

MIAMI BEACH

Finance and Citywide Projects Committee Meeting
City Hall, Commission Chambers, 3rd Floor, 1700 Convention Center Drive
January 25, 2019 - 2:00 PM

Commissioner Ricky Arriola, Chair
Commissioner Michael Góngora, Vice-Chair
Commissioner Mark Samuelian, Member
Commissioner Micky Steinberg, Alternate

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OLD BUSINESS

1. **DISCUSSION REGARDING THE REVIEW OF THE JULIA TUTTLE BUS RAPID TRANSIT DEMONSTRATION PROJECT**
May 16, 2018 - C4 R
Sponsored by Commissioner Samuelian
Transportation
2. **DISCUSSION REGARDING THE FINANCIAL IMPACT OF MAINTAINING TREES LOCATED IN THE SWALE**
May 16, 2018 - C4 AA
Sponsored by Commissioner Arriola
Public Works
3. **DISCUSSION REGARDING G.O. BOND**
January 17, 2018 - R9 J
Sponsored by Commissioner Arriola
Office of the City Manager
4. **DISCUSSION REGARDING THE JANUARY 3, 2019 TERM SHEET FOR THE PARKING GARAGE/RETAIL DEVELOPMENT PROJECT, INVOLVING CITY-OWNED PARKING LOTS IN NORTH BEACH, SUBMITTED BY NORTH BEACH TOWN CENTER DEVELOPMENT, LLC, AN AFFILIATE OF PACIFIC STAR CAPITAL, LLC**
April 11, 2018 - R7A
Office of the City Manager/Economic Development
5. **DISCUSSION ON THE STORMWATER UTILITY RATES**
Public Works
Status: Item to be submitted as supplemental.
6. **DISCUSSION REGARDING THE FUTURE USE OF THE CORAL ROCK HOUSE, CONSISTING OF APPROXIMATELY 1,307 SQUARE FEET, LOCATED AT 1701 NORMANDY DRIVE**
April 11, 2018 - C4 A

NEW BUSINESS

7. **DISCUSSION REGARDING LEASING THE PENNSYLVANIA GARAGE RETAIL SPACE, CONSISTING OF APPROXIMATELY 7,722 SQUARE FEET, LOCATED AT 1661 PENNSYLVANIA AVENUE, TO MOONLIGHTER MAKERSPACE**
January 16, 2019 - C4 A
Sponsored by Commissioner Arriola
Economic Development
8. **DISCUSSION ON FUNDING AND SCOPE OF WORK FOR THE FAIRWAY PARK PROJECT**
January 16, 2019 - C4 K
Office of Capital Improvement Projects
9. **DISCUSSION REGARDING THE REVIEW OF CITY STREETS THAT NEED TO BE FIXED**
October 17, 2018 - R9 Z
Sponsored by Commissioner Alemán and Commissioner Samuelian
Public Works
10. **DISCUSSION TO CONSIDER THE REQUIREMENT THAT CITY REVENUE-GENERATING CONTRACTS INCLUDE A CONTRIBUTION TO EDUCATIONAL INITIATIVE**
January 16, 2019 - C4 AM
Sponsored by Commissioner Alemán
Procurement
11. **DISCUSSION REGARDING PROSPERA REQUEST FOR FUNDING, IN THE AMOUNT NOT TO EXCEED \$12,500, FOR A TECHNOLOGY BUSINESS SOLUTIONS ACADEMY FOR SMALL BUSINESSES**
December 12, 2018 - C4 C
Sponsored by Commissioner Alemán
Economic Development
12. **DISCUSS UPDATES ON THE NEGOTIATIONS BETWEEN UNITEHERE LOCAL 355 AND THE FOUNTAINEBLEU ON THE PROPOSED ORDINANCE CREATING A MONTHLY PARKING PERMIT RATE OF \$100 FOR P71 - 46TH STREET AND COLLINS AVENUE MUNICIPAL PARKING LOT**
January 16, 2019 - R5 G
Sponsored by Mayor Gelber
Parking
13. **DISCUSSION REGARDING THE BUDGET ADVISORY COMMITTEE MOTION THAT THE CITY OF MIAMI BEACH COMPLETE A FACILITY CONDITION ASSESSMENT**
December 12, 2018 - C4 H
Sponsored by Commissioner Samuelian
Property Management
14. **DISCUSSION REGARDING ANNUAL ADJUSTMENTS (EG. CPI) FOR CITY FEES AND CHARGES**

December 12, 2018 - C4 D
Sponsored by Commissioner Samuelian
Office of Budget and Performance Improvement

15. **DISCUSSION REGARDING REVENUE GENERATING OPPORTUNITIES FOR BEACH CONCESSION OPERATIONS**

January 16, 2019 - C4 AO

Economic Development

Status: Item to be submitted as supplemental.

16. **DISCUSSION REGARDING THE INTERLOCAL AGREEMENT WITH MIAMI-DADE COUNTY FOR THE CITY'S CONTRIBUTION IN THE AMOUNT OF \$417,000 TOWARDS THE BEACH CORRIDOR RAPID TRANSIT CONNECTION PROJECT DEVELOPMENT AND ENVIRONMENT STUDY**

December 12, 2018 - C4 I

Transportation

Status: Item withdrawn by Administration.

17. **DISCUSSION REGARDING CAPITAL APPROPRIATIONS FOR THE SOUTH POINTE PARK BUILDING HVAC UNIT REPLACEMENT**

January 16, 2019 - C4 J

Property Management

Status: Item withdrawn by Administration.

DEFERRED ITEMS

18. **DISCUSSION TO REVIEW THE CITY'S FORTHCOMING STORMWATER MANAGEMENT BUDGET AS WELL AS RELATED UTILITIES, ABOVE GROUND, AND OTHER ASSOCIATED COSTS**

September 12, 2018 - C4 G

Sponsored by Commissioner Samuelian

Public Works

Status: Item deferred to the March 2019 FCWPC meeting, pending information from Jacobs Engineering.

19. **DISCUSSION ON THE PROPOSED MOBILITY FEE PROGRAM**

July 25, 2018 - C4 U

Sponsored by Commissioner Alemán

Transportation

Status: Item deferred to the February 2019 FCWPC meeting, pending an analysis of regional mobility/impact fees and review of fiscal impact of the proposed mobility fee.

20. **DISCUSSION REGARDING THE RECYCLING FEE AND BACKYARD SERVICE COST**

September 12, 2018 - R5 M

Sponsored by Commissioner Arriola

Public Works

Status: Item deferred in order to be discussed as part of the program budget process.

21. **UPDATE ON ENERGOV PERMITTING SYSTEM**

April 26, 2017 - C7 M

Information Technology

Status: Item deferred to the February 2019 FCWPC meeting.

22. **DISCUSSION REGARDING THE PROJECT BUDGET AND SCOPE OF THE 72ND STREET CIVIC COMPLEX PROJECT**
January 17, 2018 - C4 D
Sponsored by Commissioner Alemán
Office of Capital Improvement Projects
Status: Item deferred, pending conversation with Savino Miller about the swimming pool.
23. **DISCUSSION ON ACTIVATING VACANT STOREFRONTS INCLUDING THE PURCHASE OF NEW COVERS AND EXPLORING NEW DESIGNS THAT REFLECT NORTH BEACH, MID-BEACH AND SOUTH BEACH AND IDENTIFYING FUNDS FOR THE PURCHASE**
April 11, 2018 - C4 J
Sponsored by Commissioner Arriola and Co-sponsored by Commissioner Samuelian
Economic Development
Status: Item deferred to the February 2019 FCWPC meeting, pending final design cover from DASH students.
24. **DISCUSSION TO CONSIDER REVISING THE “SPECIAL EVENTS REQUIREMENTS AND GUIDELINES,” BY AMENDING THE FOLLOWING SECTIONS: “APPLICATION DEADLINES,” “EXTERNAL/ INTERNAL REVIEW PROCEDURES,” “BOOKING POLICY,” “SPECIAL EVENT FEE SCHEDULE,” AND CREATION OF “VENUE FREQUENCY USE,” “VENUE CATALOG,” AND “RESIDENT BENEFIT.” HEREBY PERMITTING AND RESTRICTING FURTHER USES ON PUBLIC PROPERTY AND RECONCILING SPECIAL EVENT FEES TO MATCH RECENT INCREASES ASSOCIATED WITH OTHER PUBLIC RENTAL USES**
October 18, 2017 - C4 F
Tourism and Culture
Status: Item deferred to the February 2019 FCWPC meeting, pending feedback from the industry.
25. **DISCUSSION REGARDING ESTABLISHING A PILOT PROGRAM FOR DOCKED ELECTRIC-ASSISTED BICYCLE SHARING SERVICES**
October 18, 2017 - C4 J
Sponsored by Commissioner Arriola
Transportation
Status: Item deferred, pending further discussions at the NCAC and Transportation Committee.
26. **DISCUSS ENGAGING IN A PILOT WITH CAMINO PERMITTING SOFTWARE**
September 12, 2018 - C4 N
Sponsored by Commissioner Arriola
Building/Planning
Status: Item deferred to the March 2019, pending the issuance of an RFP and the continued studying of the City's processes.
27. **DISCUSSION REGARDING ESTABLISHING A HISTORIC PRESERVATION FUND**
April 11, 2018 - C4 O
Sponsored by Commissioner Arriola
Finance/Planning
Status: Item deferred to the February 2019 meeting, pending Land Use and Development Committee discussion.
28. **DISCUSSION REGARDING THE COSTS RELATED TO HAVING MIAMI BEACH COMMIT TO ENSURING THAT ALL GOVERNMENT BUILDINGS WILL BE POWERED BY 100%**

RENEWABLE ELECTRICITY

May 17, 2017 - R9 AB

Sponsored by Commissioner Rosen Gonzalez

Environment & Sustainability/Property Management

Status: Item deferred to a future FCWPC meeting, pending Sustainability and Resiliency Committee direction.

29. DISCUSSION REGARDING THE BIGBELLY PROGRAM AND POTENTIAL WAYS TO SUBSIDIZE ITS COSTS

October 17, 2018 - C4 I

Sponsored by Commissioner Arriola

Public Works

Status: Item deferred until meeting with BigBelly and Public Works has taken place.

30. DISCUSSION REGARDING THE MIAMI BEACH ROWING CLUB LEASE

June 6, 2018 - C4 E

Sponsored by Commissioner Arriola

Tourism, Culture, and Economic Development/Legal

Status: Item deferred to the February 2019 FCWPC meeting, pending discussions with Miami Beach Rowing Club.

31. DISCUSSION REGARDING THE ANNEXATION OF NORTH BAY VILLAGE, AND TO REVIEW PROPERTY TAXES, ECONOMIC IMPACT, AND VALUE

September 12, 2018 - R9 E

Sponsored by Commissioner Arriola

Office of the City Attorney

Status: Item deferred to the March 2019 FCWPC meeting, after obtaining feedback from North Bay Village.

32. DISCUSSION REGARDING THE ANNEXATION OF THE WESTERNMOST ISLANDS OF THE VENETIAN ISLANDS AND MAKING THEM A PART OF MIAMI BEACH, AND TO REVIEW PROPERTY TAXES, ECONOMIC IMPACT, AND VALUE

September 12, 2018 - R9 F

Sponsored by Vice-Mayor Góngora

Office of the City Attorney

Status: Item deferred to the March 2019 FCWPC meeting, after obtaining feedback from the City of Miami.

33. DISCUSS THE DESIGN AND PLAN CONCEPT FOR THE OCEAN TERRACE NEIGHBORHOOD URBAN DESIGN PLAN BY THE CORRADINO GROUP FOR PRIORITIZATION AND POTENTIAL FUNDING OPTIONS

December 12, 2018 - C7 AE

Tourism and Culture

Status: Item deferred to the February 2019 FCWPC meeting.

34. DISCUSSION REGARDING THE ADMINISTRATION'S PROCEDURE FOR WELCOMING NEW BUSINESSES TO MIAMI BEACH

December 12, 2018 - C4 E

Sponsored by Commissioner Arriola

Economic Development

Status: Item deferred to the February 2019 FCWPC meeting, pending new Economic Development Director.

35. **DISCUSSION REGARDING THE NORMANDY SQUARE ART FESTIVAL**
January 16, 2019 - C4 B
Sponsored by Commissioner Alemán
Tourism and Culture
Status: Item to be heard at the February 2019 FCWPC meeting.
36. **DISCUSSION REGARDING THE MOTION PASSED BY THE PRODUCTION INDUSTRY COUNCIL MOTION TO ADOPT CHANGES TO THE CURRENT FILM INCENTIVE GUIDELINES, MAKING THEM LESS RESTRICTIVE FOR PRODUCTIONS TO TAKE ADVANTAGE OF THE FILM INCENTIVE PROGRAM**
January 16, 2019 - C4 C
Sponsored by Vice-Mayor Góngora
Tourism and Culture
Status: Item to be heard at the February 2019 FCWPC meeting.
37. **DISCUSSION TO CONSIDER DEVELOPING AND FUNDING A PROGRAM FOR TEMPORARY PUBLIC ARTISTIC INSTALLATIONS**
January 16, 2019 - C4 D
Sponsored by Commissioner Arriola
Tourism and Culture
Status: Item to be heard at the February 2019 FCWPC meeting.
38. **DISCUSSION REGARDING ESTABLISHING CITYWIDE STANDARDS FOR CHILDREN'S PLAYGROUNDS, PLAY SURFACES, SHADE SYSTEMS, AND OUTDOOR FITNESS EQUIPMENT AND TO ESTABLISH A DEFINED PROCUREMENT AUTHORITY TO PURCHASE SUCH EQUIPMENT IN A RESPONSIBLE AND EXPEDITIOUS MANNER**
January 16, 2019 - C4 E
Sponsored by Commissioner Arriola
Parks and Recreation
Status: Item to be heard at the February 2019 FCWPC meeting.
39. **DISCUSSION REGARDING BENCHMARKING OF IMPACT FEES**
January 16, 2019 - C4 G
Sponsored by Commissioner Alemán
Office of Budget and Performance Improvement
Status: Item to be heard at the February 2019 FCWPC meeting.
40. **DISCUSSION REGARDING THE APPLICATION OF HISTORICAL MARKERS UNDER THE AUSPICES OF THE STATE OF FLORIDA HISTORICAL MARKER PROGRAM**
January 16, 2019 - C4 H
Sponsored by Commissioner Alemán and Co-Sponsored by Commissioner Samuelian
Planning
Status: Item to be heard at the February 2019 FCWPC meeting.
41. **DISCUSSION REGARDING THE LOCATION OF A STORAGE FACILITY AND NEW RESTROOMS FOR SOUNDSCAPE PARK**
January 16, 2019 - C4 I
Tourism and Culture
Status: Item to be heard at the February 2019 FCWPC meeting.
42. **DISCUSSION REGARDING A POTENTIAL RFQ FOR A CITYWIDE CYBER SECURITY RISK ASSESSMENT**
January 16, 2019 - C4 L

Sponsored by Commissioner Alemán

Information Technology/Procurement

Status: Item to be heard at the February 2019 FCWPC meeting.

43. **DISCUSSION REGARDING UPDATING MINIMUM WAGES ON CITY FUNDED CONSTRUCTION CONTRACTS**

January 16, 2019 - C4 M

Sponsored by Commissioner Steinberg

Procurement/Office of Capital Improvement Projects

Status: Item to be heard at the February 2019 FCWPC meeting.

44. **DISCUSSION REGARDING THE JANUARY 8, 2019 BUDGET ADVISORY COMMITTEE MOTION REGARDING AN ECONOMIC ANALYSIS ON THE NORTH BEACH TOWN CENTER PROPOSED GARAGE DEVELOPMENT PROJECT**

January 16, 2019 - C4 AN

Sponsored by Vice-Mayor Góngora

Office of the City Manager/Economic Development

Status: Item to be heard at the February 2019 FCWPC meeting.

45. **DISCUSSION REGARDING THE 41ST STREET IMPLEMENTATION WORKPLAN AND PRIORITIZATION OF BUDGETED FUNDS**

January 16, 2019 - R7 G

Economic Development

Status: Item to be heard at the February 2019 FCWPC meeting.

MIAMI BEACH

COMMITTEE MEMORANDUM

TO: Finance and Citywide Projects Committee Members

FROM: Jimmy L. Morales, City Manager

DATE: January 25, 2019

SUBJECT: **DISCUSSION REGARDING THE REVIEW OF THE JULIA TUTTLE BUS
RAPID TRANSIT DEMONSTRATION PROJECT**

HISTORY:

The Miami-Dade County Strategic Miami Area Rapid Transit (SMART) Plan contains six (6) Rapid Transit Corridors and nine (9) Bus Express Rapid Transit (BERT) routes for Miami-Dade County. BERT service consists of enhanced branded buses operating limited stop service on shoulders or dedicated transit lanes, where feasible, to reduce travel time and help ensure service schedule reliability.

On April 26, 2018, the Miami-Dade Transportation Planning Organization (TPO) unanimously approved Resolution #14-18 endorsing the identification and implementation of demonstration projects that advance elements of the SMART Plan.

On May 2, 2018, the TPO announced the SMART Demonstration Projects Cycle for Fiscal Year 2019. The demonstration projects are intended to be in service for a three (3) year duration. If the demonstration project is deemed successful by the TPO, it would be implemented on a permanent basis.

Pursuant to City Commission Resolution No. 2018-30317 adopted on May 16, 2018, Miami Beach and Miami-Dade Department of Transportation and Public Works applied jointly to the Miami-Dade TPO's SMART Demonstration Program for the proposed Beach Express North BERT Demonstration Service connecting the Golden Glades Multimodal facility, Earlington Heights Metrorail Station, and Miami Beach, operating on the shoulder of SR 112/Julia Tuttle Causeway. The City's application was submitted to the TPO on May 21, 2018.

On June 11, 2018, the Transportation, Parking, Bicycle and Pedestrian Facilities Committee (TPBPFC) discussed the Beach Express North BERT Demonstration Project. At the meeting, City staff presented the results of a market demand analysis that evaluated employment data for various areas of the City. The TPBPFC passed a motion recommending that the Beach Express North BERT Demonstration Project serve Mount Sinai Medical Center, then operate along 41st Street to Collins Express North BERT Demonstration Project serve Mount Sinai Medical Center, then operate along 41st Street to Collins Avenue, and continue north along Collins Avenue to 44th

Street, then south along Indian Creek Drive to 23rd Street, in order to serve major hotels and entertainment destinations along the Collins Avenue corridor.

At the June 20, 2018 Neighborhood/Community Affairs Committee (NCAC) meeting, the Administration presented the results of a market demand analysis that evaluated employment data for various areas of the City and recommended potential stops and terminus locations in the City as well as a draft Business Plan for the Demonstration Service.

At its June 21, 2018 TPO Governing Board meeting, the TPO adopted Resolution No. 29-18 which approved eleven (11) SMART Demonstration Projects, including the Beach Express North BERT project, for funding through its SMART Demonstration Project grants program.

At its June 29, 2018 meeting, the Finance and Citywide Projects Committee (FCWPC) also discussed this item. The Committee recommended that staff: 1) engage with Miami-Dade County administration quickly to finalize the Interlocal Agreement and Business Plan; 2) explore the possibility of providing a subsidy to City of Miami Beach Employees that use the BERT service; and 3) request quarterly presentations to FCWPC regarding the status of the Beach Express North BERT Demonstration Project.

On October 30, 2018, Transportation Department staff provided a quarterly update to the FCWPC. The update included the \$2.6 million in FDOT funding for the permanent BERT service on the inside shoulder of the Julia Tuttle Causeway to be completed by 2022. Regular meetings have been occurring between City staff and County staff regarding the Interlocal Agreement for the BERT service. Committee members expressed interest in pursuing modifications to existing bus routes to enhance bus service, as an interim improvement while waiting for BERT implementation. Lastly, City staff reported on the Miami-Dade Transit Corporate Discount Program and the \$87,000 in the Transportation Department's FY 2018/19 operating budget allocated to purchase monthly transit passes for City employees who choose to commute to work via transit beginning in early 2019.

ANALYSIS:

As of December 5, 2018, FDOT has programmed funds for the design and construction of the inside shoulder modifications needed to operate the BERT service on the Julia Tuttle Causeway. The FDOT Work Program printout is included in Attachment 1. The Administration will continue to work with Miami-Dade County to finalize a Business Plan for the proposed Beach Express North BERT service on a parallel track while the programming of the inside shoulder work on the Julia Tuttle Causeway by FDOT is occurring. As mentioned above, pursuant to a recent letter from FDOT, the work on the inside shoulders of the Julia Tuttle Causeway is anticipated to be completed by 2022.

Additionally, the Administration is working with the County to potentially modify existing bus routes (such as the Airport Express (Route 150)) to provide service similar to the proposed Beach Express North BERT service in the short-term as an interim service enhancement. The goal is to implement the interim service as part of the County's new service line-up in June 2019.

Lastly, pursuant to the FCWPC's recommendation, the adopted FY 2018/19 Transportation Department Operating Budget has allocated \$87,000 to subsidize monthly transit passes for 100 City employees who choose to use public transit to commute to work. The anticipated start date for the transit subsidy program is February 2019. Notices have gone out via e-mail to all City employees, and

the program is being advertised on the City's internal website. Attachment 2 includes the e-mail announcing the program to Miami Beach employees. Attachment 3 includes the announcement appearing on the Miami Beach intranet site for employees. Attachment 4 includes the registration form that City employees need to fill out to participate in the program.

CONCLUSION:

The adopted 2016 Miami Beach Transportation Master Plan was premised on a mode share goal and modal prioritization strategy adopted by Resolution 2015-29083 on July 8, 2015, which places pedestrians first; transit, bicycles, and freight second; and private automobiles third. Projects in the Transportation Master Plan are intended to move Miami Beach towards this mode share vision by increasing pedestrian, bicycle, and transit travel. The County's proposed network of BERT projects, including the Beach Express North BERT demonstration project, promotes the City's mode share vision and modal prioritization.

The future BERT demonstration service also has the potential to shift the use of vehicles to transit, particularly for workers commuting to and from Miami Beach. The environmental benefits of the proposed transit service will reduce regional greenhouse gas emissions, and align with Miami Beach's resiliency program and the goals of the 100 Resilient Cities partnership.

Staff will continue to present quarterly updates to the FCWPC.

ATTACHMENTS:

Description	Type
□ Attachment 1: FDOT BERT Budget	Other
□ Attachment 2: Employee Transit Pass Program Announcement	Other
□ Attachment 3: Employee Transit Pass Intranet Notification	Other
□ Attachment 4: Employee Transit Pass Enrollment Form	Other

WP04 D_ Display Item_Seg_def Phase_Est Phase_Sum

FDOT- Work Program Administration 12-05-2018

Item Segment Phase 08:08:27

Requested Version: G1 Include Candidates: N (Y/N)

MORE:

Item/Segment: 444622 1 Status: 000 CANDIDATE LINE ITEM Old Item Nbr: _____

Desc: SR 112/I-195/JULIA TUTTLE CSWY FR E. OF SR-5/BISCAYNE BLV TO ALTON RD

Trans System: 01 INTRASTATE INTERSTATE Man Dist: 06 Box Item: N

Begin Search At Phase: _ _ FP Seq: _ Project Total: 4,885,253

Ver	Phase	Seq	Year	Fund	Pgm	PDC	Total	All	Dstr	Bud	Apr	St
G1	3 1	01	2020	SU	00	10,000	10,000	1	T X10	06		2
Design	3 2	01	2020	SU	00	450,000	450,000	1	T X10	06		2
	3 9	01	2020	DIOH	00	30,731	30,731	1	G OH	06		2
	5 2	01	2022	SA	02	1,095,446	1,184,177	1		06		2
Const			2022	SU	02	2,368,516	2,560,366	1	T X10	06		2
	5 9	01	2022	DIOH	00	111,962	111,962	1	G OH	06		2
	6 1	01	2022	SU	00	125,440	135,601	1	T X10	06		2
CEI	6 2	01	2022	SU	00	301,080	325,467	1	T X10	06		2
		02	2022	SU	40	48,820	52,774	1	T X10	06		2
	6 9	01	2022	DIOH	00	24,175	24,175	1	G OH	06		2

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F1=Help F3=Exit

F7=Bkwd F8=Frwd F15=Logoff

Stewart, Levi

From: Alpizar, Marla
Sent: Wednesday, January 09, 2019 6:06 PM
To: City Wide
Cc: Rodriguez, Aime
Subject: Transit Subsidy Program for Employees - Announcing a new benefit!
Attachments: City's Subsidized Transit Program Flyer.jpg; Transit Subsidy Program Form.pdf

****Please post this in each work area for employees without email****

To all City of Miami Beach Employees,

One important goal of the City of Miami Beach is to become less car-centric and to decrease congestion on our roadways. Based on a previous survey of Miami Beach employees conducted by the South Florida Commuter Services, 346 surveyed employees would consider alternative modes of transportation and 80 employees in particular would consider transit services provided by Miami-Dade County to commute to work. Now is the time to try it out!

Beginning on February 1, 2019, employees wishing to use Miami-Dade Transit (Metrobus and Metrorail) to commute to work may receive a **monthly transit pass fully paid by the City**. The transit subsidy is a step the City is undertaking to become less car-centric, offer employees an alternative mode of transportation, and also set an example for other Miami Beach employers to do the same. To encourage participation, the City is paying 100% of the cost of the monthly transit passes (EASY Card) each month from February to September. During this time, there will be no cost to the employee for the monthly pass, which is valued at \$112.50 per month.

