
<b>Compensation to City</b>					
<b>Upfront Payment</b>	\$ 344,000	\$ 1,500,000	\$ 5,000,000	\$ 6,000,000	\$0
<b>Annual Rent <sup>1</sup></b>	\$ 50,000	\$100,000	\$ 100,000	\$ 100,000	\$0
<b>Rent Escalation</b>	CPI; 2% Min/ 3% Max	CPI; 2% Min/ 3% Max	CPI; 2% Min/ 3% Max	CPI; 2% Min/ 3% Max	n/a
<b>Projected Rent <sup>2</sup> (99 Years)</b>	\$ 15,499,486	\$ 31,810,971	\$ 35,310,971	\$ 36,310,971	\$0
<b>NOI Participation</b>	1%	1%	1%	1%	None
<b>Projected NOI (99 Years)</b>	\$ 10,450,391	\$ 17,700,984	\$ 15,017,047	\$ 24,339,806	\$0
<b>Sale/Transfer Participation</b>	1%	1%	1%	1%	None
<b>Projected Sale Participation</b>	\$795,988	\$ 1,064,459	\$ 910,135	\$ 1,477,920	\$0
<b>Unit Mix</b>					
<b>Total Units</b>	71	113	82	141	70
<b>% Market Rate</b>	35%	68%	84%	84%	0
<b>% Affordable/ Workforce</b>	65%	32%	16%	16%	100%
<b>140% AMI</b>	13	16	0	0	0
<b>120% AMI</b>	8	0	0	0	0
<b>80% AMI</b>	5	0	0	0	29
<b>60% AMI</b>	0	0	0	0	21
<b>30% AMI</b>	20	20	13	36	20
<b>Market Rate</b>	25	77	69	105	0
<b>Total Studios</b>	56	66	34	61	40
<b>Total 1BR</b>	12	35	31	48	25
<b>Total 2BR</b>	3	12	12	25	5
<b>Total 3BR</b>	0	0	5	7	0

<sup>1</sup> Developer proposes Annual Rent commencing upon Certificate of Occupancy (CO), anticipated by Developer to occur 3 years following DA & Lease approval.

<sup>2</sup> Combines Upfront Payment and total Annual Rent payments, conservatively escalated 2% each year, over 99-year Lease Term.

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<p align="center"><b>Use Restrictions</b></p>	<ul style="list-style-type: none"> <li>• Short term rentals are prohibited.</li> <li>• Ground Lease will incorporate workforce housing and affordable housing requirements of Chapter 58 of City Code, provided however that restrictive covenants relating to workforce/affordable housing units will run with the land for the entire Ground Lease.</li> </ul>
<p align="center"><b>Project Approvals</b></p>	<ul style="list-style-type: none"> <li>• Assuming City Commission authorizes negotiations, the FERC must review Lease Terms, before City Commission consideration and approval of Development Agreement (DA) and Ground Lease including conceptual design.</li> <li>• Developer responsible for required design approvals (HPB, PB, etc.).</li> <li>• Following regulatory approvals, City Manager approves Plans to ensure consistency with approved conceptual design</li> <li>• Voter Referendum not required per City Charter.</li> </ul>
<p align="center"><b>Construction Timeline</b></p>	<ul style="list-style-type: none"> <li>• Required target dates to achieve Project milestones remain subject to negotiation.</li> <li>• Legacy’s RFP Proposal proposed an aggressive schedule, with Construction Commencement approximately 15 months after Lease approval by City Commission and Construction Completion 35-43 months after Lease approval.</li> <li>• The City has not been provided with an updated milestone schedule with the Updated Proposal.</li> </ul>
<p align="center"><b>Insurance, Taxes, Utilities</b></p>	<ul style="list-style-type: none"> <li>• Triple net lease (NNN), with Lessee solely responsible for all real estate taxes, utilities, assessments, or other public charges, insurance, common area maintenance, and all other costs and expenses associated with operation of the project.</li> </ul>
<p align="center"><b>Termination for Convenience</b></p>	<ul style="list-style-type: none"> <li>• No Developer termination for convenience following the Possession Date (i.e., once all regulatory approvals and financing for the Project have been obtained, and Developer takes possession of the property per the Ground Lease).</li> <li>• City will not have the right to terminate the DA for convenience.</li> <li>• However, City will have the right to terminate for cause, i.e., as a result of any default by Developer, which continues beyond the expiration of any applicable notice and cure period.</li> </ul>
<p align="center"><b>Developer’s Proposed Public Benefits</b></p>	<ul style="list-style-type: none"> <li>• Direct and indirect jobs and local hiring objectives.</li> <li>• Renovation, for long-term sustainability and resiliency, of existing historic building (Options 1, 2, 5 only).</li> <li>• LEED accreditation.</li> <li>• Property tax or other tax revenue to the City (excluding Option 5)</li> <li>• Public safety.</li> <li>• Community amenities, public infrastructure, and/or open space(s) accessible to the public.</li> <li>• Contribution to Miami Beach ideals, vision, and brand.</li> <li>• Creation of workforce and affordable housing in response to the City’s significant need for a greater supply of accessible housing for those who live and work in the city.</li> <li>• Military veteran leasing preference in residential and commercial spaces.</li> <li>• Note: Upon authorization to negotiate, the City shall seek a comprehensive package of resident and community benefits.</li> </ul>