Attached please find an enrollment form. Please **return it to the Human Resources Department by January 16, 2019** to receive a February transit pass. Employees may still enroll in the program after January 16 for subsequent months.

Employees can find information on transit routes and plan their trip by using the following link: <https://www.miamidade.gov/transit/rider-guide.asp>. Miami Dade Transit even has a free mobile app to plan your trip and track your ride.

You may contact Aime Rodriguez in Human Resources at aimerodriguez@miamibeachfl.gov or at 305.673.7524 if you have any questions. Once enrolled you will receive an email at the first of each month; you will need to reply by the fourteenth of each month to "opt in" to continue in the monthly program.

"Drive Less. Live More."

Marla Alpizar, Assistant Director, SHRM-CP

MIAMIBEACH

HUMAN RESOURCES DEPARTMENT

1700 Convention Center Drive, Miami Beach, FL 33139

Tel: 305-673-7524 / Fax: 786-394-4549 / www.miamibeachfl.gov

MarlaAlpizar@miamibeachfl.gov

We are committed to providing excellent public service and safety to all who live, work and play in our vibrant, tropical, historic community.

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DITCH TRAFFIC. SAVE GAS. RIDE FREE.

Getting to work has never been easier with the City's new subsidized transit program.

Easy Pass is a monthly transit pass for employees wishing to use Miami-Dade Transit to commute to work. The City is covering the cost of the pass for the first 100 employees who commit to using alternative modes of transportation. E-mail Aime Rodriguez in Human Resources at AimeRodriguez@miamibeachfl.gov by the 15th of any month and begin using the pass by the first of the subsequent month.

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For more information, call 305.673.7524.

MIAMIBeach



City of Miami Beach, 1700 Convention Center Drive, Miami Beach, FL 33139, www.miamibeachfl.gov
HUMAN RESOURCES DEPARTMENT Tel: 305-673-7524 Fax: 305-673-7529

TRANSIT SUBSIDY PROGRAM EMPLOYEE ENROLLMENT FORM

Name: _____ Department/Division: _____
Employee ID: _____ Email: _____
Phone: _____ Supervisor Name/ Phone: _____

PROGRAM OBJECTIVE:

The City of Miami Beach has initiated a transit subsidy in order to become less car-centric, decrease congestion on our roadways and offer employees an alternative mode of transportation. The City will pay 100% of the cost of the transit passes each month from February 2019 to September 2019; there will be no cost to the employee for the monthly transit pass (Corporate EASY Card). The employee must agree to the following terms to enroll and receive the monthly transit subsidy.

TERMS:

- I agree to use Miami-Dade Transit (Metro Bus and Metrorail) to commute to work.
- I agree that I will not drive my personal vehicle to work or park in City-operated garages and/or lots during my working hours. The City has the right to cancel or restrict parking for program participants. Employees receiving a take home vehicle or car allowance are not eligible to participate in the CMB Transit Subsidy Program.
(Parking exceptions will be made on an as-needed basis due to emergencies or pre-scheduled circumstances.)
- I will receive a transit pass, known as the Corporate EASY card, which will be reloaded every month for use on Metro Buses and/or the Metrorail.
- I understand that I can find information on transit routes and plan my commute trip by using the following link:
<https://www.miamidade.gov/transit/rider-guide.asp>
- I agree to notify the Human Resources Department (HR) by the 14th of the month should I wish to continue or cancel my participation in the Transit Subsidy Program; I agree to notify HR if I become ineligible for the program for any reason.
- I agree to notify the Human Resources Department **immediately** if I lose my Corporate EASY card.
- I agree to the Corporate EASY card terms and conditions which are available on the following link:
<https://transitstore.miamidade.gov/home/termsandconditions>

ACKNOWLEDGEMENT:

I understand that the City of Miami Beach will pay for the monthly cost of my transit pass from February 2019 through September 2019. The continuation of the transit subsidy program beyond September 2019 is contingent on City Commission approval.

I have read and agree to the terms of participation set forth in this Agreement. I hereby certify that I will use the transit pass (Corporate EASY card), paid by the City of Miami Beach on my behalf, primarily for the purpose of commuting to and from work at the City of Miami Beach. I certify that I will not transfer the transit pass to anyone else.

Employee Signature: _____ Date: _____

To Be Completed by Human Resources

Employee Signature: _____ Date: _____

MIAMI BEACH

COMMITTEE MEMORANDUM

TO: Finance and Citywide Projects Committee Members

FROM: Jimmy L. Morales, City Manager

DATE: January 25, 2019

SUBJECT: DISCUSSION REGARDING THE FINANCIAL IMPACT OF MAINTAINING TREES LOCATED IN THE SWALE

HISTORY:

Commissioner John Aleman placed on the March 7, 2018 Commission Agenda, Item C4P, Referral To The Sustainability And Resiliency Committee To Consider City-Funded Swale Tree Maintenance which was heard at the March 14, 2018 Sustainability and Resiliency Committee meeting. Greenspace Division Director Rodney Knowles spoke to the Committee about the history of the item, the scope and costs associated with the proposed maintenance, and how tree trimming efforts in the right-of way (ROW) were currently being addressed by Greenspace Management. The direction given was to submit through the FY18/19 budget process, a budget request to fund swale tree maintenance citywide. The budget request of \$1.1 million for swale tree maintenance citywide was cut during the FY 18/19 budget process.

A Discussion Regarding The Financial Impact Of Maintaining Trees Located In The Swale was also presented at the June 29, 2018 Finance and Citywide Projects Committee. Commissioner Arriola discussed standardizing the kinds of trees that are in the swales and the grooming, that would potentially help beautify the City. He referenced cities that are well known for their tree canopies and how they are maintained. Costs were presented for the entire City (see attached). Commissioner Arriola asked if there was a way to do a small scale pilot trimming project. He suggested taking a block or two with existing resources and compare what it looked like before and after.

ANALYSIS:

A cost analysis to maintain the trees in the public ROW was performed in March 2018. To determine routine tree maintenance costs, all of the trees and palms in the City's ROW were included in the computation (commercial areas, major thoroughfares, entrances to the City, municipal facilities, Beachwalk, etc.) in addition to the trees in all swales adjacent to residential properties. Every tree/palm in the ROW would be pruned on a regular cycle to professional industry standards to avert hazardous conditions, especially in preparation for hurricane season. The total number of trees (as determined by the City's tree survey) is approximately 19,000. Of this total almost 8,400 are palms which require pruning four times per year to remove dead or hanging fronds and fruit (particularly important for liability reasons in areas frequented by pedestrians and vehicles) and 1,900 palms that require pruning only twice per year. All other trees are

categorized as small, medium, and large canopy trees that require pruning once a year to remove dead wood, crossed or damaged limbs, low hanging limbs, street light and signage obstructions, etc., as well as dead tree/palm removals.

The work should be performed by or under the supervision of an ISA Certified Arborist or equivalent who is employed by a company that specializes specifically in tree maintenance, not a typical landscaping company. In determining the cost, it is estimated that the contractor would need three to five tree trimming crews, and a tree trimming supervisor to manage the contract and crews. Each tree trimming crew would consist of one lead tree trimmer, one tree trimmer/equipment operator, two ground/flag men to direct vehicular and pedestrian traffic, one bucket truck, one chipper, and associated equipment.

In order to determine the current level of tree services provided by City of Miami Beach staff within the ROW, Greenspace Management performed an assessment of its emergency and contracted arboricultural activities.

EMERGENCY TREE WORK REQUESTS

Since a portion of the tree work performed in 2017 and 2018 was done in response to Hurricane Irma related damage, information from those months was not used for this analysis. For the purposes of this analysis April 2018 was the final month of Irma attributed tree work. From May 2018 to December 2018 Greenspace Management has completed the following number of daily tasks directly related to tree events:

137 Emergency Requests for Tree or Palm Trimming
113 Emergency Requests for Tree or Palm Removal
42 Requests for Tree or Palm Stump Removals
30 Emergency Requests for Tree or Palm Re-staking

TOTAL: 322 Emergency Tree Work Requests

Therefore, Greenspace Management resolved an average of 1.9 emergency tree requests per working day (322/173 working days). It is estimated that including travel time, each emergency tree event take around 7.5 man-hours to complete, including staff's return to tree removal sites at a later date to stump-grind and re-grade the area.

In conclusion, emergency tree requests consume approximately 2,415 man-hours or 1.16 full time equivalent (FTE). This time does not include administrative time to review sites prior to sending crews out and/or following through with residents and staff to close the communication loop.

The distribution of emergency tree work requests by geographic location in the City is as follows:

North Beach 29%
Middle Beach 31%
South Beach 39%

The distribution of where emergency events occur and where maintenance contract exists is as follows:

55% of events occur in an area that is maintained by the City's landscape maintenance contractor
45% of events occur in areas not maintained by the City's landscape contractor.

Greenspace Management did document the maintenance costs associated within a sample residential area (attached).

The landscape maintenance contracts for the City's ROW will be re-bid and awarded before the end of the

calendar year 2019. Planned changes to the contract format include having a unit cost for each service item including tree and palm trimming. The awarded contractor will be required to provide the City with a unit price for these services. Therefore, a current contractor cost per tree can be established and evaluated by dividing the contractor unit cost by the number of trees or palms in the site. That per cost unit can be extrapolated to a cost estimate for the non-contracted sites. Finally, an estimated contracted cost for the entire city can be computed for both tree and palm trimming.

Based on staff's emergency tree response analysis, which reflects that the City currently dedicates a significant amount of resources to tree related issues in the ROW, and of that response effort, approximately 45% of that work is performed in areas that are not under the City's landscape maintenance contract, and that residents are currently performing routine landscape maintenance in their swales per City ordinance, it is recommended that the City continues to provide emergency tree response as it exists in its current capacity.

If there is a desire to increase the level of service to include non-emergency related routine tree maintenance in the ROW, then a budget enhancement can be prepared that will seek to fund the hiring of contracted tree care professionals to perform the services Citywide on an annual basis. However, the order of magnitude of this enhancement will be in excess of one million dollars and such measures have been cut during previous budget deliberations.

CONCLUSION:

This information is presented to the members of the FCWPC for discussion and further direction.

ATTACHMENTS:

Description	Type
□ STUDY OF CONTRACTED TREE TRIMMING IN SAMPLE RESIDENTIAL AREA	Other
□ FY_18_-_ENHANCEMENT_REQUEST_-_Citywide_ROW_Tree_Maintenance	Other
□ Citywide_Tree_Maintenance_Estimated_Costs_2016	Other
□ Citywide Tree Maintenance Estimated Costs 01.25.19	Other

STUDY OF CONTRACTED TREE TRIMMING IN SAMPLE RESIDENTIAL AREA

Greenspace Management procured Brightview Landscaping to trim all trees and palms in the Meridian Avenue swales from 2nd Street north to 15th Street. The Callophyllum trees in this corridor are highly valued as very mature heritage trees within the City of Miami Beach and are generally trimmed every 3 years by a contractor. The aim of the trimming was primarily to remove dead, decaying or broken branches, and to eliminate canopy/building conflicts along the corridor. Below is the breakdown of the cost to the City as well as 'Before' and 'After' photographs:

Number of Trees:	182
Contractor Cost:	\$28,125.00
Ancillary City Cost (Parking Requests Est. Cost):	\$1,800.00
Number of Days to Complete:	12
TOTAL COST:	\$29,925.00
Cost Per Tree:	\$164.00

BEFORE:



AFTER:



FY2018/19 OPERATING BUDGET ENHANCEMENT REQUEST	
ENHANCEMENT NAME	<i>Maintenance of All Trees and Palms in Rights-of-Way Throughout the City of Miami Beach</i>
BUDGET YEAR	FY2018/19
DURATION	Recurring
PKDTYPE (EFFICIENCIES, REDUCTIONS, ENHANCEMENTS)	This enhancement is being requested to cover the annual costs associated with the contracted routine maintenance of all the trees and palms within the City's rights-of-way.
KIO (KEY INTENDED OUTCOME)	<i>Maintain Miami Beach Public Areas & Rights of Way Citywide.</i>
Program (PROGRAM BUDGETING)	Tree Maintenance
DESCRIP (DESCRIPTION)	Funding to enter into a formal tree maintenance agreement with a professional tree-trimming company(s) to perform routine tree maintenance activities on the trees and palms within the City's rights-of-way.
JUSTIFY (JUSTIFICATION, INCLUDING PROGRAM IMPACT)	<p>In order to promote the health and vitality of the City's urban tree canopy, it is important for the City to take an active role in the preservation and maintenance of the trees and palms in its rights-of-way. To this end it is important that all tree/palm trimming and routine maintenance activities that occur in the ROW are performed by skilled, licensed, professionals, and occur at the proper maintenance intervals during the course of the year. By doing so, the City is not only enhancing the health and proliferation of its urban tree canopy, it is also minimizing the likelihood of damage to persons and property from improper maintenance practices, abuse, or neglect. Additionally, routine tree maintenance will reduce the amount of canopy loss experienced in the event of a natural disaster, and will minimize the amount of vegetative debris generated by such events.</p> <p>In order to perform the necessary number of trimming services on every tree and palm within the City's ROW, it is estimated that a professional tree maintenance contractor with three to four tree crews operating simultaneously throughout the year is needed to complete the job. (Note: all dead/dying palm fronds and fruit need to be trimmed at least four times a year; every small, medium, and large tree needs its dead wood, damaged limbs, low hanging limbs, obstructions, etc. trimmed at least once a year, as well as dead tree removal.)</p>
YEAR 1 IMPACT	\$1,138,644.00
COMMENTS (DESCRIPTION)	The City provided Greenspace Management in FY 16/17 with two (2) additional professional Tree Trimmers and a bucket truck to supplement the activities of its existing internal Tree Crew, and to accommodate the additional workload associated with emergency response and special requests, the funding above is the Hybrid Model estimate of \$1,488,644.00, <u>minus</u> the funding associated with the two FY 16/17 FTE's and a vehicle/equipment (\$350,000.00.)

SECTION	NAME	4x Palms	Others	2x Palms	S Trees	M Trees	L Trees	XL Trees	Total
1	Biscayne Pointe	74	833						907
	COST PER ITEM**	\$ 38.00	\$ 35.00	\$ 25.00	\$ 21.00	\$ 27.00	\$ 38.00	\$ 52.00	
	TOTAL COST PER ONE TIME SERVICE	\$ 2,812	\$ 29,155						
	TOTAL SERVICES REQUESTED	4	1						
	TOTAL ANNUAL COST	\$ 11,248	\$ 29,155						\$ 40,403
SECTION	NAME	4x Palms	Others	2x Palms	S Trees	M Trees	L Trees	XL Trees	Total
2	North Shore	780	789						1569
	COST PER ITEM**	\$ 38.00	\$ 35.00	\$ 25.00	\$ 21.00	\$ 27.00	\$ 38.00	\$ 52.00	
	TOTAL COST PER ONE TIME SERVICE	\$ 29,640	\$ 27,615						
	TOTAL SERVICES REQUESTED	4	1						
	TOTAL ANNUAL COST	\$ 118,560	\$ 27,615						\$ 146,175
SECTION	NAME	4x Palms	Others	2x Palms	S Trees	M Trees	L Trees	XL Trees	Total
3	Normandy Shores	205	506						711
	COST PER ITEM**	\$ 38.00	\$ 35.00	\$ 25.00	\$ 21.00	\$ 27.00	\$ 38.00	\$ 52.00	
	TOTAL COST PER ONE TIME SERVICE	\$ 7,790	\$ 17,710						
	TOTAL SERVICES REQUESTED	4	1						
	TOTAL ANNUAL COST	\$ 31,160	\$ 17,710						\$ 48,870
SECTION	NAME	4x Palms	Others	2x Palms	S Trees	M Trees	L Trees	XL Trees	Total
4	Normandy Isle South	334	1170						1504
	COST PER ITEM**	\$ 38.00	\$ 35.00	\$ 25.00	\$ 21.00	\$ 27.00	\$ 38.00	\$ 52.00	
	TOTAL COST PER ONE TIME SERVICE	\$ 12,692	\$ 40,950						
	TOTAL SERVICES REQUESTED	4	1						
	TOTAL ANNUAL COST	\$ 50,768	\$ 40,950						\$ 91,718
SECTION	NAME	4x Palms	Others	2x Palms	S Trees	M Trees	L Trees	XL Trees	Total
5	La Gorce and Allison Island	737	2318						3055
	COST PER ITEM**	\$ 38.00	\$ 35.00	\$ 25.00	\$ 21.00	\$ 27.00	\$ 38.00	\$ 52.00	
	TOTAL COST PER ONE TIME SERVICE	\$ 28,006	\$ 81,130						
	TOTAL SERVICES REQUESTED	4	1						
	TOTAL ANNUAL COST	\$ 112,024	\$ 81,130						\$ 193,154
** Others' cost is an average of all other prices.									
SECTION	NAME	4x Palms	Others	2x Palms	S Trees	M Trees	L Trees	XL Trees	Total
6	Ocean Front	393		197	25	19	31	0	665
	COST PER ITEM	\$ 38.00		\$ 25.00	\$ 21.00	\$ 27.00	\$ 38.00	\$ 52.00	
	TOTAL COST PER ONE TIME SERVICE	\$ 14,934		\$ 4,925	\$ 525	\$ 513	\$ 1,178	\$ -	
	TOTAL SERVICES REQUESTED	4		2	1	1	1	1	
	TOTAL ANNUAL COST	\$ 59,736		\$ 9,850	\$ 525	\$ 513	\$ 1,178	\$ -	\$ 71,802
SECTION	NAME	4x Palms	Others	2x Palms	S Trees	M Trees	L Trees	XL Trees	Total
7	Nautilus	447		413	276	342	254	32	1764
	COST PER ITEM	\$ 38.00		\$ 25.00	\$ 21.00	\$ 27.00	\$ 38.00	\$ 52.00	
	TOTAL COST PER ONE TIME SERVICE	\$ 16,986		\$ 10,325	\$ 5,796	\$ 9,234	\$ 9,652	\$ 1,664	
	TOTAL SERVICES REQUESTED	4		2	1	1	1	1	
	TOTAL ANNUAL COST	\$ 67,944		\$ 20,650	\$ 5,796	\$ 9,234	\$ 9,652	\$ 1,664	\$ 114,940
SECTION	NAME	4x Palms	Others	2x Palms	S Trees	M Trees	L Trees	XL Trees	Total
8	Bayshore, Lake Pancoast, Sunset Islands	1284		374	312	163	340	56	2529
	COST PER ITEM	\$ 38.00		\$ 25.00	\$ 21.00	\$ 27.00	\$ 38.00	\$ 52.00	
	TOTAL COST PER ONE TIME SERVICE	\$ 48,792		\$ 9,350	\$ 6,552	\$ 4,401	\$ 12,920	\$ 2,912	
	TOTAL SERVICES REQUESTED	4		2	1	1	1	1	
	TOTAL ANNUAL COST	\$ 195,168		\$ 18,700	\$ 6,552	\$ 4,401	\$ 12,920	\$ 2,912	\$ 240,653
SECTION	NAME	4x Palms	Others	2x Palms	S Trees	M Trees	L Trees	XL Trees	Total
9	City Center	321		122	98	136	72	14	763
	COST PER ITEM	\$ 38.00		\$ 25.00	\$ 21.00	\$ 27.00	\$ 38.00	\$ 52.00	
	TOTAL COST PER ONE TIME SERVICE	\$ 12,198		\$ 3,050	\$ 2,058	\$ 3,672	\$ 2,736	\$ 728	
	TOTAL SERVICES REQUESTED	4		2	1	1	1	1	
	TOTAL ANNUAL COST	\$ 48,792		\$ 6,100	\$ 2,058	\$ 3,672	\$ 2,736	\$ 728	\$ 64,086
SECTION	NAME	4x Palms	Others	2x Palms	S Trees	M Trees	L Trees	XL Trees	Total
10	Flamingo Park	1247		218	228	156	104	195	2148
	COST PER ITEM	\$ 38.00		\$ 25.00	\$ 21.00	\$ 27.00	\$ 38.00	\$ 52.00	
	TOTAL COST PER ONE TIME SERVICE	\$ 47,386		\$ 5,450	\$ 4,788	\$ 4,212	\$ 3,952	\$ 10,140	
	TOTAL SERVICES REQUESTED	4		2	1	1	1	1	
	TOTAL ANNUAL COST	\$ 189,544		\$ 10,900	\$ 4,788	\$ 4,212	\$ 3,952	\$ 10,140	\$ 223,536
SECTION	NAME	4x Palms	Others	2x Palms	S Trees	M Trees	L Trees	XL Trees	Total
11	West Avenue	26		46	44	65	33	0	214
	COST PER ITEM	\$ 38.00		\$ 25.00	\$ 21.00	\$ 27.00	\$ 38.00	\$ 52.00	
	TOTAL COST PER ONE TIME SERVICE	\$ 988		\$ 1,150	\$ 924	\$ 1,755	\$ 1,254	\$ -	
	TOTAL SERVICES REQUESTED	4		2	1	1	1	1	
	TOTAL ANNUAL COST	\$ 3,952		\$ 2,300	\$ 924	\$ 1,755	\$ 1,254	\$ -	\$ 10,185
SECTION	NAME	4x Palms	Others	2x Palms	S Trees	M Trees	L Trees	XL Trees	Total
12	Southpointe	532		213	81	237	146	31	1240
	COST PER ITEM	\$ 38.00		\$ 25.00	\$ 21.00	\$ 27.00	\$ 38.00	\$ 52.00	
	TOTAL COST PER ONE TIME SERVICE	\$ 20,216		\$ 5,325	\$ 1,701	\$ 6,399	\$ 5,548	\$ 1,612	
	TOTAL SERVICES REQUESTED	4		2	1	1	1	1	
	TOTAL ANNUAL COST	\$ 80,864		\$ 10,650	\$ 1,701	\$ 6,399	\$ 5,548	\$ 1,612	\$ 106,774
SECTION	NAME	4x Palms	Others	2x Palms	S Trees	M Trees	L Trees	XL Trees	Total
13	Venetian, Star, Palm, and Hibiscus Islands	963		32	130	59	78	0	1262
	COST PER ITEM	\$ 38.00		\$ 25.00	\$ 21.00	\$ 27.00	\$ 38.00	\$ 52.00	
	TOTAL COST PER ONE TIME SERVICE	\$ 36,594		\$ 800	\$ 2,730	\$ 1,593	\$ 2,964	\$ -	
	TOTAL SERVICES REQUESTED	4		2	1	1	1	1	
	TOTAL ANNUAL COST	\$ 146,376		\$ 1,600	\$ 2,730	\$ 1,593	\$ 2,964	\$ -	\$ 155,263
SECTION	NAME	4x Palms	Others	2x Palms	S Trees	M Trees	L Trees	XL Trees	Total
14	Julia Tuttle Causeway	953		317	26	173	11	3	1483
	COST PER ITEM	\$ 38.00		\$ 25.00	\$ 21.00	\$ 27.00	\$ 38.00	\$ 52.00	
	TOTAL COST PER ONE TIME SERVICE	\$ 36,214		\$ 7,925	\$ 546	\$ 4,671	\$ 418	\$ 156	
	TOTAL SERVICES REQUESTED	4		2	1	1	1	1	
	TOTAL ANNUAL COST	\$ 144,856		\$ 15,850	\$ 546	\$ 4,671	\$ 418	\$ 156	\$ 166,497
SECTION	NAME	4x Palms	Others	2x Palms	S Trees	M Trees	L Trees	XL Trees	Total
15	MacArthur Causeway	142		10	6	0	0	0	158
	COST PER ITEM	\$ 38.00		\$ 25.00	\$ 21.00	\$ 27.00	\$ 38.00	\$ 52.00	
	TOTAL COST PER ONE TIME SERVICE	\$ 5,396		\$ 250	\$ 126	\$ -	\$ -	\$ -	
	TOTAL SERVICES REQUESTED	4		2	1	1	1	1	
	TOTAL ANNUAL COST	\$ 21,584		\$ 500	\$ 126	\$ -	\$ -	\$ -	\$ 22,210

HYBRID MODEL	
5 CONTRACTED SECTIONS	
CITY CENTER/FLAMINGO BY IN-HOUSE CREW	
SECTION 1- NORTHERN ISLANDS	
Biscayne Pointe	\$ 40,403
Normandy Shores	\$ 48,870
Normandy Isle South	\$ 91,718
SECTION COST	\$ 180,991
SECTION 2- NORTH BEACH	
North Shore	\$ 146,175
Ocean Front	\$ 71,802
SECTION COST	\$ 217,977
SECTION 3- NORTH CENTRAL	
La Gorce and Allison Island	\$ 193,154
Nautilus	\$ 114,940
SECTION COST	\$ 308,094
SECTION 4- WEST ENTRANCE	
Bayshore, Lake Pancoast, Sunset Islands	\$ 240,653
Julia Tuttle Causeway	\$ 166,497
SECTION COST	\$ 407,150
IN-HOUSE SECTIONS*	
City Center	1 FTE
Flamingo Park	1 FTE
SECTION COST	\$80,000
SECTION 5- SOUTHPOINTE AND ISLANDS	
West Avenue	\$ 10,185
Southpointe	\$ 106,774
Venetian, Star, Palm, and Hibiscus Islands	\$ 155,263
MacArthur Causeway	\$ 22,210
SECTION COST	\$ 294,432
TOTAL COST	
\$ 1,488,644	

HYBRID IN-HOUSE CALCULATION							
STRAIGHT CALCULATION FOR # OF CREWS			MODIFIED CALCULATION- ADJUST SCHEDULE		ADDITIONAL WORKERS FOR TREE CREW		
ANNUAL TREE TRIMMING COUNT			MONTH		City Center and Flamingo Park does not required a full time crew per the straight calculation (1/2 crew). Therefore, the City requires 2 FTEs to replace existing obligations from current employees. Tree crew can provide tree health care or complete landscape projects during downtimes.		
Coconut, Royal, Sabal, Wash., Canary (4x)	1568	6272	JAN	All palms	17	1908	1.4
All other palms (2x palm sum + 1/3 others)	340	680	FEB				
All trees (2/3 others + all other listed sizes)	1003	1003	MAR				
TOTAL TREE TRIMMING ACTIONS PER YEAR		7955	APR	4x palms	17	1568	1.2
For expediency, others are 2/3 trees, 1/3 palms			MAY				
GENERALIZED REQUIRED # OF IN-HOUSE CREWS			JUNE	Trees	17	1003	0.7
TOTAL TREE TRIMMING ACTIONS PER YEAR		7955	JULY	All palms	17	1908	1.4
FULL POTENTIAL OF CITY WORK DAYS			AUG				
14 Days of Holidays	-14		SEPT				
10 Days of Vacation	-10		OCT	4x palms	17	1568	1.2
15% Expected Days of Rain-Outs	-35		NOV				
EXPECTED WORK DAYS AVAILABLE	201		DEC				
ESTIMATED WORK PRODUCTION/DAY			TOTAL # CREWS REQUIRED PEAK TIME		1.4		
ESTIMATED WORK PRODUCTION/YEAR	16,080		ROUNDED DOWN		1		
TOTAL NUMBER OF CREWS REQUIRED					0.5		

SECTION	NAME	4x Palms	Others	2x Palms	S Trees	M Trees	L Trees	XL Trees	Total
1	Biscayne Pointe	74	833						907
	COST PER ITEM**	\$ 38.00	\$ 35.00	\$ 25.00	\$ 21.00	\$ 27.00	\$ 38.00	\$ 52.00	
	TOTAL COST PER ONE TIME SERVICE	\$ 2,812	\$ 29,155						
	TOTAL SERVICES REQUESTED	4	1						
	TOTAL ANNUAL COST	\$ 11,248	\$ 29,155						\$ 40,403
SECTION	NAME	4x Palms	Others	2x Palms	S Trees	M Trees	L Trees	XL Trees	Total
2	North Shore	780	789						1569
	COST PER ITEM**	\$ 38.00	\$ 35.00	\$ 25.00	\$ 21.00	\$ 27.00	\$ 38.00	\$ 52.00	
	TOTAL COST PER ONE TIME SERVICE	\$ 29,640	\$ 27,615						
	TOTAL SERVICES REQUESTED	4	1						
	TOTAL ANNUAL COST	\$ 118,560	\$ 27,615						\$ 146,175
SECTION	NAME	4x Palms	Others	2x Palms	S Trees	M Trees	L Trees	XL Trees	Total
3	Normandy Shores	205	506						711
	COST PER ITEM**	\$ 38.00	\$ 35.00	\$ 25.00	\$ 21.00	\$ 27.00	\$ 38.00	\$ 52.00	
	TOTAL COST PER ONE TIME SERVICE	\$ 7,790	\$ 17,710						
	TOTAL SERVICES REQUESTED	4	1						
	TOTAL ANNUAL COST	\$ 31,160	\$ 17,710						\$ 48,870
SECTION	NAME	4x Palms	Others	2x Palms	S Trees	M Trees	L Trees	XL Trees	Total
4	Normandy Isle South	334	1170						1504
	COST PER ITEM**	\$ 38.00	\$ 35.00	\$ 25.00	\$ 21.00	\$ 27.00	\$ 38.00	\$ 52.00	
	TOTAL COST PER ONE TIME SERVICE	\$ 12,692	\$ 40,950						
	TOTAL SERVICES REQUESTED	4	1						
	TOTAL ANNUAL COST	\$ 50,768	\$ 40,950						\$ 91,718
SECTION	NAME	4x Palms	Others	2x Palms	S Trees	M Trees	L Trees	XL Trees	Total
5	La Gorce and Allison Island	737	2318						3055
	COST PER ITEM**	\$ 38.00	\$ 35.00	\$ 25.00	\$ 21.00	\$ 27.00	\$ 38.00	\$ 52.00	
	TOTAL COST PER ONE TIME SERVICE	\$ 28,006	\$ 81,130						
	TOTAL SERVICES REQUESTED	4	1						
	TOTAL ANNUAL COST	\$ 112,024	\$ 81,130						\$ 193,154
** Others' cost is an average of all other prices.									
SECTION	NAME	4x Palms	Others	2x Palms	S Trees	M Trees	L Trees	XL Trees	Total
6	Ocean Front	393	197	25	19	31	0	0	665
	COST PER ITEM	\$ 38.00		\$ 25.00	\$ 21.00	\$ 27.00	\$ 38.00	\$ 52.00	
	TOTAL COST PER ONE TIME SERVICE	\$ 14,934	\$ 4,925	\$ 525	\$ 513	\$ 1,178	\$ -		
	TOTAL SERVICES REQUESTED	4	2	1	1	1	1	1	
	TOTAL ANNUAL COST	\$ 59,736	\$ 9,850	\$ 525	\$ 513	\$ 1,178	\$ -		\$ 71,802
SECTION	NAME	4x Palms	Others	2x Palms	S Trees	M Trees	L Trees	XL Trees	Total
7	Nautilus	447	413	276	342	254	32	32	1764
	COST PER ITEM	\$ 38.00		\$ 25.00	\$ 21.00	\$ 27.00	\$ 38.00	\$ 52.00	
	TOTAL COST PER ONE TIME SERVICE	\$ 16,986	\$ 10,325	\$ 5,796	\$ 9,234	\$ 9,652	\$ 1,664		
	TOTAL SERVICES REQUESTED	4	2	1	1	1	1	1	
	TOTAL ANNUAL COST	\$ 67,944	\$ 20,650	\$ 5,796	\$ 9,234	\$ 9,652	\$ 1,664		\$ 114,940
SECTION	NAME	4x Palms	Others	2x Palms	S Trees	M Trees	L Trees	XL Trees	Total
8	Bayshore, Lake Panoast, Sunset Islands	1284		374	312	163	340	56	2529
	COST PER ITEM	\$ 38.00		\$ 25.00	\$ 21.00	\$ 27.00	\$ 38.00	\$ 52.00	
	TOTAL COST PER ONE TIME SERVICE	\$ 48,792		\$ 9,350	\$ 6,552	\$ 4,401	\$ 12,920	\$ 2,912	
	TOTAL SERVICES REQUESTED	4		2	1	1	1	1	
	TOTAL ANNUAL COST	\$ 195,168		\$ 18,700	\$ 6,552	\$ 4,401	\$ 12,920	\$ 2,912	\$ 240,653
SECTION	NAME	4x Palms	Others	2x Palms	S Trees	M Trees	L Trees	XL Trees	Total
9	City Center	321	122	98	136	72	14	763	
	COST PER ITEM	\$ 38.00		\$ 25.00	\$ 21.00	\$ 27.00	\$ 38.00	\$ 52.00	
	TOTAL COST PER ONE TIME SERVICE	\$ 12,198	\$ 3,050	\$ 2,058	\$ 3,672	\$ 2,736	\$ 728		
	TOTAL SERVICES REQUESTED	4		2	1	1	1	1	
	TOTAL ANNUAL COST	\$ 48,792		\$ 6,100	\$ 2,058	\$ 3,672	\$ 2,736	\$ 728	\$ 64,086
SECTION	NAME	4x Palms	Others	2x Palms	S Trees	M Trees	L Trees	XL Trees	Total
10	Flamingo Park	2247		218	228	156	104	195	2148
	COST PER ITEM	\$ 38.00		\$ 25.00	\$ 21.00	\$ 27.00	\$ 38.00	\$ 52.00	
	TOTAL COST PER ONE TIME SERVICE	\$ 47,386		\$ 5,450	\$ 4,788	\$ 4,212	\$ 3,952	\$ 10,140	
	TOTAL SERVICES REQUESTED	4		2	1	1	1	1	
	TOTAL ANNUAL COST	\$ 189,544		\$ 10,900	\$ 4,788	\$ 4,212	\$ 3,952	\$ 10,140	\$ 223,536
SECTION	NAME	4x Palms	Others	2x Palms	S Trees	M Trees	L Trees	XL Trees	Total
11	West Avenue	26		46	44	65	33	0	214
	COST PER ITEM	\$ 38.00		\$ 25.00	\$ 21.00	\$ 27.00	\$ 38.00	\$ 52.00	
	TOTAL COST PER ONE TIME SERVICE	\$ 988		\$ 1,150	\$ 924	\$ 1,755	\$ 1,254	\$ -	
	TOTAL SERVICES REQUESTED	4		2	1	1	1	1	
	TOTAL ANNUAL COST	\$ 3,952		\$ 2,300	\$ 924	\$ 1,755	\$ 1,254	\$ -	\$ 10,185
SECTION	NAME	4x Palms	Others	2x Palms	S Trees	M Trees	L Trees	XL Trees	Total
12	Southpointe	532		213	81	237	146	31	1240
	COST PER ITEM	\$ 38.00		\$ 25.00	\$ 21.00	\$ 27.00	\$ 38.00	\$ 52.00	
	TOTAL COST PER ONE TIME SERVICE	\$ 20,216		\$ 5,325	\$ 1,701	\$ 6,399	\$ 5,548	\$ 1,612	
	TOTAL SERVICES REQUESTED	4		2	1	1	1	1	
	TOTAL ANNUAL COST	\$ 80,864		\$ 10,650	\$ 1,701	\$ 6,399	\$ 5,548	\$ 1,612	\$ 106,774
SECTION	NAME	4x Palms	Others	2x Palms	S Trees	M Trees	L Trees	XL Trees	Total
13	Venetian, Star, Palm, and Hibiscus Islands	863		32	130	59	78	0	1262
	COST PER ITEM	\$ 38.00		\$ 25.00	\$ 21.00	\$ 27.00	\$ 38.00	\$ 52.00	
	TOTAL COST PER ONE TIME SERVICE	\$ 36,594		\$ 800	\$ 2,730	\$ 1,593	\$ 2,964	\$ -	
	TOTAL SERVICES REQUESTED	4		2	1	1	1	1	
	TOTAL ANNUAL COST	\$ 146,376		\$ 1,600	\$ 2,730	\$ 1,593	\$ 2,964	\$ -	\$ 155,263
SECTION	NAME	4x Palms	Others	2x Palms	S Trees	M Trees	L Trees	XL Trees	Total
14	Julia Tuttle Causeway	953		317	26	173	11	3	1483
	COST PER ITEM	\$ 38.00		\$ 25.00	\$ 21.00	\$ 27.00	\$ 38.00	\$ 52.00	
	TOTAL COST PER ONE TIME SERVICE	\$ 36,214		\$ 7,925	\$ 546	\$ 4,671	\$ 418	\$ 156	
	TOTAL SERVICES REQUESTED	4		2	1	1	1	1	
	TOTAL ANNUAL COST	\$ 144,856		\$ 15,850	\$ 546	\$ 4,671	\$ 418	\$ 156	\$ 166,497
SECTION	NAME	4x Palms	Others	2x Palms	S Trees	M Trees	L Trees	XL Trees	Total
15	MacArthur Causeway	142		10	6	0	0	0	158
	COST PER ITEM	\$ 38.00		\$ 25.00	\$ 21.00	\$ 27.00	\$ 38.00	\$ 52.00	
	TOTAL COST PER ONE TIME SERVICE	\$ 5,396		\$ 250	\$ 126	\$ -	\$ -	\$ -	
	TOTAL SERVICES REQUESTED	4		2	1	1	1	1	
	TOTAL ANNUAL COST	\$ 21,584		\$ 500	\$ 126	\$ -	\$ -	\$ -	\$ 22,210

HYBRID MODEL	
5 CONTRACTED SECTIONS	
CITY CENTER/FLAMINGO BY IN-HOUSE CREW	
SECTION 1- NORTHERN ISLANDS	
Biscayne Pointe	\$ 40,403
Normandy Shores	\$ 48,870
Normandy Isle South	\$ 91,718
SECTION COST	\$ 180,991
SECTION 2- NORTH BEACH	
North Shore	\$ 146,175
Ocean Front	\$ 71,802
SECTION COST	\$ 217,977
SECTION 3- NORTH CENTRAL	
La Gorce and Allison Island	\$ 193,154
Nautilus	\$ 114,940
SECTION COST	\$ 308,094
SECTION 4- WEST ENTRANCE	
Bayshore, Lake Panoast, Sunset Islands	\$ 240,653
Julia Tuttle Causeway	\$ 166,497
SECTION COST	\$ 407,150
IN-HOUSE SECTIONS*	
City Center	1 FTE
Flamingo Park	1 FTE
SECTION COST	\$80,000
SECTION 5- SOUTHPOINT AND ISLANDS	
West Avenue	\$ 10,185
Southpointe	\$ 106,774
Venetian, Star, Palm, and Hibiscus Islands	\$ 155,263
MacArthur Causeway	\$ 22,210
SECTION COST	\$ 294,432
SUB-TOTAL	
\$ 1,488,644	
ADJUSTED COST AFTER FY16/17 STAFF & EQUIP.	
\$ 1,138,644	

HYBRID IN-HOUSE CALCULATION			
STRAIGHT CALCULATION FOR # OF CREWS		MODIFIED CALCULATION- ADJUST SCHEDULE	
ANNUAL TREE TRIMMING COUNT		MONTH	SERVICE
Coconut, Royal, Sabal, Wash, Canary (4x)	1568	JAN	All palms
All other palms (2x palm sum + 1/3 others)	340	FEB	
All trees (2/3 others + all other listed sizes)	1003	MAR	
TOTAL TREE TRIMMING ACTIONS PER YEAR	7955	APR	4x palms
For expediency, others are 2/3 trees, 1/3 palms		MAY	
GENERALIZED REQUIRED # OF IN-HOUSE CREWS		JUNE	Trees
TOTAL TREE TRIMMING ACTIONS PER YEAR	7955	JULY	All palms
		AUG	
		SEPT	
		OCT	4x palms
		NOV	
		DEC	
		*201 Days/12 Months= 17 Days per Month Rounded Up	
		** Assume production @ 1,360/Month	
FULL POTENTIAL OF CITY WORK DAYS	260		
14 Days of Holidays	-14		
10 Days of Vacation	-10		
15% Expected Days of Rain-Outs	-35		
EXPECTED WORK DAYS AVAILABLE	201		
ESTIMATED WORK PRODUCTION/DAY	80		
ESTIMATED WORK PRODUCTION/YEAR	16,080		
TOTAL NUMBER OF CREWS REQUIRED	0.5		

ADDITIONAL WORKERS FOR TREE CREW	
City Center and Flamingo Park does not require a full time crew per the straight calculation (1/2 crew). Therefore, the City requires 2 FTEs to replace existing obligations from current employees. Tree crew can provide tree health care or complete landscape projects during downtimes.	
NEW EMPLOYEES	
Maintenance Worker I	2

MIAMI BEACH

COMMITTEE MEMORANDUM

TO: Finance and Citywide Projects Committee Members

FROM: Jimmy L. Morales, City Manager

DATE: January 25, 2019

SUBJECT: **DISCUSSION REGARDING G.O. BOND**

ANALYSIS:

Discussion at Committee.

MIAMI BEACH

COMMITTEE MEMORANDUM

TO: Finance and Citywide Projects Committee Members

FROM: Jimmy L. Morales, City Manager

DATE: January 25, 2019

SUBJECT: **DISCUSSION REGARDING THE JANUARY 3, 2019 TERM SHEET FOR THE PARKING GARAGE/RETAIL DEVELOPMENT PROJECT, INVOLVING CITY-OWNED PARKING LOTS IN NORTH BEACH, SUBMITTED BY NORTH BEACH TOWN CENTER DEVELOPMENT, LLC, AN AFFILIATE OF PACIFIC STAR CAPITAL, LLC**

HISTORY:

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

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

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

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

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

(4) City to pay Developer for the City's portion of the design and construction costs for the Project, pursuant to **separate stand-alone contracts for design and construction** of the City garage, to avoid a commingling of funds and a separation of responsibilities (including separate performance bond, etc.) for the City's portion of the project; and

(5) The garage would be designed in accordance with City's design criteria for convertibility to other uses (to take into account anticipated continued declines in parking demand), with no convertibility in the first ten years following the opening of the garage, and thresholds (limits) on any potential conversion by the City, between the tenth and twentieth year following opening of the garage; and

(6) At completion of construction, at which time the garage project would be condominiumized, with the City to own the City parking garage condominium unit, and Developer to own the remaining condo units within the garage for retail and loading.

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

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

On November 7, 2018, the Administration met with the Developer to discuss its best and final offer. At its November 30, 2018 meeting, the FCWPC discussed the terms of the offer, attached hereto as Exhibit "B", and advised the Developer to substantially improve the economic terms if it wished to continue negotiations with the City. The FCWPC also recommended in favor of directing staff to engage a consultant to perform an economic impact study of the Developer's proposal. The FCWPC also recommended in favor of referring this matter to the Budget and Advisory Committee (BAC) for discussion. At its December 12, 2018 meeting, the Mayor and City Commission accepted the recommendations of the FCWPC and referred this matter to the BAC and further directed staff to engage a consultant to perform an economic impact study, including the value of the City's land in the financial analysis. The scope of work for the economic impact study is attached hereto as Exhibit "C".

Subsequently, the City has met multiple times with the Developer to discuss revised terms and conditions. On January 3, 2018, the Administration met with the Developer to discuss its latest submittal and accommodations for Prima Pasta. **The Developer has provided its best and final offer attached hereto as Exhibit "D".** Also, the Summaries of Land Swap and Retail Condo Values and Revised Concept Plans are attached hereto as Exhibits "E" and "F".

ANALYSIS:

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

(1) The Developer is now proposing for the project between Abbott Avenue and Byron Avenue to be constructed as a single building structure (as opposed to two building structures) with condominiums containing 80,378 s.f. of retail owned by the developer. The City has the option of paying for the development rights (for spaces on Developer's site) and for the cost to design and construct either (1) a 358

parking space garage; or (2) a 479 parking space garage, with all of the parking spaces to be owned and operated by the City (except all 111 spaces on the third level as set forth more fully below). The single structure of retail and parking would no longer be considered a main use garage. After the proposed swap, the underlying land would remain separately owned by Developer and the City until the project is completed and condominiumized.

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

(2) The Developer will provide 111 parking spaces on the third floor of the garage, which would be controlled by a separate access system. The Developer has proposed to build approximately 41,000 SF of retail space on the entire 2nd floor, with parking to now be located on Floors 3, 4 and the roof (358 space option), or on Floors 3, 4, 5 and the roof (479 space option).

The Cost of the 358 Space Parking Garage Option

Due to the configuration of the parking, under the 358 space option, the City would now pay the Developer \$2,120,640 for the real estate value of the parking condo unit located on Developer's parcel. The City would receive from the Developer \$3,486,385 for the real estate value of the retail condo unit located on City's parcel, and \$800,000 for the higher value of the City's parcels for the land swap. This results in a Developer net payment to the City in the amount of \$2,165,745, which will offset the City's \$8,398,000 construction cost of the 247 spaces (358-111=247).

Accordingly, the net out-of-pocket construction cost to the City for the 247 spaces is \$6,232,255 (\$25,232 per space) versus \$10,459,680 (\$29,136 per space) for 359 spaces under the prior proposal.

The Cost of the 479 space Parking Garage Option

Due to the configuration of the parking, under the 479 space option, the City would now pay the Developer \$3,180,960 for the real estate value of the parking condo unit located on Developer's parcel. The City would receive from the Developer \$3,486,385 for the real estate value of the retail condo unit located on City's parcel, and \$800,000 for the higher value of the City's parcels for the land swap. This results in a Developer net payment to the City in the amount of \$1,105,425, which will offset the City's \$12,512,000 construction cost of the 368 spaces (479-111=368).

Accordingly, the net out-of-pocket construction cost to the City for the 368 spaces is \$11,406,575 (\$30,996 per space) versus \$10,459,680 (\$29,136 per space) for 359 spaces under the prior proposal.

(3) In earlier FCWPC meetings, the Developer proposed the City provide up to ten (10) years of two-hour free parking. As presented at the July 27, 2018 FCWPC meeting, the Developer proposed the City provide 2-hour free parking for up to 20 years through a ticket validation system, with the Developer paying for any operating losses in the Town Center garage in addition to an annual contribution of \$66,000 for replacement of the revenue associated with the City owned lots. Commencing in the 5th year, instead of Developer making validation payments for the full amount of tickets validated if retail occupancy exceeds 70%, Developer proposed to make validation payments if retail occupancy exceeded 90%, a significantly higher threshold. **The Developer's current proposal includes one hour free parking for a period up to twenty (20) years. The Developer will pay for the costs associated with implementing a validation system. The Developer will pay the City the amount of the operating losses, if any, plus a contribution of \$66,000 annually to replace the net revenue associated with the existing City-owned surface parking lots. Commencing on the fifth anniversary of the opening date, if the Developer's retail tenants occupy more than 79% of the floor area ("Occupancy Threshold"), the Developer will**

reimburse the City for the validated tickets, plus an annual contribution off \$66,000.

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

a. A decrease of 50% or more in Garage Occupancy in any one year period, as compared to Garage Occupancy for any other one (1) year period since the Opening Date, based on hours of operation between 10AM and 6PM; or

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

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

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

(5) The Developer’s current term sheet now includes accommodations in an effort to allow the Prima Pasta restaurant to continue to operate. These accommodations are pending ongoing refinement by NBTC, and are subject to review by the Fire Department and Building Department. The Administration has confirmed that Prima Pasta is satisfied, subject to further refinement, that these provisions sufficiently protect Prima Pasta’s interests. The Developer has agreed to include the accommodations in the development agreement.

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

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

Given the Developer’s proposed structure, Developer has agreed that (1) the entire project between Abbott Avenue and Byron Avenue cannot be liened or encumbered; (2) Developer’s construction loan will identify collateral other than the Project, (3) Developer has further agreed that as a condition of closing, Developer will provide evidence of lender’s agreement to continue to fund the project (and thereby provide a “completion guarantee”) in the event the Developer defaults and the lender forecloses on that separate collateral; and (4) the Developer entity will be constituted as a “bankruptcy remote” entity with independent directors, to ensure that any decision to seek bankruptcy protection is made in good faith and is not arbitrary.

In this regard, although as discussed more fully below, the Administration’s preference is for a structure that involves less development risk to the City (i.e., sell the City parcels to the Developer and be paid the full appraised value at closing (\$10 million), with the City to purchase the City parking condominium unit upon

completion of the Project, so that City's funds are not expended until the City is assured that the parking units would be completed and delivered to the City), the Developer has attempted to address the City's issues to the extent possible.

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

- The estimated Ad Valorem impact to the City of Miami Beach for the project is estimated at \$312,333 in the first year, and \$3.5 million over 10 years.
- The proposed City investment is \$9,758,480. This investment will result in both direct, and more importantly indirect and stimulated economic benefits for North Beach and the City. The total estimated cost of the project is \$80 million, which will have a positive economic impact of over \$92 million during construction. Following construction, the project will include retail, restaurant, office and residential uses which will generate over \$59 million annually in the local economy.
- This economic activity will include an estimated almost \$50 million annually in retail sales. This is retail spending that without this project, would likely occur outside of Miami Beach.
- The project is estimated to generate \$1.115 million in Building Permit Fees and \$863,682 in Transportation Concurrency Fees, in addition to \$220,000 in Art in Public Places funding. [Note: Building fees offset the cost of building permitting and inspection services and, therefore represent no net revenues to the City. Transportation Concurrency fees similarly represent the development's share of transportation improvements associated with the number of trips generated by the development.]

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

Concerns

- While the Administration and the Developer have made significant progress since the November 30, 2018 FCWPC meeting, there are still noteworthy concerns associated with the project, including, but not limited to, the items below:

(1) The Developer's project currently consists of 80,378 SF of retail space, including a 30,151 SF grocery tenant. The Administration is concerned that it would be spending \$6.232 million (358 space option) or \$11.407 million (479 space option) for construction of all of the parking for this project, with the possibility that there will be no excess parking to serve the surrounding community, beyond the parking that is, as a practical matter, required to serve big box tenants and a grocery tenant (358 space option).

- Based on practical requirements of 3 spaces/1,000 SF for typical retail tenants and 5 spaces/1,000 SF for the grocery tenant, the parking requirement is 301 spaces just to support the on-site tenants. Therefore, under the 358 space option, most of the 247 parking spaces paid for and owned by the City are just to support the Developer. Inclusive of the 83 spaces lost from existing City lots that serve Prima Pasta and the Byron Carlyle, this results in a **net deficit of 26 spaces** in the area due to the development. Under the 479 space option, inclusive of the 83

spaces lost from existing City lots that serve Prima Pasta and the Byron Carlyle, there is only a **net gain of 95 spaces** in the area due to the development.

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

Sunset Harbour garage contains 439 total parking spaces and only 30,000 SF of retail space. The Sunset Harbour transaction anticipated retail demand at 4.3spaces/1,000 SF, (or 130 parking spaces) leaving 309 spaces for general municipal use.

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

Updated pro formas for the proposed NBTC garage based on revenues and expenditures similar to Sunset Harbour, at 100% occupancy as proposed by the developer, both with and without 1-hour free parking, are shown in Exhibit “G”, resulting in a net profit prior to depreciation of \$66,935 and \$87,935 respectively, for the 358 space option, and \$202,055 and 234,055 respectively, for the 479 space option.

Updated pro formas for the proposed NBTC garage based on revenues and expenditures similar to Sunset Harbour, at 50% occupancy after 6PM (metered parking enforcement is 8AM to 6PM), both with and without 1-hour free parking, are also shown in Exhibit “G”, resulting in a net profit prior to depreciation of \$33,935 and \$51,935 respectively, for the 358 space option, and \$151,055 and 179,055 respectively, for the 479 space option.

Comparatives to Sunset Harbour, Collins Park and Alton and 5th are shown in Exhibit “H”.

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

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

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

(5) While the proposed term sheet has addressed the potential bankruptcy issues, the structure is complex and may involve the City taking on more development risk that may be necessary for the

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

Budget Advisory Committee

This matter was discussed at the January 8, 2019 Budget Advisory Committee (BAC) meeting. The BAC passed a motion requesting the Administration to provide the results of the economic impact study, including a cash flow analysis of the City's lots based on their current use and a cash flow analysis of the proposed project.

CONCLUSION:

Given that the City would be utilizing \$10 million in land value and incurring \$6.232 million in construction costs for 358 spaces that could potentially primarily serve this retail development, along with the loss of surface lot spaces, the Administration would not recommend proceeding with this project on its merits solely as a parking garage project. The Developer argues that the City's investment is critical for this project to move forward, and therefore serve as a catalyst for economic activity in North Beach. Since we have not yet conducted the economic impact study, we are unable to quantify what such an impact would be. There is no question that North Beach has lacked economic development for many years. The City has, however, attempted to provide incentives through the increase in FAR in Town Center and the North Beach Town Center overlay. These incentives could also serve as an important economic catalyst. Accordingly, if the City Commission finds that the project provides a significant economic development benefit to the City sufficient to offset the costs and risks outlined above, the Developer has proposed the terms as outlined in the attached Term Sheet.

On December 20, 2018, the City Manager issued a Letter to Commission (LTC), attached hereto as Exhibit "I", updating the Mayor and City Commission regarding the status of negotiations with the Developer. The City Manager also advised the Mayor and City Commission regarding the Developer's request for the Commission to reconsider, in light of the improved Term Sheet, if the additional Economic Impact Analysis was still necessary. On January 16, 2018, the BAC's motion was referred to the February 2019 FCWPC meeting for discussion.

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

ATTACHMENTS:

Description	Type
❑ Exhibit A - Parcel Map	Memo
❑ Exhibit B - 11/30/18 FCWPC Memo	Memo
❑ Exhibit C - Economic Impact Study - Proposed Scope of Work	Memo
❑ Exhibit D - January 3, 2019 Term Sheet (Best and Final)	Memo
❑ Exhibit E - Summary of Land Swap and retail Condo Values	Memo
❑ Exhibit F - Revised Concept Plan	Memo
❑ Exhibit G - NBTC Garage Pro Forma	Memo
❑ Exhibit H - Comparative Pro Forma	Memo

Exhibit A

Parcel Map

Exhibit A

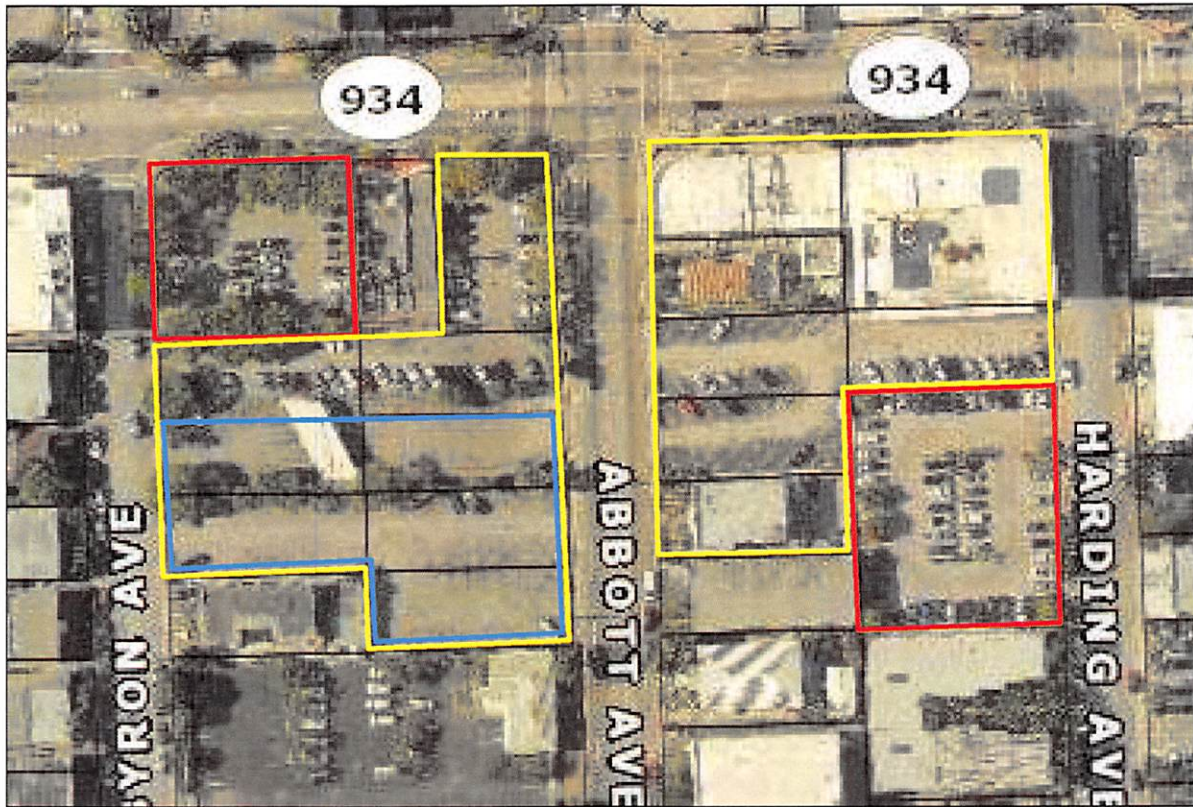


Exhibit B

11/30/18

FCWPC Memo

MIAMI BEACH

COMMITTEE MEMORANDUM

TO: Finance and Citywide Projects Committee Members

FROM: Jimmy L. Morales, City Manager

DATE: November 30, 2018

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

HISTORY:

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

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

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

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

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

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

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

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

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

ANALYSIS:

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

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

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

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

The Cost of the 358 Space City Parking Garage Option

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

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

The Cost of the 479 space City Parking Garage Option

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- The estimated Ad Valorem impact to the City of Miami Beach for the project is estimated at \$312,333 in the first year, and \$3.5 million over 10 years.
- The proposed City investment is \$9,758,480. This investment will result in both direct, and more importantly indirect and stimulated economic benefits for North Beach and the City. The total estimated cost of the project is \$80 million, which will have a positive economic impact of over \$92 million during construction. Following construction, the project will include retail, restaurant, office and residential uses which will generate over \$59 million annually in the local economy.

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

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

Concerns

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

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

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

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

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

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

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

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

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

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

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

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

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

CONCLUSION:

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

future except in mid-beach.

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

ATTACHMENTS:

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

Exhibit A



71st Street Town Center Development Term Sheet

A. The Project

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

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

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

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

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

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

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

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

B. Financial Terms

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

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

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

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

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

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

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

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

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

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

2. City's Payments to the Developer.

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

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

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

C. Design and Construction of the Town Center Garage.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

D. The Operation of the Town Center Garage.

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

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

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

E. Other Terms.

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

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

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

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

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

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

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

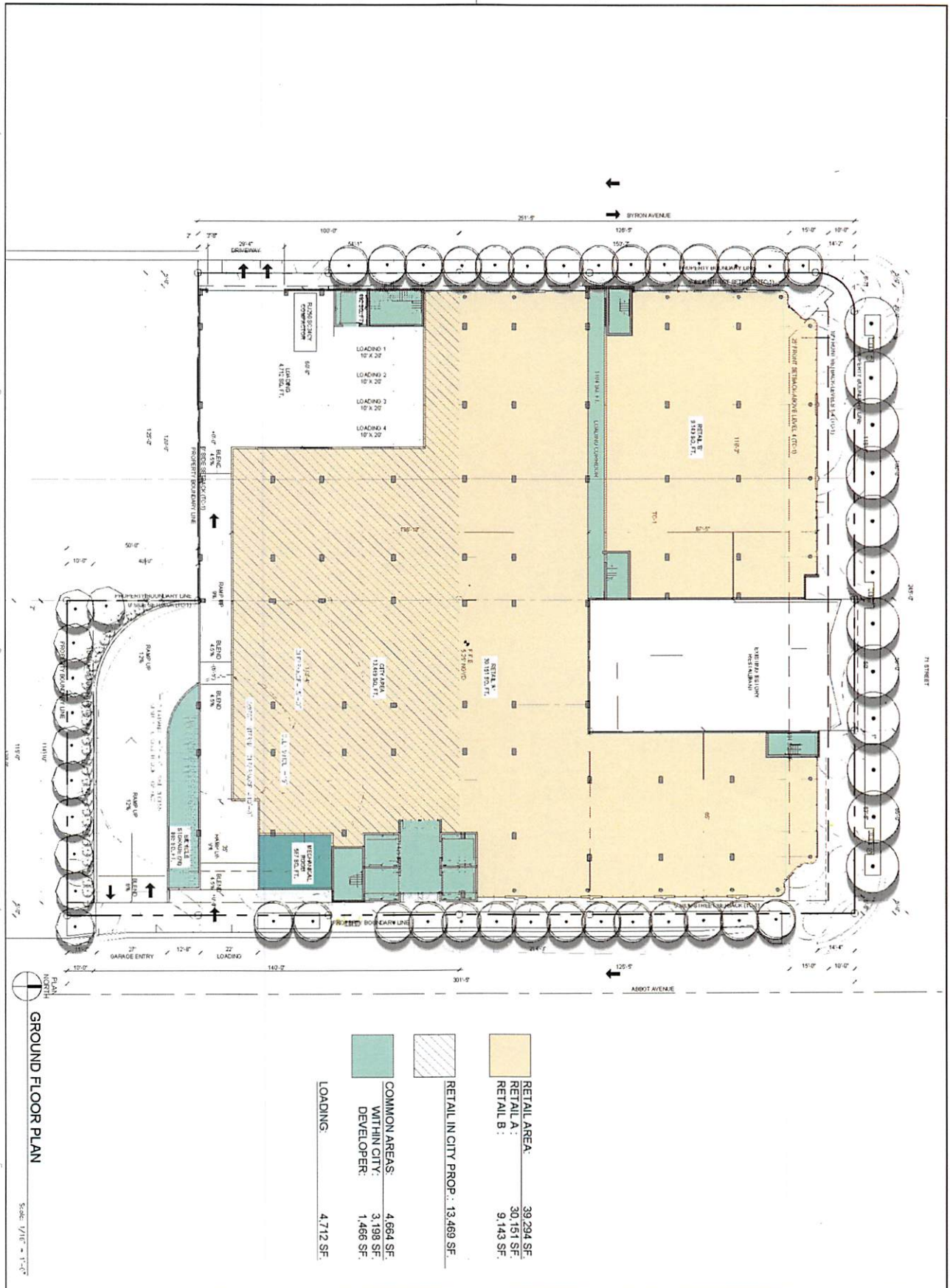
7. Termination provisions to be addressed in Development Agreement. City does not agree to any Developer termination for convenience after Closing.

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

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

Exhibit A





GROUND FLOOR PLAN

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

A3.01



ARCHITECTURE
INTERIOR DESIGN
PLANNING
AIA ASID NCARB
2015 Biscayne Boulevard
Suite 200
Miami, Florida 33137
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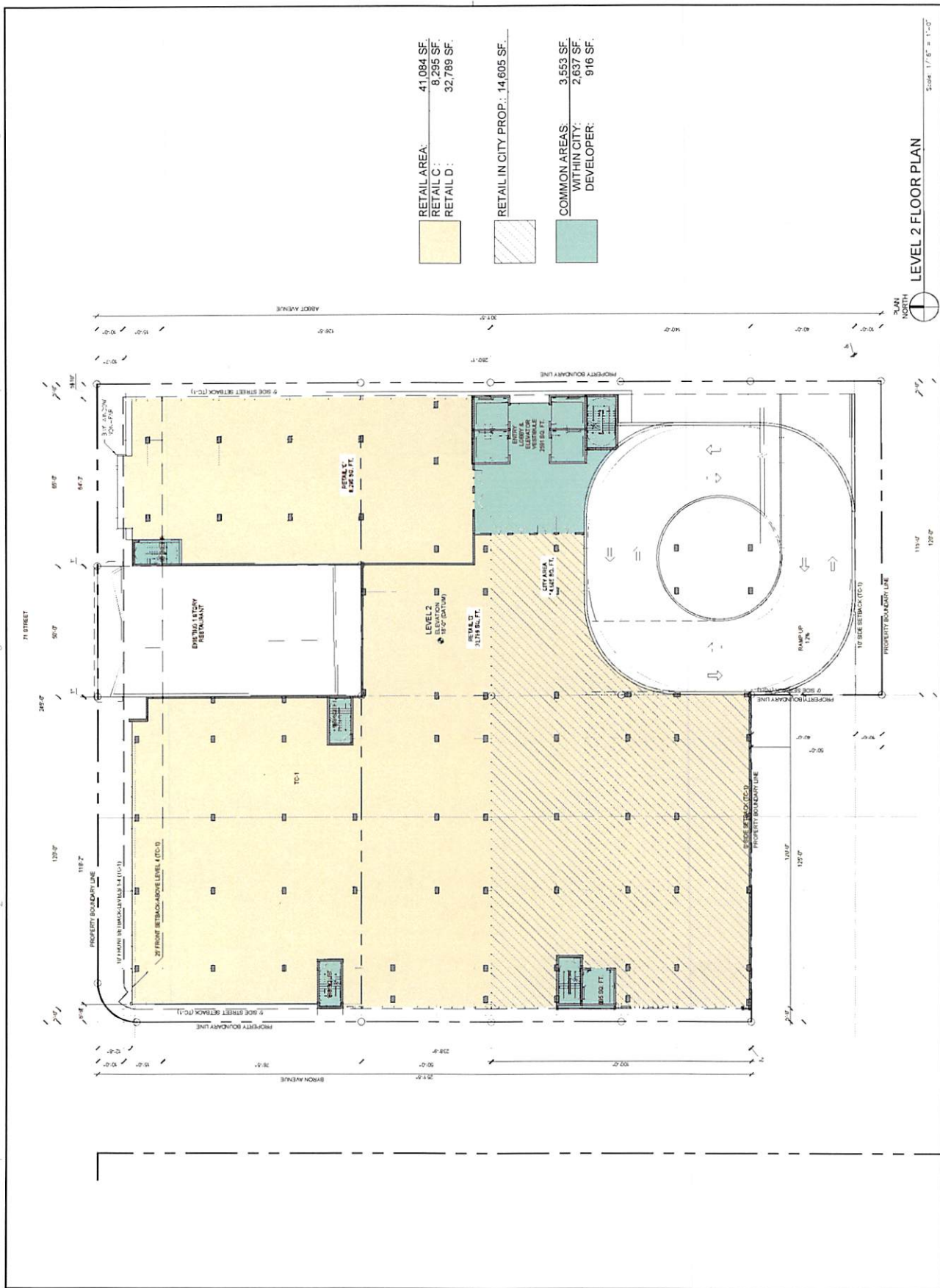


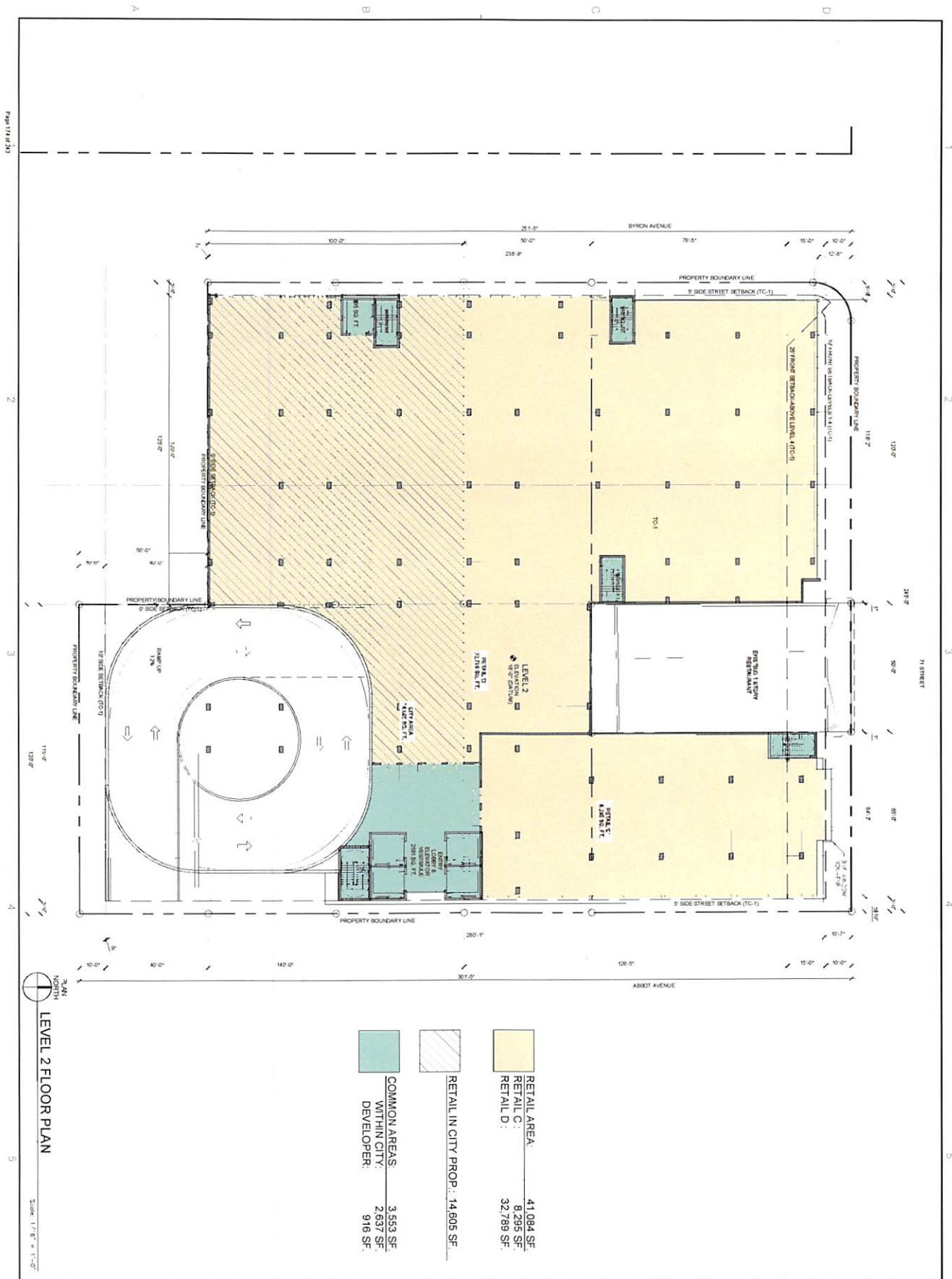
71 NOBE - WEST PARCEL
COMMERCIAL USE DEVELOPMENT
71ST STREET, MIAMI BEACH, FLORIDA

GROUND FLOOR PLAN

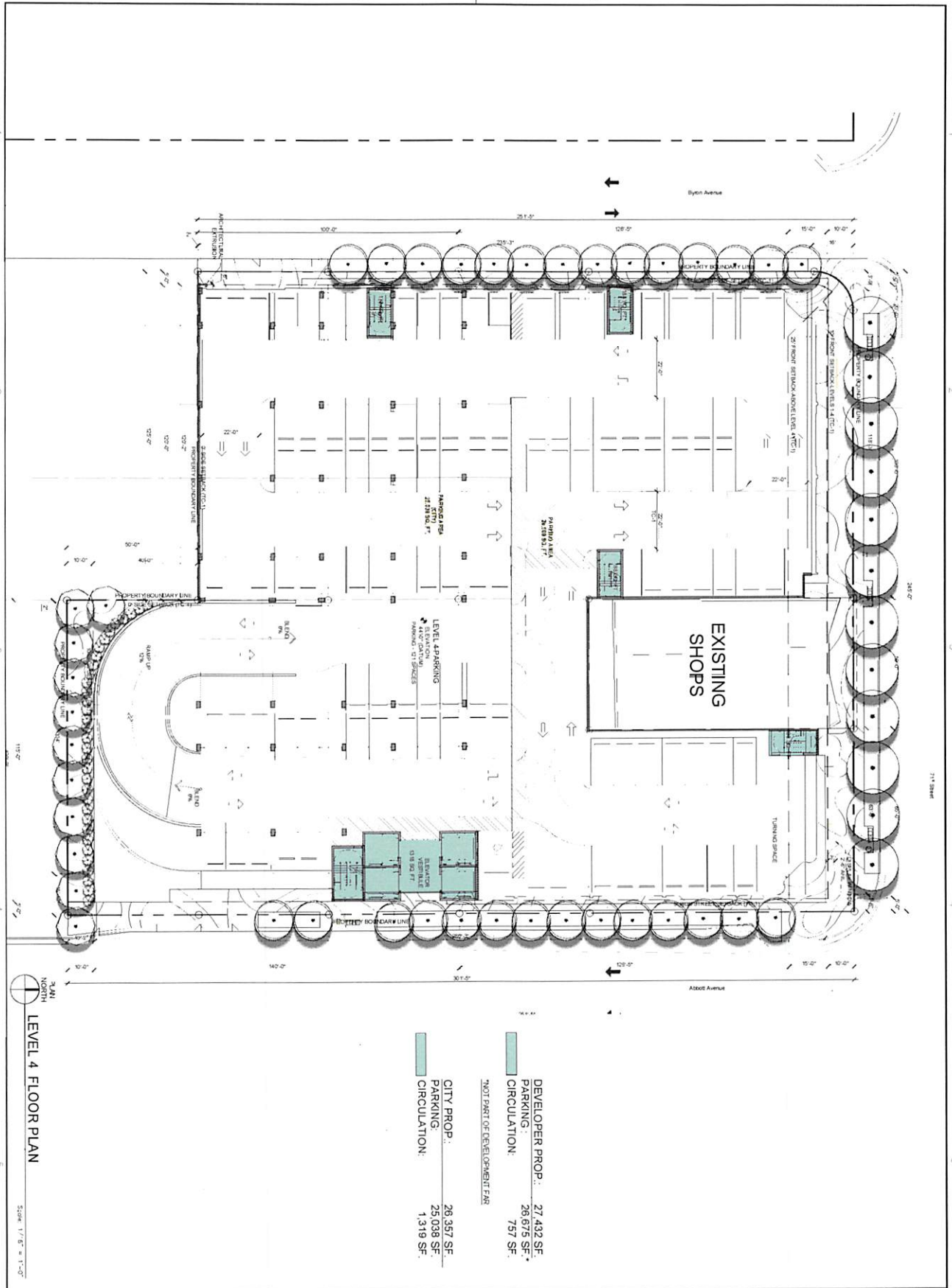
1723

REVISIONS/SUBMISSIONS









REVISIONS / SUBMISSIONS 1723	71 NOBLE - WEST PARCEL COMMERCIAL USE DEVELOPMENT 711 STREET, MIAMI BEACH, FLORIDA LEVEL 4 FLOOR PLAN	PACIFIC STAR CAPITAL Page 55 of 259	KOBİ KARP Lic. # ARO012578	ARCHITECTURE INTERIOR DESIGN PLANNING AIA ASID NCARB 2015 Broward Boulevard Suite 200 Miami, Florida 33137 P: 305.573.1818 F: 305.573.2186 WWW.KOBİKARP.COM	K. E. I. KARP	DRAWN BY: [blank] CHECKED BY: [blank] DATE: 06/20/2018 A3.04
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REVISIONS / SUBMISSIONS

1723

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

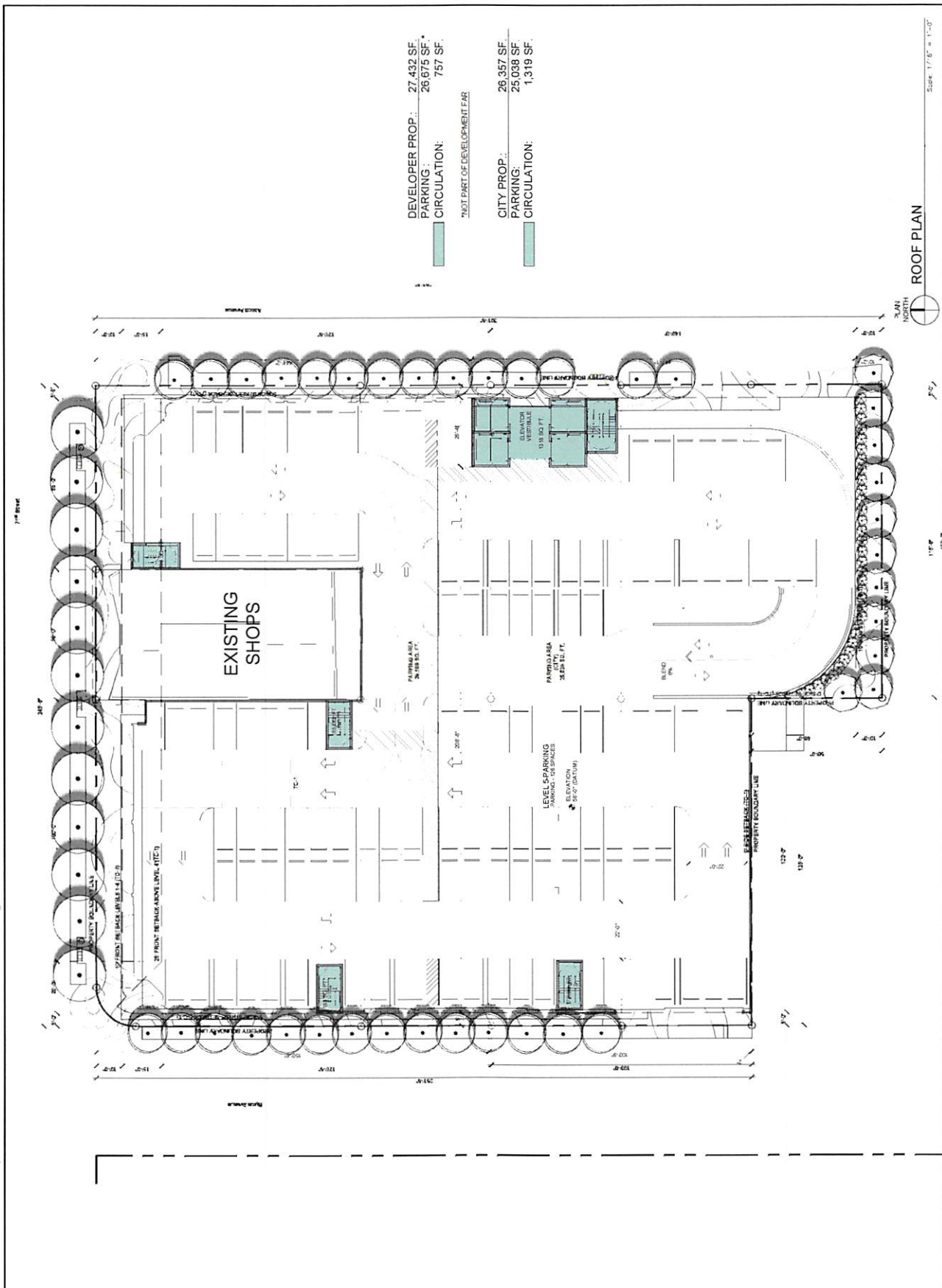


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2019 Building Showcase
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NBTC - LAND SWAP AND RETAIL CONDO VALUES

June 28th 2018 4 Story Plan			
Difference in Value of Parcels per Appraisal			\$800,000
	Square Feet	\$/SF	
Plus Retail Condo on Parcel 3 (increased footprint)	13,469	\$80	\$1,077,520
Plus Loading Area and Mechanical on Parcel 3	6,164	\$80	\$493,120
Plus Retail Condo Level 2	14,605	\$65	\$949,325
City Contribution for Level 3 Parking	26,675	\$40	(\$1,067,000)
City Contribution for Level 4 Parking	26,675	\$40	(\$1,067,000)
City Contribution for Roof Parking	26,675	\$40	(\$1,067,000)
Net Developer Payment			\$118,965
Parking Space Evaluation			
City Parking Garage			
LEVEL 3	111		
LEVEL 4	121		
ROOF	126		
Total Parking Stalls	358		
Total Parking Garage Cost	\$34,000		\$12,172,000
Developer Payment			(\$118,965)
Total City Cost for Entire Parking Garage			\$12,053,035
	SITE PLAN SF	Ground Floor	
		Grocer	30,151
		Retail B	9,143
		Level 2	
		Retail C	8,295
		Retail D	32,789
		Total SF	80,378
		Anchor Stalls/1K SF	5.03
Per 1,000 SF: 4.45			

<u>Required Parking Spaces</u>	
151 (5/1,000 SF)	
27 (3/1,000 SF)	
25 (3/1,000 SF)	
98 (3/1,000 SF)	
83 Surface Parking Lot	
384 Total	
(26) Net Parking Spaces	

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

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

September 10th 2018 5 Story Plan

Difference in Value of Parcels per Appraisal			\$800,000
	Square Feet	\$/SF	
Plus Retail Condo on Parcel 3 (increased footprint)	13,469	\$80	\$1,077,520
Plus Loading Area and Mechanical on Parcel 3	6,164	\$80	\$493,120
Plus Retail Condo Level 2	14,605	\$65	\$949,325
Plus Contribution for Level 3 Parking	26,675	\$40	(\$1,067,000)
City Contribution for Level 4 Parking	26,675	\$40	(\$1,067,000)
City Contribution for Level 5 Parking	26,675	\$40	(\$1,067,000)
City Contribution for Roof Parking	26,675	\$40	(\$1,067,000)
Net Developer Payment			(\$948,035)

Parking Space Evaluation

City Parking Garage

LEVEL 3	111	
LEVEL 4	121	
LEVEL 5	121	
ROOF	126	
Total Parking Stalls	479	
Total Parking Garage Cost	\$34,000	\$16,286,000
Developer Payment		\$0
Total City Cost for Entire Parking Garage		\$16,286,000

SITE PLAN SF Ground Floor

Grocer	30,151
Retail B	9,143

Level 2

Retail C	8,295
Retail D	32,789

Total SF 80,378

Anchor Stalls/1K SF 6.72

Per 1,000 SF: 5.96

Required Parking Spaces

151 (5/1,000 SF)

27 (3/1,000 SF)

25 (3/1,000 SF)

98 (3/1,000 SF)

83 Surface Parking Lot

384 Total

95 Net Parking Spaces

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

265

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

NORTH BEACH TOWN CENTER PROJECT

ECONOMIC ASSESSMENT

Prepared for



Prepared by



REINVENTING YOUR CITY

TABLE OF CONTENTS

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Executive Summary	8
Background	11
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Catalyst Market Position	20
Impacts	32

Prepared by the RMA Economic Development Department

Kevin Crowder, CEcD, Director

Farrell Tiller, MBA, Economic Development Analyst

Jenae Valentine, MSRED, Economic Development Coordinator

PROJECT OVERVIEW

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



Figure 1: Project Location

East Block Development Program:

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

West Block Development Program:

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

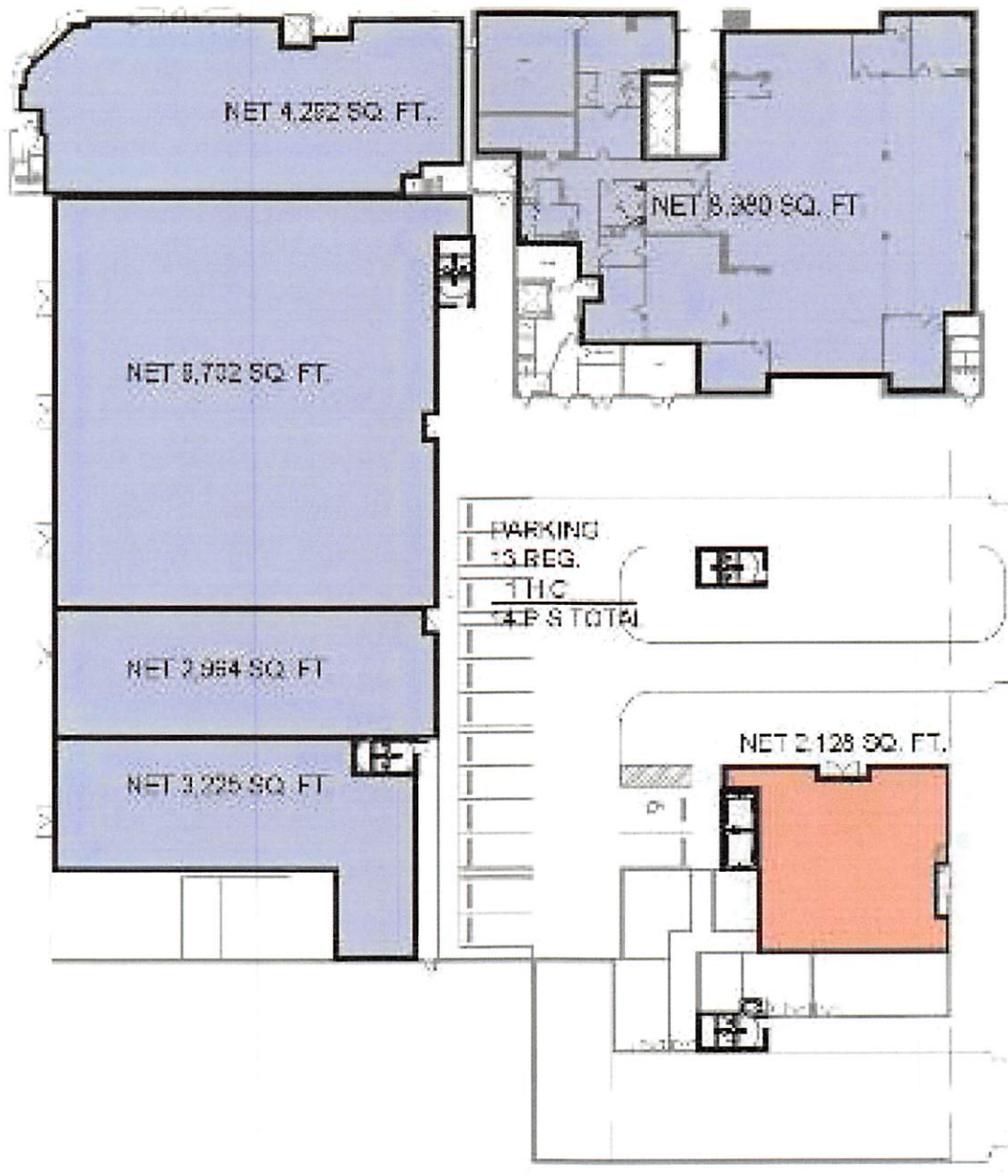


Figure 2: East Block Ground Floor Development Program



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

Property Conveyance

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

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

Retail Customer Validation

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

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

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

Parking Construction

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

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

Convertibility

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

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

Operations

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

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

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

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

¹ ESRI 2017 Retail Marketplace

EXECUTIVE SUMMARY

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

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

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

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

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

Significant Positive Impacts

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

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

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

North Beach Master Plan

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

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

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

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

Market Position

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

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

Retail Offerings

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

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

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

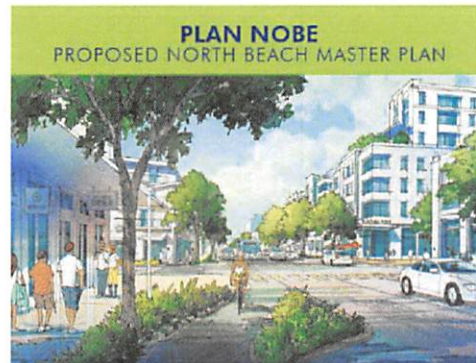
² RMA, LLC

BACKGROUND

The North Beach Master Plan

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

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



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

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

Revitalization and Economic Growth

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

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

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

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

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

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

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

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

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

Public Private Partnerships

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

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

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

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

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

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

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

MARKET SUMMARY

Land

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

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

Vacancy Rate



³ CoStar Realty Information, Inc.



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

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

Labor

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

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

⁴ CoStar Realty Information, Inc.

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

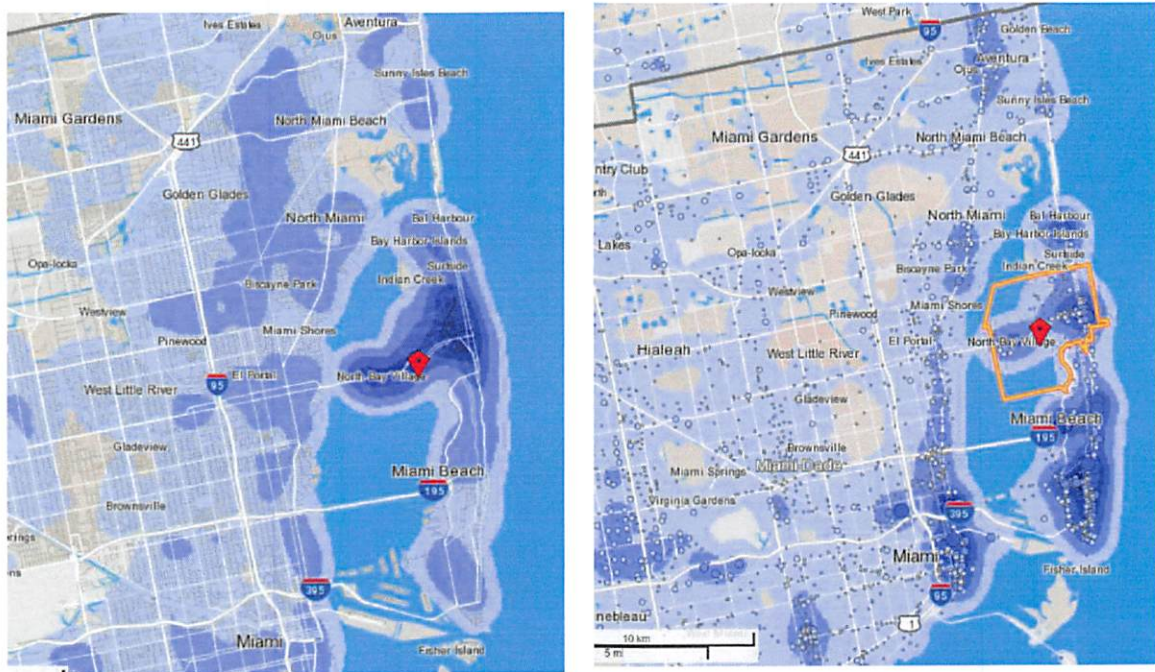


Figure 4: Top Left: North Beach Labor Shed i.e. Where Workers Live. Top Right: Where North Beach Residents work. Source: US Census Bureau

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

Capital

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

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

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

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

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

Markets

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

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

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

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

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

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

⁵ Federal Deposit Insurance Corporation

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

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

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

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

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

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

⁶ ESRI 2017 Community Profile

⁷ RMA, LLC

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

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

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

A CATALYST MARKET POSITION

Background

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

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

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

Brand and Identity Drive Investment

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

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

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

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

Branding in Miami Beach

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

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

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



Revitalization Requires Market Change

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

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

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



The Town Center Project

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

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

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

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



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

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

PARKING

Background

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

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

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

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

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

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

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

2014 Walker Parking Study

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

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

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

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

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

Source: Walker Parking Consultants

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

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

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

The North Beach Town Center Project responds to this option.

North Beach Master Plan

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

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

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

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



Source: North Beach Master Plan

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

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

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

72nd Street Parking Lot

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

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

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

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

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

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

The Future of Parking

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

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

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

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

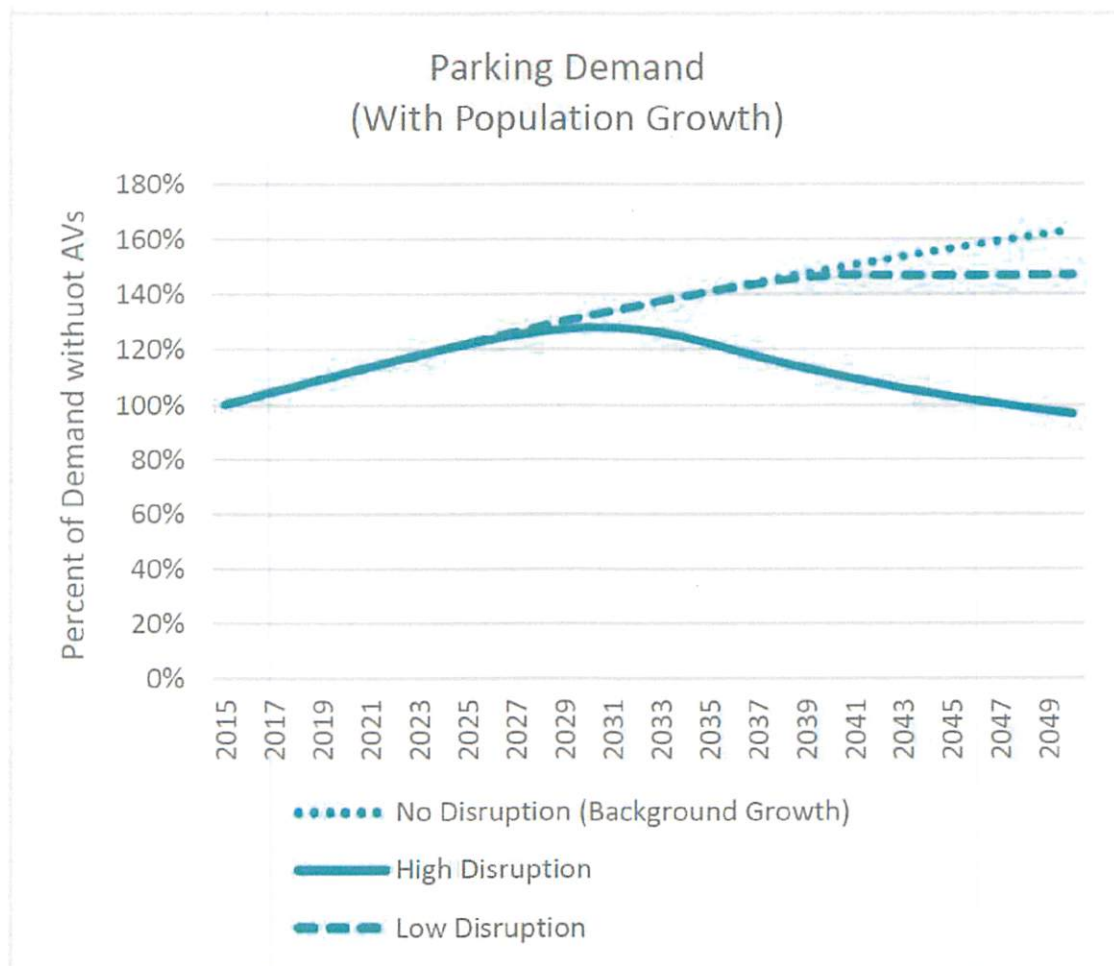


Figure 5: Walker Parking Consultants

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

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

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

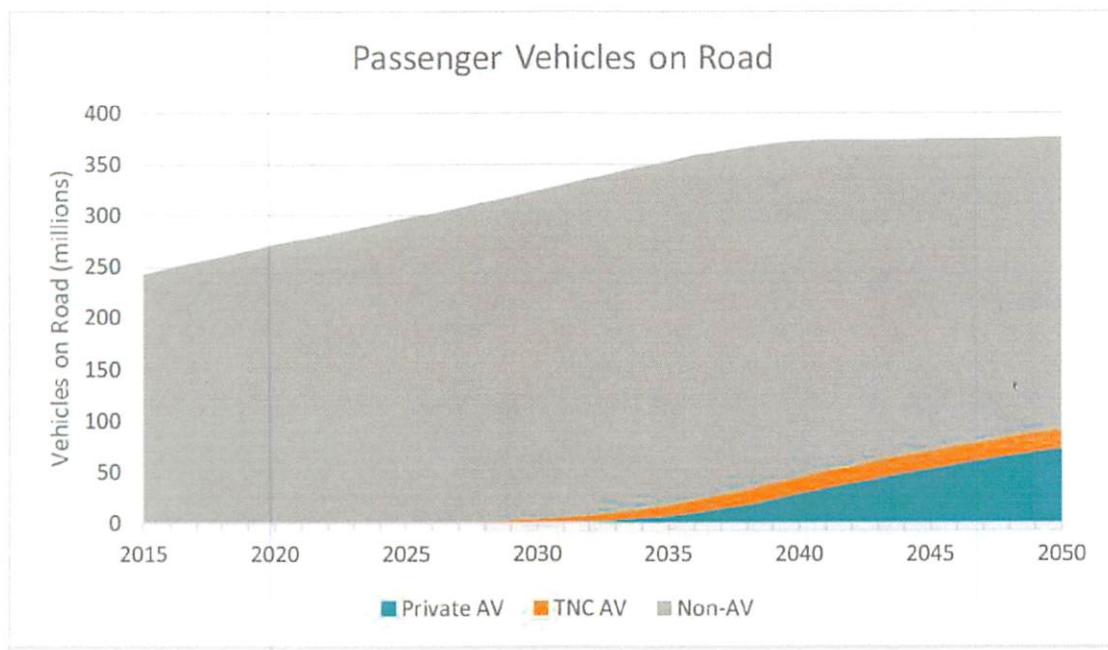


Figure 6: Walker Parking Consultants

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

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

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

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

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

IMPACTS

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

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

One-Time Impacts

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

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

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

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

One Time Economic Impact

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

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

Annual Impacts

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

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

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

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

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

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

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

Recurring Economic Impact

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

⁸ RMA, LLC

Conclusion

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

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

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

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

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

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

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

ABOUT RMA

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

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

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

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

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

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

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

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

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

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

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

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

**CITY OF MIAMI BEACH
PARKING DEPARTMENT
COMPARISON**

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

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

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

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

Exhibit C

Economic Impact Analysis

Scope of Work

Economic Impact Analysis

Scope of Work

December 20, 2018

A. The Project

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

2. The portion of the project between Abbott and Byron would consist of one structure, consisting of 80,378 SF of retail in two stories (the "Developer Uses") and a public garage owned and operated by City of Miami Beach.¹

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

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

5. Developer will be responsible for designing, developing, permitting and constructing the Town Center Garage, with the City to pay for the development rights above Developer's parcels and up to \$34,000 per parking space for the cost of construction.

6. Once the Developer completes the construction of the Town Center Garage, the City and Developer will condominiumize the project as shown on the concept plan, with the City to own the Town Center Garage, and the Developer to own the approximate 19,633 sq. ft. ground floor retail and loading space (and mechanical rooms) 14,065 sq. ft. second floor space of the Town Center, and 62 parking spaces on the third floor.

B. Scope of Work

The Economic Impact Analysis should be based on the entire project proposed for the two blocks between Byron Avenue and Harding Avenue (the "Project") and should include a financial pro forma for the entire Project. Additionally, the Economic Impact Analysis should include the following:

1. Provide a Cost-Benefit Analysis to the City based on the Developer's latest proposal dated 12/13/18. The Cost-Benefit Analysis should include the value of the City's two existing surface lots (\$10,000,000) as a direct cost to the City.

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

2. Provide an evaluation of the Project's ability to serve as a catalyst for additional near term development in the North Beach town center area.
3. If deemed the Project will serve as a catalyst, provide the additional economic benefits potentially generated by the Project.
4. Provide the impact on redevelopment of the North Beach Town Center District by the Project's utilization of the two (2) allowable big box retail spaces within the district.
5. Provide recommendations, if any, as to how the Project could be modified to improve the economic benefits to the City and the immediate town center area; this may include, but not be limited to, recommended uses within the Project and whether a parking structure makes the most sense.
6. Provide an evaluation of the impact of the retail parking project between Abbot and Byron and the developer's mixed use project between Harding and Abbot.

Exhibit "A"



Ordinance - NBTC Zoning Overlay:

<http://miamibeach1315/WebLink/DocView.aspx?id=243844&dbid=2&repo=CityClerk>

NORTH BEACH TOWN CENTER PROJECT

ECONOMIC ASSESSMENT

Prepared for



Prepared by



REINVENTING YOUR CITY

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Prepared by the RMA Economic Development Department

Kevin Crowder, CEcD, Director

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PROJECT OVERVIEW

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



Figure 1: Project Location

East Block Development Program:

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

West Block Development Program:

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



Figure 2: East Block Ground Floor Development Program

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Property Conveyance

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

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

Retail Customer Validation

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

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

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

Parking Construction

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

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

Convertibility

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

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

Operations

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

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

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

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

¹ ESRI 2017 Retail Marketplace

EXECUTIVE SUMMARY

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

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

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

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

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

Significant Positive Impacts

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

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

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

North Beach Master Plan

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

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

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

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

Market Position

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

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

Retail Offerings

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

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

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

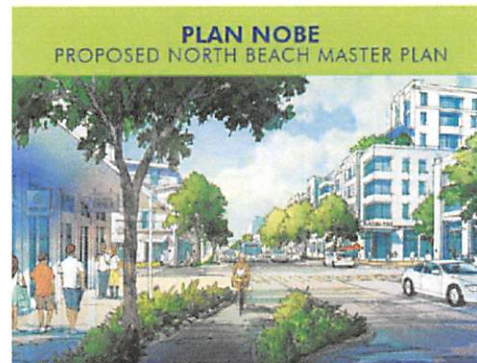
² RMA, LLC

BACKGROUND

The North Beach Master Plan

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

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



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

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

Revitalization and Economic Growth

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

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

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

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

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

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

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

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

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

Public Private Partnerships

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

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

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

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

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

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

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

MARKET SUMMARY

Land

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

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

Vacancy Rate



³ CoStar Realty Information, Inc.

NNN Asking Rent Per SF



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

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

Labor

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

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

⁴ CoStar Realty Information, Inc.

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

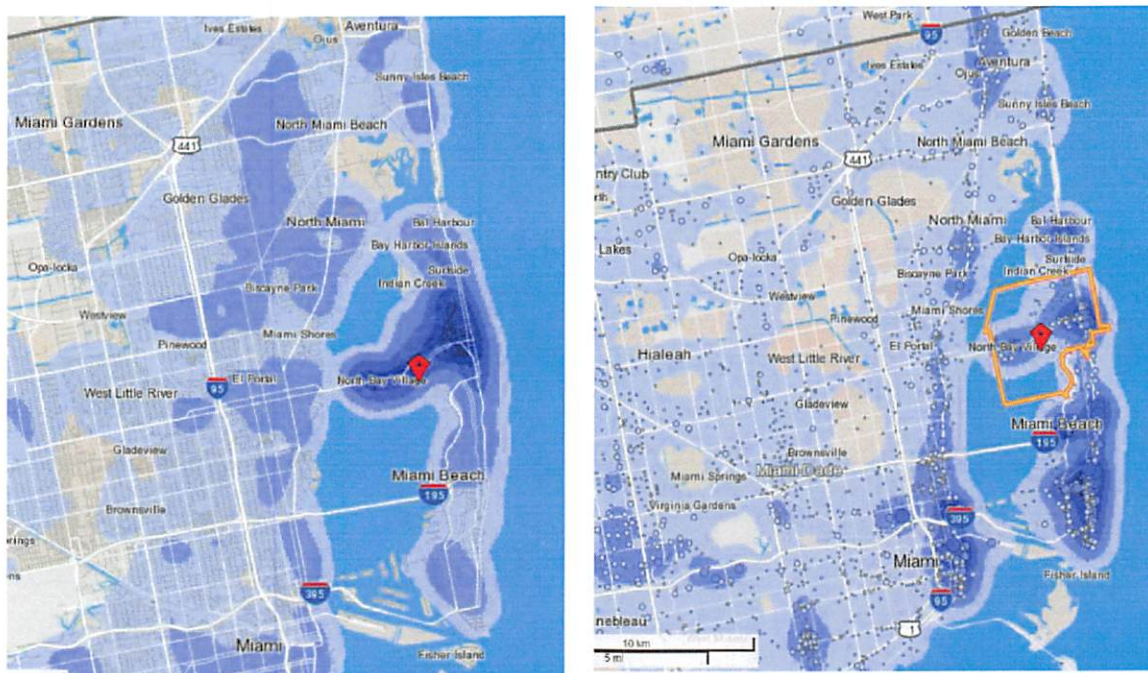


Figure 4: Top Left: North Beach Labor Shed i.e. Where Workers Live. Top Right: Where North Beach Residents work. Source: US Census Bureau

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

Capital

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

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

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

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

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

Markets

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

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

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

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

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

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

⁵ Federal Deposit Insurance Corporation

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

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

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

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

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

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

⁶ ESRI 2017 Community Profile

⁷ RMA, LLC

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

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

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

A CATALYST MARKET POSITION

Background

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

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

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

Brand and Identity Drive Investment

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

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

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

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

Branding in Miami Beach

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

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

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



Revitalization Requires Market Change

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

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

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



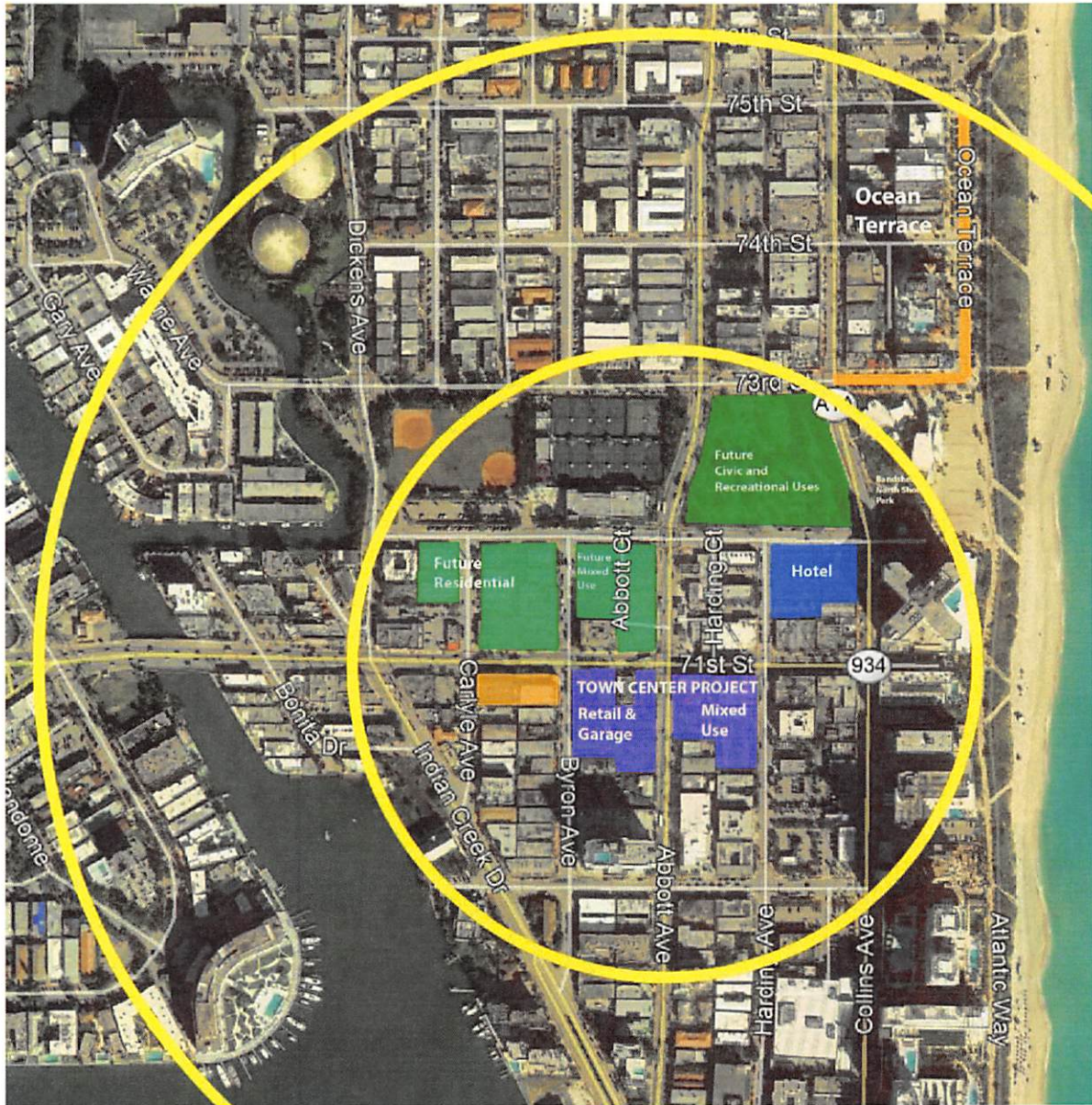
The Town Center Project

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

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

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

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



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

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

PARKING

Background

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

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

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

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

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

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

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

2014 Walker Parking Study

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

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

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

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

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

Source: Walker Parking Consultants

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

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

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

The North Beach Town Center Project responds to this option.

North Beach Master Plan

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

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

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

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



Source: North Beach Master Plan

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

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

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

72nd Street Parking Lot

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

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

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

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

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

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

The Future of Parking

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

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

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

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

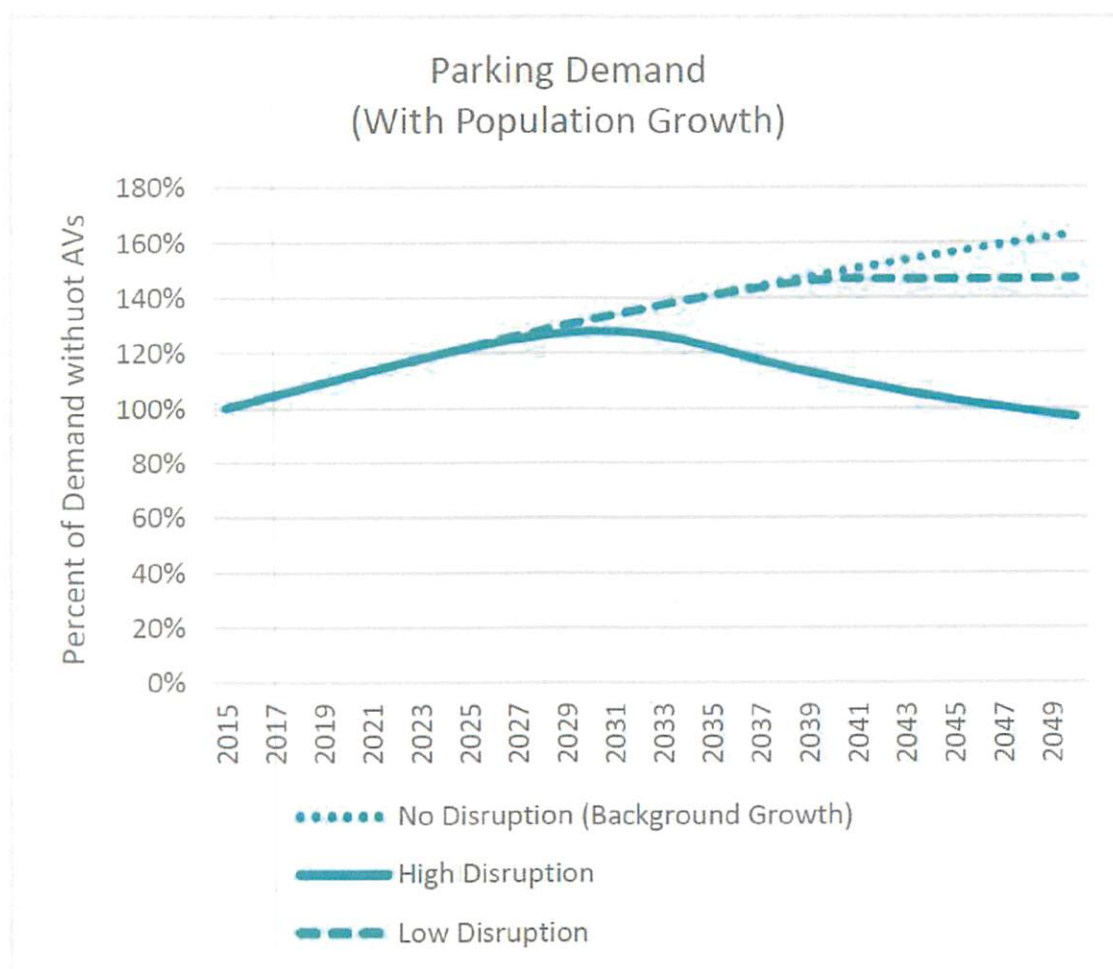


Figure 5: Walker Parking Consultants

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

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

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

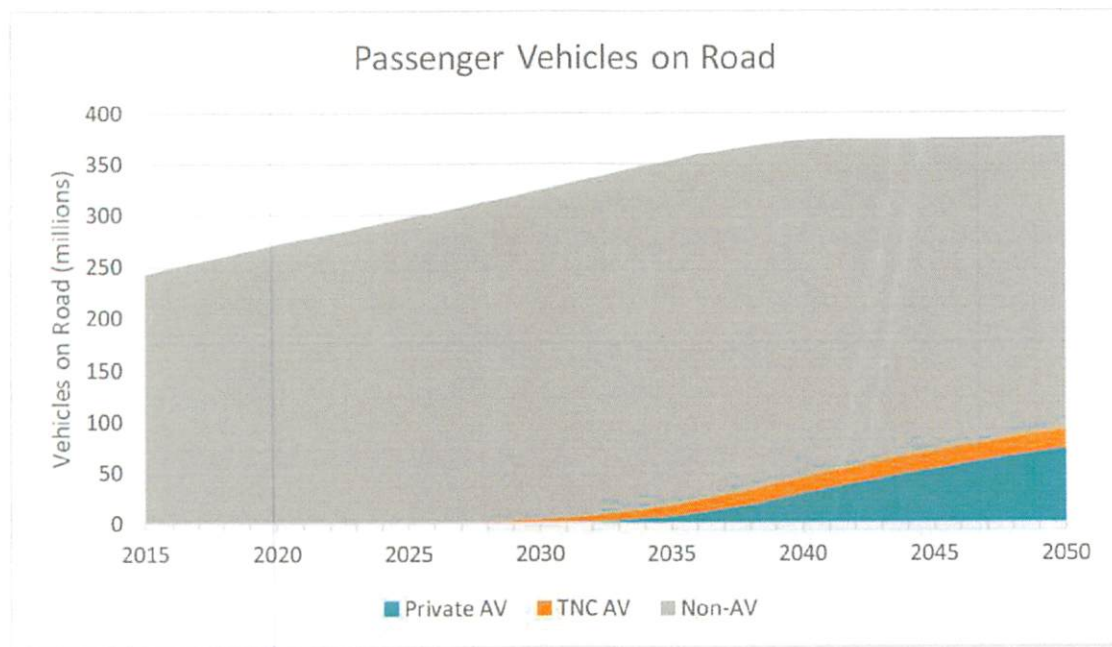


Figure 6: Walker Parking Consultants

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

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

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

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

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

IMPACTS

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

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

One-Time Impacts

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

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

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

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

One Time Economic Impact

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

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

Annual Impacts

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

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

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

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

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

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

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

Recurring Economic Impact

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

⁸ RMA, LLC

Conclusion

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

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

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

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

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

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

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

ABOUT RMA

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

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

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

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

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

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

NoBe Master Plan

http://www.miamibeachfl.gov/wp-content/uploads/2018/07/PlanNoBe_Adopted101916_sm.pdf

MIAMI BEACH

COMMISSION MEMORANDUM

TO: Honorable Mayor and Members of the City Commission
FROM: Jimmy L. Morales, City Manager
DATE: September 12, 2018

SUBJECT: REPORT OF THE JULY 27, 2018 FINANCE AND CITYWIDE PROJECTS COMMITTEE MEETING: 1. DISCUSSION ON WATER AND SEWER UTILITY RATES. 2. DISCUSSION ON STORMWATER UTILITY RATES. 3. SANITATION FEE ADJUSTMENT. 4. DISCUSSION REGARDING RESTROOM FACILITIES FOR THE COLLINS PARK ROTUNDA. 5. DISCUSSION REGARDING PROGRAMMING THE RUE VENDOME PLAZA. 6. DISCUSSION REGARDING THE FEES CHARGED TO DEVELOPERS TO APPEAR BEFORE THE CITY'S LAND USE BOARDS. 7. DISCUSSION REGARDING THE TRACKING OF TOTAL SHORT TERM RENTAL VIOLATIONS IMPOSED AGAINST PROPERTY OWNERS. 8. DISCUSSION REGARDING LEVYING A VACANCY TAX ON EMPTY STOREFRONTS THROUGHOUT THE CITY OF MIAMI BEACH AS A WAY TO ENCOURAGE LANDLORDS TO KEEP THEIR RETAIL OR COMMERCIAL SPACE RENTED AND ACTIVE. 9. DISCUSSION TO EXPLORE DISCOUNTS FOR SHARED WORK SPACES IN ORDER TO ATTRACT ENTREPRENEURS AND SMALL BUSINESSES. 10. DISCUSSION TO REVIEW STATUS, ISSUES, AND PLANS RELATED TO THE INDIAN CREEK DRIVE FLOODING. 11. DISCUSSION TO CONSIDER THE AUDIT COMMITTEE'S MOTION REGARDING ADDING AN INSPECTOR GENERAL INTERNAL AUDIT FUNCTION POSITION. 12. DISCUSSION REGARDING THE ISSUANCE OF A REQUEST FOR PROPOSALS (RFP) FOR FOOD TRAILERS TO BE LOCATED ON THE BEACHFRONT. 13. DISCUSSION REGARDING THE NORTH BEACH TOWN CENTER GARAGE. DISCUSSION REGARDING LOBBYIST REGISTRATION FEES REQUIRED FOR EMPLOYEES OF BUSINESSES, SUCH AS GENERAL MANAGERS TO APPEAR ON BEHALF OF BUSINESS OWNERS/PRINCIPALS. 14. DISCUSSION REGARDING LOBBYIST REGISTRATION FEES REQUIRED FOR EMPLOYEES OF BUSINESSES, SUCH AS GENERAL MANAGERS TO APPEAR ON BEHALF OF BUSINESS OWNERS/PRINCIPALS. 15. DISCUSSION REGARDING THE REVIEW AND REVISION OF THE CITY'S INVESTMENT POLICY. 16. UPDATE ON ENERGOV PERMITTING SYSTEM. 17. DISCUSSION REGARDING RECOMMENDATIONS OF THE BLUE RIBBON EMERGENCY RESPONSE COMMITTEE. 18. DISCUSSION REGARDING THE MIAMI BEACH ROWING CLUB LEASE. 19. DISCUSSION REGARDING G.O. BOND. 20. DISCUSSION REGARDING MOVING FORWARD WITH AN ART INSTALLATION THAT CELEBRATES DIVERSITY IN OUR COMMUNITY, AS REQUESTED BY THE LGBTQ ADVISORY COMMITTEE. 21. DISCUSSION REGARDING THE CREATION OF AN OFFICE OF INSPECTOR GENERAL. 22. DISCUSSION REGARDING THE REVIEW OF THE JULIA TUTTLE BUS RAPID TRANSIT DEMO PROJECT. 23. DISCUSSION TO EXPLORE POTENTIAL PARTNERSHIP WITH CITYGRADER. 24. DISCUSSION REGARDING THE FINANCIAL IMPACT OF MAINTAINING

TREES LOCATED IN THE SWALE. **25.** DISCUSSION REGARDING THE FUTURE USE OF THE CORAL ROCK HOUSE, CONSISTING OF APPROXIMATELY 1,307 SQUARE FEET, LOCATED AT 1701 NORMANDY DRIVE. **26.** DISCUSSION REGARDING ESTABLISHING A HISTORIC PRESERVATION FUND. **27.** DISCUSSION REGARDING THE COSTS RELATED TO HAVING MIAMI BEACH COMMIT TO ENSURING THAT ALL GOVERNMENT BUILDINGS WILL BE POWERED BY 100% RENEWABLE ELECTRICITY. **28.** DISCUSSION TO CONSIDER REVISING THE "SPECIAL EVENT REQUIREMENTS AND GUIDELINES", BY AMENDING THE FOLLOWING SECTIONS: "MINIMUM REQUIREMENTS," "EXTERNAL REVIEW PROCEDURE," "BOOKING POLICY," "USE OF PUBLIC PROPERTY," "SPECIAL EVENT FEE SCHEDULE, AND "SPECIAL EVENT CLASS MATRIX", HEREBY PERMITTING AND RESTRICTING FURTHER USES ON PUBLIC PROPERTY AND RECONCILING SPECIAL EVENT FEES TO MATCH RECENT INCREASES ASSOCIATED WITH OTHER PUBLIC RENTAL USES. **29.** DISCUSSION REGARDING THE PROJECT BUDGET AND SCOPE OF THE 72ND STREET CIVIC COMPLEX PROJECT. **30.** DISCUSSION REGARDING STREAMLINING THE PROCUREMENT PROCESS. **31.** DISCUSSION REGARDING CABLERUNNER AND ITS TECHNOLOGY. **32.** A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, AUTHORIZING THE ADMINISTRATION AND THE CITY ATTORNEY TO INITIATE NEGOTIATIONS WITH SOUTH BEACH HEIGHTS I, LLC, 500 ALTON ROAD VENTURES, LLC, 1220 SIXTH, LLC, AND KGM EQUITIES, LLC (COLLECTIVELY, THE "DEVELOPER"); WHO IS THE OWNER OF THE PROPERTY LOCATED AT 500, 630 AND 650 ALTON ROAD, 1220 6TH STREET, AND 659, 701, 703, 711, 721, 723, 727 AND 737 WEST AVENUE; IN ORDER TO DRAFT A PROPOSED DEVELOPMENT AGREEMENT THAT WOULD (1) PROVIDE THE CITY WITH PARK LAND, (2) PROPOSE A SCHEDULE; AND (3) TO DELINEATE CERTAIN DEVELOPMENT RIGHTS ATTRIBUTABLE TO THE DEVELOPER AND THE CITY; FURTHER AUTHORIZING THE REFERRAL OF A FINAL NEGOTIATED TERM SHEET TO BE SENT TO THE FINANCE AND CITYWIDE PROJECTS COMMITTEE; AND AUTHORIZING A REFERRAL TO THE LAND USE AND DEVELOPMENT COMMITTEE OF APPLICABLE DRAFT ORDINANCES TO EFFECTUATE THE DEVELOPMENT. **33.** DISCUSS A CAPITAL BUDGET AMENDMENT TO REPLACE AND ELEVATE THE SEAWALLS ON JEFFERSON AVENUE AND LENNOX COURT. **34.** DISCUSS APPROVING AND AUTHORIZING CHANGE ORDER NO. 4 TO THE AGREEMENT BETWEEN THE CITY OF MIAMI BEACH AND CERES ENVIRONMENTAL SERVICES, INC. (CONTRACTOR) RELATING TO THE DISASTER RECOVERY SERVICES OF HURRICANE IRMA RELATED DEBRIS; AND FURTHER AUTHORIZING THE PAYMENT OF \$64,569.58 TO THE CONTRACTOR AS FINAL PAYMENT RELATING TO FINAL DEBRIS REMOVAL OF HURRICANE IRMA RELATED DEBRIS. **35.** DISCUSS INSTALLING AN ARTISTIC SHADE STRUCTURE OVER RUE VENDOME. **36.** DISCUSS OUTFITTING ALL PUBLIC BATHROOMS WITH BABY CHANGING STATIONS.

Legislative Tracking

Finance

ATTACHMENTS:

Description

- July 27th FCWPC afteraction

Mark Milisits said any graphics would have to be approved by Planning, they are responsible for their own trash removal, they are not allowed to have generators to power the trailer, they have to be solar or battery powered.

Jimmy L. Morales, City Manager, said this will come back to the Commission as a recommendation so we will have another month or so of experience out there if there are any issues.

Commissioner Alemán said she agrees with everything that was said about the hotels. She said they have really worked with us when we asked them to use reusable containers, etc. She asked about the 5 potential public locations. She said looking at some of these addresses, there aren't really hotels in all of the locations. She said maybe Lincoln Road and 26th Street are close to some of the hotels, but she asked about the other 3 locations. She asked if it makes sense to issue a smaller RFQ for some of the public locations that aren't close to hotels and get those going.

The Administration said we could do that.

DIRECTION: Commissioner Alemán moved the recommendation of the Administration along with the issuance of a reduced RFQ for the locations where there isn't a potential conflict with a private entity being nearby. Commissioner Samuelian seconded. All in favor.

13. DISCUSSION REGARDING THE NORTH BEACH TOWN CENTER GARAGE

April 11, 2018 – R7A

Office of the City Manager/Tourism, Culture, and Economic Development

ACTION

Mark Milisits, Real Estate Division Director, introduced the item. This discussion regarding the North Beach Town Center Retail and Garage project has been presented before the Committee three previous times, and there some notable changes since the last discussion. He stated that the Café Prima Pasta site is no longer part of the development; the project is no longer being built as two separate projects but rather a single structure. The size of the project was substantially reduced from 126,000 square feet of retail to 80,000 square feet. The number of parking spaces was reduced from 359 City spaces plus 100 spaces for the developer to 287 spaces all provided by the City. In this current proposal the developer is contributing \$2.1 million to be applied to the construction of the garage. There are several concerns with the garage that are close to being resolved according to the Office of Capital Improvements Projects. The cost that the City would be paying to the developer 3rd and 4th floors, the current sheet is priced at \$80 per square foot; however as per the City's appraiser the City' should be paying half of that amount. Another concern was that the developer is no longer providing any parking spaces for retail. He continued to detail all of the changes, and stated that the Administration does not recommend moving forward with the proposal.

Commissioner Arriola spoke asked Rafael Paz, First Assistant City Attorney, to elaborate on the legal concerns for not moving forward with this project. Rafael Paz, First Assistant City Attorney referred to Exhibit A on page 236 of the agenda that shows the site between Abbot and Byron. The City was anticipating two separate buildings for this project, and now it is only one structure. There are development and legal risks because if there is a default of the project it will be difficult to unwind; this is due to that

the City owns one of the parcels that will be combined with the adjacent parcel for the potential development site. He has worked with Mr. Pathman to address the issues however; he disagrees with the City.

Commissioner Arriola agreed with Mr. Paz with the second option of having the developer pay for the City land, and once the condos are built, then the City can pay back the developer. The real estate market is very volatile, and if for some reason the developer gets into a situation where the project cannot be completed, then the City will be stuck and at the mercy of court proceedings.

Commissioner Samuelian spoke and asked the City Manager, to give him an executive view on why the city does not recommend this.

Jimmy L. Morales, City Manager, replied that these projects are to achieve something, and in comparison to the Sunset Harbour project, there was a need for more parking therefore the garage was built. The challenge for this project is that there are no new parking spaces being added, and based on experience, the free two hour parking incentive does not provide revenue for the City. He stated that he does not recommend this deal. The reason for the project was to activate the region, but this deal has been very difficult because of all the frequent changes.

Commissioner Samuelian spoke regarding the free 2-hour parking and agreed with Mr. Morales, he also added that after 6 pm public street parking is free in North Beach.

Wayne Pathman of Pathman and Lewis, spoke on behalf of the developer. He spoke regarding a few deal points, he stated that his client is going to contribute \$2.1 million. He added that the City will own the added parking as well. His client is still pursuing the 2-hour free parking because it will attract people, he added that the grocer and the potential target store will be the only ones to receive the free 2-hour parking. He recapped that his client is going to contribute \$2.1 million, and an additional \$66,000 yearly payment to make up for loss revenue from parking not only during construction but afterwards as well. The numbers for the deal have gotten better; the only issue that has been hard to agree upon is the 2-hour free parking, and convertibility. The City has provided data on decreased garage usage dropping but there is less car ownership in North Beach in comparison, but it is a more walkable area and residents usually walk, ride the bike or use the trolley to get around. 40% of the people that will shop in the retail will not be by customers using cars; the 2-hour free parking will not overwhelm the garage, there has been a lot of changes and the turnover will be greater than what the City anticipates. He spoke regarding convertibility, that the City wants to be able to convert underutilized parking in as little as 10 years if needed, and added that the City is concerned with convertibility but wants to add more parking space. There are also 260 parking spaces in the lot across, and the City may end up with more parking than is needed in 5 years. He added that the grocer would be a small secondary store because Publix supermarket is not too far away, and that the proposed Target store will be an urban target which is much smaller than the Target in Miami.

Discussion continued regarding the garage usage, and free parking.

Mr. Pathman added that if the construction of the 72nd street garage is approved, the City will have 3 parking garages within a block and a half radius; the parking that is already there, the current parking that is being discussed, and the 72nd street parking. There are some that has suggested that there will not be enough parking and others

such as Commissioner Samuelian that are concerned that there will be too much parking and want to have the option of convertibility; therefore, he is trying to find middle ground. Mr. Pathman requested that the Committee considers scheduling them to go before the Planning, and allow for two weeks to work with the City Manager to come up with a term sheet.

Kobi Karp, from Kobi Karp Architecture and Interiors spoke. He demonstrated a PowerPoint presentation with renderings of the garage and the area. One major key point from the design is that they are able to work around Prima Pasta which is no longer part of the development. PowerPoint presentation can be provided upon request.

Kevin Crowder, from RMA spoke. He did an economic impact study of the area and stated that this development is in accordance to the master plan. He added that there is a retail demand in in North Beach and unlike a Publix supermarket where people go, park, then leave; this area will provide an environment to attract consumers for a few hours, as they shop and dine in the much needed retail and activation. He estimates that this will lead to a billion dollars in revenue over the next 20 years.

Mr. Pathman again recapped his point of view and asked the Committee if they had questions.

Commissioner Alemán spoke and said that this is different than other items in the agenda that are really close to an agreement. She does not feel that they are close to a deal, and that the deal has gotten worse since it was first introduced. She agreed with the retail and economic development, and believes that the grocer and the retail will be a great fit. There are other things that the City is doing to achieve economic development, one being the Town Center Overlay which will be at no cost to the City. The City has worked in good faith by providing some of the best assets to work out a good deal. There have been 5 changes to the terms of the deal in the past 5 days, and is very uncomfortable that there is such much volatility for a deal that the City has been working on for a year and a half. The City's parking analysis showed that 389 spaces are needed for the garage, with additional spaces for City use; which part of the public benefit was to get parking for municipal use. That parking is gone now, and the City is going to pay \$7.5 million for the right to lose 80 parking spaces all in the name of stimulating the economy. She believes with stimulating the economy but does see that as a good deal for the City, that is a big payment to make. Many developers point to other developments such as the 72nd street garage to justify building fewer parking spaces; but there are spaces that will be specifically assigned to that garage for the added amenities such as the library, and the swimming pool; the City needs the additional parking. The City is small and everything is connected if the Committee takes a bad deal for the City, there will be payback for that and will come out of the G.O. bond or other projects.

Commissioner Samuelian spoke and said he appreciates the effort from the developer and City staff. His concerns are with parking and economics, in recent meetings with budget it shows that parking revenue has declined, and the special circumstance that after a certain hour the City does not charge for parking. He remains concerned with convertibility; ten years ago nobody knew that Uber would come around therefore 10 years down the road he wants to be able to convert parking spaces if needed. He wants economic activation but this deal is not a good deal for the City.

Commissioner Arriola stated that an hour prior to the meeting he was fully prepared to table this discussion, because of the lack of quality in negotiations in the past 48 hours. He does not think that this deal is even near ready to recommend moving forward. He was very excited when Mr. Pathman's client bought the property and saw the opportunity as a big catalyst for economic development. City staff has also dedicated valuable time working on this deal, and now have a lot on their hands that did not have before. Staff time is limited and too much was spent on this project. He is going to ask the City Manager to not dedicate much staff time for this project and redirect the energy to other projects. Mr. Pathman needs to speak to his client and to get serious and provide the best and closest offer because the City has other alternatives.

Commissioner Arriola's recommendation is for Mr. Pathman to work with City staff to come up with a better plan that is more compelling and addresses the concerns of the Committee and City staff and return to the September 14, 2018 FCWPC meeting.

Commissioner Alemán and Commissioner Samuelian both agreed.

Commissioner Samuelian added that other options are maybe an RFP with the Byron Carlyle or even sell the lot, and do the due diligence to see what else to do. Commissioner Arriola also that he is comfortable with directing staff to explore other options, if a deal can be reached with this developer then that would be fine, but if not to look at other options and explore those.

Motion by Commissioner Samuelian that if a deal cannot be reached with the current developer, for City staff to explore other options; seconded by Commissioner Alemán.

MOTION: Commissioner Samuelian motioned that if a deal cannot be reached with the current develop for City Staff to explore other options. Commissioner Alemán seconded. All in favor.

DIRECTION: City staff and Mr. Pathman to work on developing best deal possible, and if a deal cannot be reached with the current developer, City staff to explore other options. Come back to the September 14, 2018 FCWPC meeting.

14. DISCUSSION REGARDING LOBBYIST REGISTRATION FEES REQUIRED FOR EMPLOYEES OF BUSINESSES, SUCH AS GENERAL MANAGERS TO APPEAR ON BEHALF OF BUSINESS OWNERS/PRINCIPALS

June 6, 2018 – R5 J

Sponsored by Commissioner Arriola and Co-sponsored by Commissioners Alemán and Góngora
Office of the City Attorney

ACTION

Commissioner Arriola said this item did not need to be heard because it was already discussed at Commission.

NO ACTION TAKEN

DEFERRED ITEMS

COMMISSION MEMORANDUM

TO: Mayor Dan Gelber and Members of the City Commission

FROM: Jimmy L. Morales, City Manager

DATE: December 12, 2018

SUBJECT: REPORT OF THE FINANCE AND CITYWIDE PROJECTS COMMITTEE (FCWPC) MEETING ON FRIDAY, NOVEMBER 30, 2018

A meeting of the Finance and Citywide Projects Committee was held on Friday, November 30, 2018 at 12:00 p.m. in the Commission Chambers, 3rd Floor of City Hall. Commissioners in attendance: Ricky Arriola, Mark Samuelian, Micky Steinberg, and John Elizabeth Alemán. Members from the Administration and the public were also in attendance.

MEETING OPENED AT 12:08 P.M.

OLD BUSINESS

1. **DISCUSSION OF NEGOTIATIONS WITH PRISM CREATIVE GROUP FOR THE ACTIVATION AND CULTURAL PROGRAM PLANNING FOR RUE VENDOME AND LUMMUS PARK, AND AVAILABLE FUNDING SOURCES**

May 16, 2018 – C4 Y

Sponsored by Commissioner Arriola

Tourism, Culture, and Economic Development

ACTION

Heather Shaw, Acting Tourism, Culture, and Economic Director presented the item. She said that we have been trying for months to activate Rue Vendome with some programming and that she came to the FCWPC in September and the recommendation was to work with Prism Creative Group because they were already programming Lummus Park. They have to do 3 months of activation on Rue Vendome for \$25,000 as soon as we get the approval to move forward.

Commissioner Arriola and Commissioner Samuelian said they are both comfortable. Commissioner Arriola said for \$25,000 the ideas that Prism came up with are good.

MOTION: Commissioner Samuelian moved to recommend this item and recommend the Commission to do a bid waiver to amend Prism's current agreement to add on the work for Rue Vendome. Commissioner Arriola seconded. All in favor.

2. **DISCUSSION TO EXPLORE DISCOUNTS FOR SHARED WORK SPACES IN ORDER TO ATTRACT ENTREPRENEURS AND SMALL BUSINESSES**

April 11, 2018 – C4 H

We are committed to providing excellent public service and safety to all who live, work, and play in our vibrant, tropical, historic community.

To request this material in accessible format, sign language interpreters, information on access for persons with disabilities, and/or any accommodation to review any document or participate in any city-sponsored proceeding, please contact 305-604-2489 (voice) or 305-673-7218 (TTY) five days in advance to initiate your request. TTY users may also call 711 (Florida Relay Service).

Sandor Scher, developer, said he wanted to bring the Committee up to speed regarding an analysis that was presented to the Chamber of Commerce where they calculated what it would cost for a medium sized restaurant to open. The fee was about \$140,000 for the new fee to the City. He said they have been desperately trying to rent their spaces in North Beach and they offer their tenants money and it is still not enough. These fees are counterproductive of what we are trying to do. The other thing is if you are a developer and trying to build a new development, there are no real credits that you get from the County. He also spoke about the fees that the County charges and the City charges. He said for 134 units at \$6,280 a unit is a residential rental County road impact fee, which equals \$841,891. The City has another fee of about \$89,000. The fees to develop in Miami-Dade County are astronomical. He brought these things up because any City fees are adding to a problem. He continued to talk about the impact fees. He said there is a bigger picture here that the Committee needs to consider.

Jose Gonzalez said the issue of the road impact fees that the County collects, we really cannot rely on those fees, those fees are intended to stay within a district that may or may not include more than just the City and the County really tries to limit those funds to their own roads. A lot of those goes towards signalization type projects, not to increase capacity on roads.

DIRECTION: Come back to the December 14, 2018 or January 2019 FCWPC meeting.

9. **DISCUSSION REGARDING THE NORTH BEACH TOWN CENTER REDEVELOPMENT PROPOSAL, INVOLVING CITY-OWNED PARKING LOTS, MADE BY NORTH BEACH TOWN CENTER DEVELOPMENT, LLC, AN AFFILIATE OF PACIFIC STAR CAPITAL, LLC**
April 11, 2018 – R7 A
Office of the City Manager/Tourism, Culture, and Economic Development

ACTION

Kathie Brooks, Assistant City Manager, introduced the item. She provided an overview of what this current proposal looked like in April 2018 which was a proposal for 120,000 square feet of retail space that would be owned by the developer, and a parking garage which will be owned by the City with the exception of 100 spaces. There was a discussion on the length for the free parking and convertibility. Currently the project has decreased from 120,000 square feet to 80,378 square feet because of the carve-out for Prima Pasta restaurant. Currently the developer is offering either a 358 parking garage or a 479 parking garage, all of which will be paid for and built by the City. The cost of the 358 space option will be just over \$12 million, and the 479 space option will cost around \$16 million, as compared with a previous out of pocket cost of \$10 million; therefore getting less retail and more cost. The developer has agreed to pay for 100% of the validated parking usage from day one, and that the City can convert the garage after 10 years if the parking usage decreases over time. In the earlier version of the proposal from April, and July, the City had the option of convertibility after 20 years without any restrictions. The developer's new term sheet now includes accommodation for Prima Pasta to allow them to operate. These would be pending ongoing refinement and would be subject to review by the Fire and Building Department. They did modify the concept plan to provide a single delivery service drive from Byron Avenue and Abbot Avenue. The final point that has changed over time is that instead of having two separate structures, the garage, and the retail; it will be a single building structure with condominium style components for retail and parking. Given that structure and the potential risk it presents, Legal has worked with the developer's legal team, and the developer has agreed to a number of items: The entire project cannot be liened or encumbered; the construction loan would have to identify collateral all within the

project; as a condition of closing they will provide evidence of the lenders agreement to continue to fund the project and therefore a completion guarantee in the event that the developer defaults and the lender forecloses; and that the entity will be constituted as a bankruptcy remote entity with independent directors to ensure that any decision to seek bankruptcy protection is done in good faith and not arbitrarily. The City has concerns with the number of parking spaces because there will be a net loss of 88 parking spaces. Under the 479 option the City has a net gain of only 95 spaces. The net profit from the validated parking paid for by the developer will be \$79,000 under the 358 space option, and \$235,000 under the 479 space option. The proposed term has addressed the bankruptcy issue, but there is still risk for the City, and one option would be to sell the project to the developer and buy it back after completion. They submitted a report with the economic impact of this investment of \$312,000 the first year and over \$3.5 million in ten years, however, the City's investment increased from \$9.7 million to \$12 or \$16 million. They estimated that other economic activity includes \$50 million annually in retail sales, and generate \$1.115 million in building fees; \$863,682 in transportation and concurrency fees, in addition to \$220,000 for arts in public places funding. The developer also predicted that new development will follow for more economic growth in the area. City staff concluded that they do not recommend moving forward with this development solely on the basis that it is a parking project; however, given the numbers provided by the economic impact, if they offset the cost and the risks then it may be worthwhile. Importantly City staff encourages the Committee to take into account that this allocation will use up the available parking funds from any other new parking projects.

Commissioner Arriola asked if the cash flow from the parking will provide a return.

Kathie Brooks reiterated her figures of \$79,000 annually for the 358 space option, and \$235,000 for the 479 space option. Commissioner Samuelian asked how much the current surface lots are generating. Ms. Brooks replied with \$66,000 combined.

Wayne Pathman, law offices of Pathman and Lewis spoke. He stated that there are a few variables to consider. He introduced Kobi Karp, from Kobi Karp Architects and Interior Design, who will provide the Committee with a presentation of the project. Presentation began; Mr. Karp demonstrated renderings of the project to the Committee. Mr. Pathman resumes speaking and stated that this project is the first seed to a forest. This project is ready to go and it could revitalize the whole area. He stated that the overall profit of the garage is only one element. The developer has removed the free parking, and now the City will have a functional garage operating from day one. There is a distinction being made from cars that come to patronize the retailer versus open to the public, but understand that everyone is the public. People will use the garage to park and patronize the beach, restaurants and other areas and this is revenue for the City. He does not believe that City staff is taking into consideration the future value of the parking after 6:00 pm. The City currently does not charge for parking after 6:00 pm in North Beach. He stated that he has worked with other projects such as the 5th street garage and the Sunset Harbour garage, and added that they all transformed, and they all changed the area. He stated that zoning statement of 3 parking spaces per 1,000 square feet is not accurate, and added that North Beach is under developed, it is not a vibrant community, has the lowest car ownership in the City, and many resident utilize alternative means of transportation such as ride sharing and other services. According to a study he estimates that only 45% of those who will come to the big box stores will arrive in their cars. He also added

that City staff is not taking into consideration that investments over time will yield returns. The City will invest \$12 million today but the value will continue to increase and it will be worth much more after 10 to 20 years. He read quotes from an article in the Miami Herald praising this project as a catalyst for development and revitalization. Mr. Pathman stated that there is no crystal ball to see the future but added that ultimately there will be 3 major parking garages within a block and a half from each other which will be parking for retail and for the public. Those things are going to transcend and change the environment in North Beach. He made a comparison that people who park around Lincoln Road end up walking up and down Lincoln Road are unknowingly walking over a mile and a half. He mentioned that from Ocean Terrace to the retail site is only 3 and half blocks, and one can imagine the community that is being created with people who will be parking in one place and walking up and down the area and then back to their parking. The good thing with this project is that the City will have a garage that can generate revenue 24 hours a day and that the people coming there are going to go to the shops, the beach, and the surrounding areas. All of that is going to happen as a result of what the developer is going to be doing on 71st Street. Mr. Pathman introduced Kevin Crowder who has worked on the economic analysis and has also looked at the parking issue as well.

Commissioner Arriola asked Kathie Brooks if they go with the larger garage, will it affect the plans to repurpose the Byron Carlyle.

Ms. Brooks replied yes.

Mr. Pathman asked the Committee that while Mr. Crowder is speaking to please not see this as a parking garage, but as a catalyst to economic development, and to keep in mind that it will have the convertibility to change into something else. Commissioner Arriola agreed and asked Mr. Pathman if he had a recommendation between the smaller or the larger garage. Mr. Pathman responded and mentioned that the smaller garage would be better, and more manageable. There is sufficient parking and people are engaging more in ride sharing and other transportation services. Overall this project will be serving the community and based on his studies and analysis the City will be better off with the smaller garage option.

Mr. Crowder spoke, and stated that he is going to focus on economic development and that there are five things that drive that investment which are: land; labor, capital, the market, and regulation. All of these components were in place with the exception of the land, and now the land is available and there is an opportunity for public private partnership. They view building a parking garage as an economic development just like any other type of infrastructure. Parking is a piece of infrastructure that is an investment towards revitalization. Now the City has a willing partner that has control of the land which is the most important thing to get this project done; and to bring the 71st street Town Center which is the top priority of the North Beach Master Plan, and this project also delivers towards the other top 4 projects of the North Beach Master Plan. All of the other projects are great but this project is the real catalyst. Mr. Crowder mentioned that markets can change and convertibility can go 10 to 20 years to 20 and 25 years. He references the Loews Hotel that was completed in 1998, and added that it was a public and private partnership that changed the market. He named examples of other parking lots and combined with public land that were catalysts for other areas, and changed the market. Mr. Crowder continued explaining the positive economic impact that this project will bring to the region.

Mr. Pathman stated there is no perfect deal with no risks but this proposal is close, and it is not likely for this deal to fail once the project has started. The City should be looking at this in a more global sense because times are changing and things are changing; he remembers growing up in North Beach, and it was never really been the apple or the eye of the community, and this is an opportunity to change that. He urged the Committee to not let this opportunity pass, the numbers will show that it is good project and to not think of it as just a garage.

Carter McDowell from Bilzin Sumberg spoke on behalf of Café Prima Pasta. He is not here to support or oppose the development, but to address the concerns of Café Prima Pasta. Water, sewer, power, loading, trash, and garbage for Café Prima Pasta, all occurs in the City's garage. The sum total in the term sheet dealing with Café Prima Pasta is only two sentences, and it states that the developer at his expense will provide a loading corridor for 71st street shops including Café Prima Pasta with access to Byron Avenue. The developer will provide a grease trap to Café Prima Pasta, and Prima Pasta shall not have to pay for any access or use fees. This makes them nervous because it does not really address Prima Pasta's concerns. He understands that it is a term sheet and not an actual agreement but, he wants to ensure that Café Prima Pasta has a seat on the table to negotiate the issues. Mr. McDowell asks what will happen during construction, and how is it going to work after is completed. He also mentioned that initially they were going down this path and suddenly the developer stopped talking to them and decided to work around Prima Pasta. That discussion occurred in July and has not heard a single word since July, and that scares Prima Pasta. He referenced the drawing presented by Mr. Karp and stated that there is a corridor that leads to Byron, but there is not an actual loading dock for Prima Pasta, and they will have to result in using the actual street as a loading dock. Mr. McDowell reiterated that he is not opposing the developer and is in favor for North Beach to move forward, but they have to work together. He asked the Committee and the developer to please not forget Prima Pasta as they need to be part of the discussion as well.

Matis Cohen spoke, and stated that in order to monetize it the 71st street property it has to come to some kind of agreement with its neighbors. In order to create a positive effect on the neighborhood and the master plan, a parking lot there makes sense, but a parking lot on its own footprint does not make any sense. He personally believes the City should go for the larger plan. If all of this new development is coming to the area with a bigger parking garage the City can get better after hours rate, get better usage and more people walking around the area. He urges the Committee to get this done. Resident named Sam spoke. He is in favor of this development and also urges the Committee to move forward and make something happen. Mr. Pathman spoke and asked Mr. Karp speak and address some of the issues with Prima Pasta. Mr. Karp stated that he was providing a means of egress, and he is willing to sit down with Mr. McDowell and make something work out.

Commissioner Steinberg spoke and stated that the City has gone a long way to get to where is at but there is still some fine tuning to make. She asked Mr. Pathman how it would look like with the possibility of the City leasing the land and having the developer build the garage. Mr. Pathman responded that is not a possibility for them because the numbers don't work.

Commissioner Alemán spoke and stated that she does not agree with Mr. Pathman about the parking implications of a grocery store and a target that people will not be driving there. She

stated that people will be driving and visiting both the grocery store and the target store; people will be carrying bags and they will want to drive. She is very disappointed because after the last meeting they requested the developer's best and final offer, and that is not what really happened. She is upset that Prima Pasta who is also involved in this project has not been communicated with since July, and she does not understand why. She added that the City is investing \$22 million on this project but they are losing 88 spaces. The City has done much to provide catalysts for North Beach. The voters passed a 3.5 FAR increase for this project, and the Commission was courageous and created a consolidated overlay with height up to 220 feet to allow developers to put together beautiful projects for the town center, and this one is not getting there. She agrees that there is much needed retail but this looks like a developer give away. This is the complete opposite of the proposed project for the 500 and 600 block of Alton road with Mr. Russel Galbut, who will be developing a three acre park and giving back to the City. She reiterated that she is very disappointed because she wanted to see the best and final offer, but this is not it.

Commissioner Samuelian said his feelings are in line with Commissioner Alemán's comments. He appreciates that we have a developer that wants to make something happen. We are talking about a significant investment, we have the out of pocket cost of \$12-16 million, but we have the land that is worth around \$10 million. He is concerned about the lack of tangible community benefits. He said he thinks he heard about the parking generating about \$13,000 more. Those numbers aren't there for him. He appreciates what we are trying to do, he suggested a way of selling the parcels of land if there was a good deal. He doesn't think what is in front of the Committee is going to pass the threshold.

Commissioner Arriola said he has a different perspective than his colleagues. He appreciates what they are saying, but at the end of the day nothing has happened in North Beach for 50 years. Some of the stuff we are saying today is inconsistent with what we already do in regards to parks and parking garages. He said every investment in the City doesn't have to give us back revenue dollar for dollar. He said maybe we don't like the deal terms and those can be improved, but he doesn't want to walk away from this deal. He thinks in the bigger picture this project could be a catalyst for the whole area. He said we are building a parking garage in North Beach, but a standalone parking garage is going to fail. This project will bring people to North and give them a reason to be there and utilize the parking garage. He wants his colleagues to change how they are looking at this and try to get something done.

Commissioner Steinberg said she agrees with Commissioner Arriola on the return on investment idea that it comes from other means, not just monetary. She said they need to look at this project as if it will be the catalyst we need in North Beach. It has to be done in a way with everyone feeling comfortable and we need to think how we can get there. There are good aspects to this project and there are things that her colleagues brought up that are important. She doesn't mind giving them another brush and giving the developer another opportunity to come back to the Committee. She said before it dies here, she thinks this is it and right now this project fails because 2 Commissioners are already a no. She said we want to help the whole area without impacting it negatively. She said we want it to be the positive impact that we are all hoping for. This is not an easy yes or no. The question we have to ask ourselves is if we believe this to be the catalyst for North Beach.

Commissioner Alemán said she agrees with what Commissioner Arriola said and we have talked a lot about the risk of going first to bring something positive to North Beach. She was hoping this would be that project, but she is deeply disappointed. She reiterated that the Committee told the developer to bring their best and final offer and that there are no material changes here. She is willing to keep the door open and she is willing to give this another try, but if it is not materially different then she is a no. This has to be a good deal.

Commissioner Steinberg agreed. She said if we are going to give them the opportunity to come back it has to be something everyone can wrap their hands around. It is not just about the Commission it is about the community.

Commissioner Arriola said he doesn't think from a staff perspective that we have looked at the economic impact adequately. A project like this will have a positive effect on other developments. In his mind he can get comfortable pretty quickly that this investment we are making will definitely help quality of life and economic development as well. He doesn't think the economic impact has been presented sufficiently well by Mr. Pathman and team. He wants to do a deal and figure out how to convince everyone that it is better to do a deal than to walk away and this is a deal that we should do.

Aria Mehrabi spoke. He said he appreciates the Commissioners voting for this last April. He gave some background on how the discussion started. He spoke about the retail and the parking. He compared Russel Galbut's South Beach development to this project. He said the rent there is double the rent in North Beach. He said they cannot do this with half the rent. He said the tenant is not going to come without the free parking. They need to provide incentive for the tenants to get there. The developer is still providing the free parking. He spoke about cutting the deal with Café Prima Pasta; he said they couldn't make the deal. The bigger issue was that they wanted time. He said they have been very open and nothing has changed since April 2017 besides the \$1.5 million difference in the parking cost. He said they made their best offer to make this work.

Commissioner Arriola asked how much the project is going to cost Mr. Mehrabi.

Mr. Mehrabi said the overall project is going to be \$160 million outside of the City investment.

Commissioner Arriola said we need investments in North Beach and this developer is asking the City to partner with him and do something to help his economics and actually help our economics and the neighborhood. He said there is a problem in North Beach and we will not get many other developers that want to do this.

Discussion was held on what to do with the item.

Commissioner Arriola said without getting into the numbers he is willing to make this investment. We need to do something if we want something to happen. He thinks saying no deal is sending a horrible message to the development community and to the North Beach residents. We need to do things to help developers take a substantial risk. He wants to see us work out the details and do the project.

Mr. Pathman said that while he doesn't agree with everything that Commissioner Alemán said there is a difference of opinion and he wants to see if they can resolve that. He suggested that

they hire a mutually agreeable firm to conduct an economic analysis that will put in all the variables that the Committee members and the developers are concerned about. The data should help everyone decide what this project is worth and how it can go forward or not. He said he will meet with Kathie Brooks and the City Manager and agree on a company that they can jointly hire and they will pay for it. They will get started right away and they can probably do it in 30-45 days.

Commissioner Arriola said to meet with staff and the Commissioners to iron these things out.

Mr. Pathman said they will work on the economic issues, Café Prima Pasta issue, and the other concerns that were mentioned today.

Commissioner Arriola said he is thinking big picture and if we can resolve the parking issue here it will help with the other projects and items that are coming up for discussion in North Beach. He mentioned the Byron Carlyle.

Mr. Pathman said they can include the Byron Carlyle in the economic analysis study and work together.

Commissioner Samuelian said he had a couple of questions. He said we have gone through a few iterations of projects and he asked Kathie Brooks from the last transaction that was on the table to this one as it relates to parking spaces, he asked what has changed. He is referring to the July iteration.

Kathie Brooks said the free parking changed and in the past they were offering to pay for validated parking once the occupancy reached 90% and now they said they would pay from day 1.

Commissioner Arriola mentioned the Café Prima Pasta issue and noted it didn't move much.

Commissioner Samuelian asked why the numbers are going up.

Kathie Brooks said in the memorandum they provided they were more focused on the April version of the offer because the April version is the one the Commission recommended, the July one is the one the Commission wanted staff to go back and rework. The cost was higher in the July version, but the number of spaces was the same. We were paying for those spaces in the July offer. In April, of the 459 spaces they were paying for 100 spaces. It is about \$3.4 million and whatever associated land costs there would be. Now the City is paying for 100% of the spaces.

Commissioner Alemán asked how many residential units are in the current plan.

Mark Milisits, Real Estate Division Director, said 134 units.

Commissioner Samuelian asked if there are other creative options that we should be thinking about right at this moment.

Kathie Brooks said one of the challenges is at the end of the day it has to be something economically viable for the developer. She said they would like to go back to the deal that they pay for 100 spaces, but they said that deal doesn't work for them. She thinks that would move the needle for the City significantly.

Mr. Pathman said at that time they had free parking and were capping the cost of construction at \$34,000 a space, which is likely to go up. There are more spaces now, so there is more cost. He said the variable that is being discussed is somewhere between \$1.4 and 1.7 million. Times are changing and the garage is not going to be used the way the Code says. This is North Beach, not South Beach. This is a project he thinks they can get done working together. He said they can sit down and discuss the concerns and they can kill the project later if they cannot come to an agreement, but he doesn't think it should be done today.

Commissioner Alemán said she agrees with Commissioner Arriola regarding the economic value and impact and it being material, but there was an implied premise that was commented on that this is the only deal in town or the only deal we would ever get. She objects to that comment. She said when this started the FAR and height were different. There is potential for another deal, but we would lose all the time and losing momentum. If we were to cancel this deal there is another deal. She is willing not to kill this today; she is disappointed that more progress hasn't been made. She wants to see the results of the economic analysis. She would love to fully understand that the project is a no brainer. She said for her it is materially not there. She is willing to be open-minded.

Commissioner Arriola said the economic study might help a lot. He said there could be other deals, but he doesn't think we will get this type of development. We need this to get things going.

Discussion was held about the Byron Carlyle and the parking.

Commissioner Samuelian said maybe we need more parking and that Kathie Brooks mentioned capital constraints. He asked how much money we have in the parking fund under these 2 scenarios, what does that leave us, and are there other outstanding needs?

Kathie Brooks said available in the parking fund as of year-end close excluding the funds that are restricted to South Beach and North Beach, \$11.9 million generally available. That includes \$2 million that is restricted to North Beach and another \$4 million that has been set aside for repairs to parking garages and lots. If they wanted to go to the \$60 million option, which is the 479 spaces, we would have to look at projects that were previously appropriated for other things and see if any of them could be reduced.

Discussion was held regarding the difference in versions with the parking spots and their cost.

The project changed since April once they moved Café Prima Pasta out.

Discussion was held regarding the different scenarios for the parking garage.

Tom Mooney, Planning Director, said the parking that was being proposed is not required parking and since it is enclosed it does count in the FAR. In the old deal they were proposing a main use garage. Now it is something that would be additional non-required parking. Because of that the parking counts in the FAR.

Commissioner Samuelian asked if the project the way it is laid out now fully utilizes the 3.5 FAR.

Tom Mooney said they have some marginal FAR left.

Commissioner Arriola recapped what the direction is, which is to put together an economic study that will better inform this investment and spend some time with the Commissioners and see if they can address their concerns.

Mr. Pathman asked if they would come back to the FCWPC.

The Committee said for it to come to this Committee.

Kathie Brooks confirmed that the Committee wants the consultant to go beyond evaluating the term sheet as it is.

Commissioner Arriola said for Mr. Pathman to come back with whatever document he thinks will be persuasive and informative to the discussion.

Commissioner Steinberg said the community needs to understand this and this needs to be the most transparent process. Everyone needs to understand the return on investment entirely.

Mr. Pathman asked if they can be scheduled for the next meeting. The Committee said yes and they can try for the December 14th meeting, but if that is too soon, try for the January meeting.

Commissioner Samuelian said he is open to continuing the discussion and he thinks he understands the gist of the economic report that was done and it is that we are hoping it is a catalyst and it is the longer term returns that are important. He said is open to the additional report, but he needs to see material changes in the economic structure of the deal. He doesn't want us to go down a path that is not going to be fruitful.

Kathie Brooks said they will facilitate the meeting with the Mr. Pathman and team.

DIRECTION: Mr. Pathman and team to meet with Administration and Commissioners to address concerns, work with Café Prima Pasta, and hire the economic impact consultant to bring back the results at the next or following FCWPC meeting.

NEW BUSINESS

10. DISCUSSION REGARDING THE COMPOSITION OF AND QUALIFICATIONS FOR MEMBERSHIP ON A PROPOSED GENERAL OBLIGATION (G.O.) BOND OVERSIGHT COMMITTEE

November 14, 2018 – C4 B
Sponsored by Mayor Gelber
Office of the City Attorney

ACTION

Mayor Gelber introduced the item. He stated that the public wants the 57 General Obligation Bond projects done, and done right. To ensure the process is realized, he provided two different ordinance versions creating a General Obligation Bond Oversight Committee. Mayor Gelber stated that he does not want another oversight board such as Design Review Board (DRB), and the Historic Preservation Board (HPB). He foresees a good advisory Committee

Exhibit D

Latest Term Sheet
(Dated 01/03/19)

71st Street Town Center Development Term Sheet

A. The Project

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

2. The portion of the project between Abbott and Byron would consist of one structure, consisting of 80,378 SF of retail in two stories (the "Developer Uses") and a garage with approximately 358-spaces.¹ Approximately 358 of the parking spaces would be gated public parking spaces in a City-owned parking structure (the "Town Center Garage").² Developer to pay for approximately 111 of the approximately 358 parking stalls for the Town Center Garage. The Town Center Garage property would include approximately 19,633 sq. ft. ground floor retail and loading space (and mechanical rooms) and 14,065 sq. ft. of space on the second floor for the use of Developer. The single structure will be a condominium similar to the garage and Shops at Sunset Harbor; one condominium unit will be the portion of the garage owned by the City (the Town Center Garage) and the other units will be the remaining portions of the building which will be owned by Developer.

3. The portion of the project between Abbott and Harding would consist of existing office buildings at 42,456 SF, and new a 150-unit residential building with 42,538 SF of ground floor retail uses and a 275-space parking garage, to serve the residential building and office tenants. City's participation in the project between Abbott and Harding would be limited to City's conveyance of the City-owned property located therein.

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

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

6. Once the Developer completes the construction of the Town Center Garage, the City and developer will condominiumize project as shown on the concept plan, with the City to own the Town Center Garage, and the Developer to own the approximate 19,633 sq. ft. ground floor retail and loading space (and mechanical rooms), 14,065 sq. ft. second floor space of the Town Center Garage, and 111 parking spaces on the third floor, encompassing the entire 3rd floor. ~~Once the Developer completes the construction of the Town Center Garage, the City will condominiumize the City-owned parcels (outlined in blue in Exhibit "A"), with the City to own the Town Center Garage, and the Developer to own the approximate 19,633 sq. ft. ground floor retail and loading space (and mechanical rooms), and 14,605 sq. ft. second floor space of the Town Center Garage.~~

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

² City has option to increase the parking count to 479 parking spaces by adding another floor of parking to the parking structure. The total cost of this structure would be \$12,992,035 \$11,406,575, given Developer's contribution and 111 parking stalls.

B. Financial Terms

1. **Developer's Payments to the City.** In consideration for the various benefits the Developer will receive as part of the transaction, the Developer will pay the City a total purchase price of \$2,165,745, consisting of the following (subject to verification and change):

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

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

c. \$914,225, at the appraised value of \$65/SF, for Developer's purchase of a condominium unit for the approximately 14,065 square foot retail space on the second floor of the Town Center Garage (the "Second Floor Condominium Unit").

d. \$1,001,520, at the appraised value of \$40/SF, for Developer's purchase of a condominium unit for the approximately 25,038 square foot parking area on the third floor of the Town Center Garage (the "Third Floor Condominium Unit").

ed. \$2,120,640, at the appraised value of \$40/SF, as a credit to Developer for City's purchase of a condominium unit for the approximately 53,016 square foot parking areaspace on the fourth floor and roof of the Town Center Garage (the "Garage Condominium Unit").

fe. The City will provide, for a period of up to twenty years only, twoone-hour free parking rights at the Town Center Garage, through a ticket validation system, for the benefit of Developer's retail tenants in the Developer's Retail Condominium Unit, ~~and~~ Second Floor Condominium Unit only (the "Retail Tenants"). Developer to pay for the costs associated with procuring and implementing the validation system for the Developer's Retail Tenants. Commencing on the date the Town Center Garage is in operation and open to the general public ("Opening Date"), the Developer shall pay the City the amount of the operating losses, if any, at the Town Center Garage, and a Developer Contribution of \$66,000 (for the replacement of \$66,000 in net revenue associated with the existing City-owned surface parking lots) (the "Operating Payment") each year, except as provided herein. The City and Developer will agree upon a budget for the first year of the Town Center Garage's operation (which budget shall be based upon and consistent with the pro forma attached as an Exhibit B, the proforma will be updated 90 days prior to the Opening Date), and shall include all expenses related to the operation of the Town Center Garage at City's current municipal garage standards. The Developer will make monthly payments to the City covering the estimated operating losses, and the City and Developer will reconcile the actual budget versus the estimated payments made by the Developer at the end of the year and adjust payments as necessary. Commencing on the first anniversary of the Opening Date, and each year thereafter where two one hour free parking is provided, the budget for the Town Center Garage shall be based on the prior year's actuals. Commencing on the fifth anniversary of the Opening Date, if the Developer's Retail Tenants occupy more than 9079% of the floor area in the Developer's retail building between Abbott Avenue and Byron Avenue in any given calendar year³ (the "Occupancy Threshold"), then, in lieu of the Operating Payment, the Developer shall make a payment to the City for each such calendar year

³ The Occupancy Threshold shall be the average percentage occupancy, defined by tenants in possession of rentable floor area/square footage in the Developer's retail building between Abbott Avenue and Byron Avenue, over the 365 day period in each respective calendar year.

where the Occupancy Threshold is met or exceeded, in an amount equal to the amount of all parking tickets validated for the Retail Tenants during such calendar year, and an additional Developer contribution of \$66,000 (the "Validation Payment"). The Validation Payment shall be calculated at City's generally applicable garage parking rates, as the same may be amended from time to time. City to provide the amounts due for the Validation Payment for any given year, within thirty (30) days following the end of the year, and Developer shall pay the Validation Payment within thirty (30) days thereafter. The Occupancy Threshold shall be reevaluated annually. If the Occupancy Threshold is not met in a particular calendar year, then the Validation Payment is not owed from the Developer to the City for that respective year where the Occupancy Threshold is not met, and Developer shall be responsible for the Operating Payment for that respective year. In any event, after twenty years the onetwo-hour free parking terminates, and all parking at the Town Center Garage, for both the general public and the Developer's Retail Tenants shall be made available at the City's then applicable parking garage rates, and the Developer contributions in this Section B.1.e shall cease.

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

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

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

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

2. City's Payments to the Developer.

a. The City will pay Developer for the design, permitting and construction of the Town Center Garage, with a construction cost cap in the not-to-exceed amount of \$34,000 per space.⁴ Net of the payments due from the Developer under Section B.1 above, City to pay the Developer the not-to-exceed amount of \$6,232,255 to design (\$25,232 per parking stall), permit and construct the Town Center Garage (the "City Costs").³

b. Following substantial completion of the first and second floor of the Town Center Garage, the City will reimburse Developer for the City Costs, based on the progress of construction work completed for the

⁴ The Administration proposes a design and construction equivalent to cap of \$34,000 per space, in line with the City's most recent design and construction costs for the Collins Park Garage. The City would then use the proceeds from the sale to offset the \$34,000 per space parking costs.

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

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

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

C. Design and Construction of the Town Center Garage.

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

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

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

4. Commencing on the tenth anniversary of the Opening Date, if the total transient (hourly) transactions at the Town Center Garage ("Garage Occupancy") is less than any one of the three thresholds set forth below in Subsections C.4.a, C.4.b, or C.4.c (each, a "Convertibility Threshold"), then the City has the right to convert any floor above the second third floor of the Town Center Garage to another use if any Convertibility Threshold is met in any given year. The Convertibility Thresholds are as follows:

a. A decrease of 50% or more in Garage Occupancy in any one year period, as compared to Garage Occupancy for any other one (1) year period since the Opening Date, based on hours of operation between 10AM and 6PM; or

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

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

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

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

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

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

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

9.10. As a condition to closing of the swap of parcels referred to in Section A.4 above, Developer will provide the City with the term sheet or similar agreement executed between the Developer and the construction lender, which agreement shall be in form and substance satisfactory to the City Manager, to ensure that, notwithstanding any default on the part of the Developer under the construction loan, the construction lender will continue to fund construction of the Project.

D. The Operation of the Town Center Garage.

1. The City will operate the Town Center Garage as a municipal parking garage. City to have a validation system for customers of retail tenants on Developer's property for twoone-hour free parking as specified in Section B.1.e. Developer to pay for the costs of implementing the validation system for the benefit of its tenants.

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

3. The Declaration of Condominium and/or Reciprocal Easement Agreement will, among other things, allocate CAM costs between the Developer and the City and grant appropriate easements between the Developer's project and the Developer's condominium units within the Town Center Garage and the Town Center Garage for access and circulation, including any easements and other rights necessary to allow the Developer's Retail Tenants to (i) utilize the ramp(s) and drive aisles within the Town Center Garage in order to access spaces on the Developer's Property, the Developer's Retail Building, and the parking spaces within the Town Center Garage; and (ii) access and use of Retail Condominium Unit, ~~and~~ Second Floor Condominium

Unit and Third Floor Condominium Unit. In addition, the Declaration of Condominium and/or Reciprocal Easement Agreement shall expressly provide that, if the City repurposes the Town Center Garage in the future for non-parking uses, the easement rights granted to the Developer in the Declaration of Condominium and/or Reciprocal Easement Agreement shall nevertheless continue undisturbed, and the Developer shall assume the responsibility of maintaining in good condition and repair and in accordance with the Reciprocal Easement Agreement and/or Declaration of Condominium at the Developer's sole cost and expense, any easement areas that the Developer continues to require for its uses, but which, due to such repurposing, are no longer required for the City's uses, or if agreed in the Development Agreement, at City's option, such easement areas that are or become a separate condominium unit(s) may be conveyed by the City to the Developer for an agreed purchase price and the Developer will thereafter maintain such condominium unit(s) in good condition and repair in accordance with the Declaration of Condominium.⁵

E. Other Terms.

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

2. At Closing, Developer to pay the City (i) the \$800,000 for the difference in the appraised value of the land, as set forth in Section B.1 above. The payments from Developer in subsections B.1.b and B.1.c will be applied as credits against the amounts the City is otherwise obligated to pay the Developer for the design and construction of the Town Center Garage, as set forth more fully above in Section B.

3. The Development Agreement shall include permitted uses/prohibited uses for the Developer project, along with provisions regarding a quality tenant mix. Developer to provide, at its expense, loading corridor for 71st Street shops including Prima Pasta to access Byron, as shown on submitted site plan, and Developer will also provide a grease trap for Prima Pasta. Developer and Prima Pasta have agreed to terms (pursuant to the letter from Carter McDowell of Bilzin Sumberg dated December 5, 2018 in reference to Prima Pasta Term Sheet) to be worked into the Development Agreement. ~~Developer to execute a direct agreement with Prima Pasta on such items.~~

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

completion obligations, and (2) City needs to ensure that any successor owner has financial wherewithal to deliver on obligations].

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

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

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

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

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

Exhibit A



Exhibit E

Parking Garage Analysis – 358 Spaces

Parking Garage Analysis – 479 Spaces

NBTC - LAND SWAP AND RETAIL CONDO VALUES				
January 3, 2019 PROPOSAL				
Parcel		1 Subtotal	Difference	
Concluded Values:				\$800,000
Plus Retail Condo on Parcel 3 (increased footprint)		13,469	\$80	1,077,520
Plus Loading Area and Mechanical on Parcel 3		6,164	\$80	493,120
Plus Retail Condo Level 2		14,065	\$65	914,225
Developer Contribution to City Level 3 Parking		25,038	\$40	1,001,520
City Contribution to Developer Level 4 Parking		26,508	\$40	(1,060,320)
City Contribution to Developer Level 5 Parking		26,508	\$40	(1,060,320)
City Contribution to Developer Roof Parking		26,508	\$40	(1,060,320)
Total Developer contribution				\$1,105,425
Parking Space Evaluation				
City Parking Garage		Developer Pkg		
LEVEL 1				
LEVEL 2				
LEVEL 3	0	111		
LEVEL 4	121			
LEVEL 5	121			
LEVEL 6				
LEVEL 7				
LEVEL 8				
ROOF	126			
	368	111		
TOTAL PARKING			479	
Total PARKING GARAGE Cost	34,000			12,512,000
Developer Payment				1,105,425
Total City Cost for entire parking garage	30,996			11,406,575

Ground Floor	
Grocer	30,151
Retail B	9,143
Level 2	
Retail C	8,295
Retail D	32,789
Total SF	80,378
Parking/1000 SF	5.96
	103
	265

APPROVED TERM SHEET FINANCE COM 3/26/18		
		\$800,000
		\$592,080
		\$354,240
		\$1,746,320
City Parking	Developer Pkg	
	22	
	33	100
	49	
	49	
	48	
	49	
	50	
	59	
	359	100
TOTAL PARKING		459
	12,206,000	
	\$1,746,320	
	10,459,680	

Ground Floor	
Grocer	25,806
Retail B	4,712
Retail C	4,934
Level 3	31,045
Level 4	30,941
Level 5	28,307
Total SF	125,745
Parking/1000 SF	3.65
Developer parking at 3/1000	377
Excess Parking for Public	82

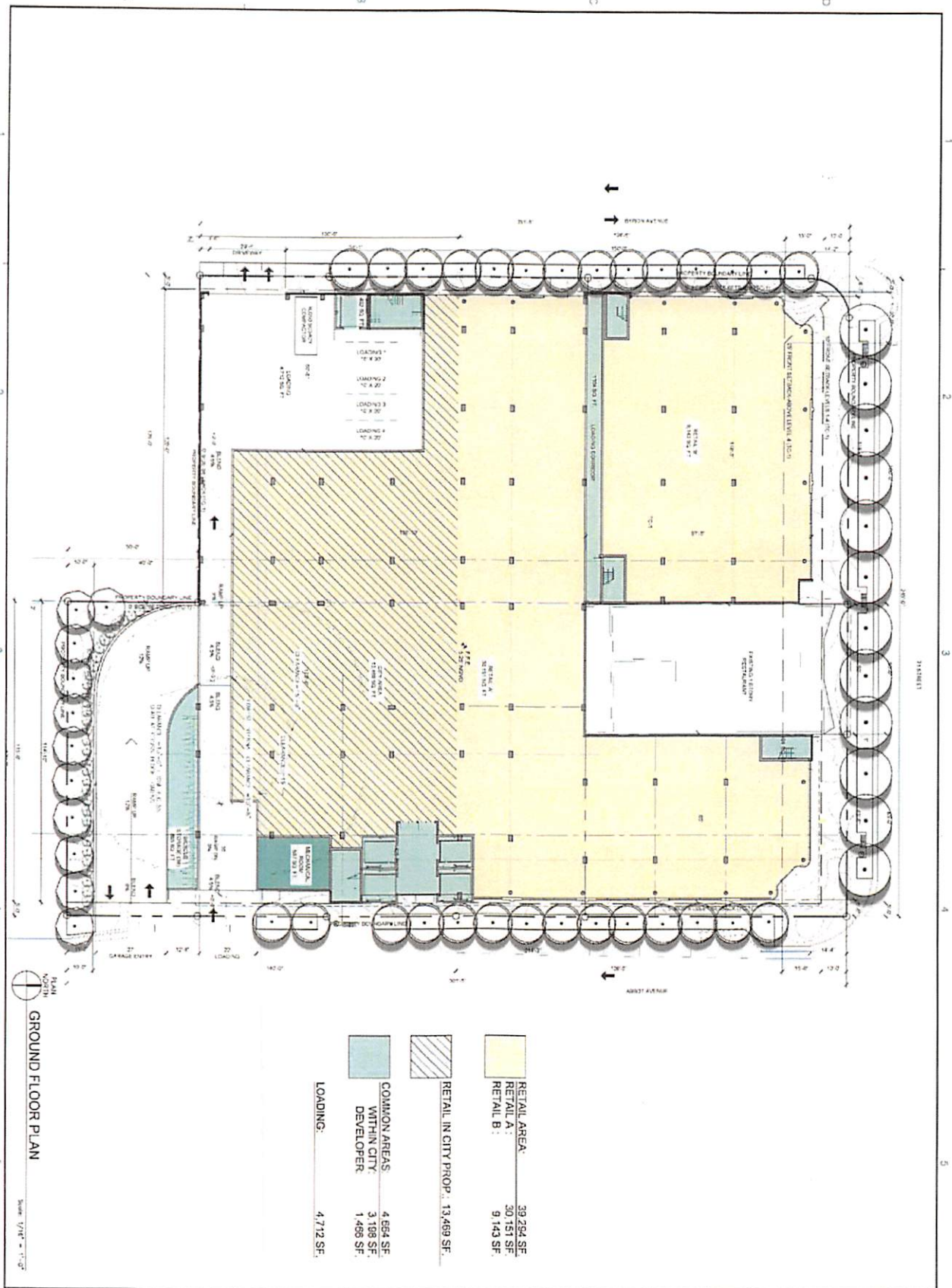
NBTC - LAND SWAP AND RETAIL CONDO VALUES				
January 3, 2019 PROPOSAL				
Parcel		1 Subtotal		Difference
Concluded Values:				\$800,000
Plus Retail Condo on Parcel 3 (increased footprint)		13,469	\$80	1,077,520
Plus Loading Area and Mechanical on Parcel 3		6,164	\$80	493,120
Plus Retail Condo Level 2		14,065	\$65	914,225
Developer Contribution to City Level 3 Parking		25,038	\$40	1,001,520
City Contribution to Developer Level 4 Parking		26,508	\$40	(1,060,320)
City Contribution to Developer Level 5 Parking/Roof		26,508	\$40	(1,060,320)
Total Developer contribution				\$2,165,745
Parking Space Evaluation				
City Parking Garage		DEVELOPER PKG		
LEVEL 1				
LEVEL 2				
LEVEL 3	0	111		
LEVEL 4	121			
LEVEL 5				
LEVEL 6				
LEVEL 7				
LEVEL 8				
ROOF	126			
	247	111		
TOTAL PARKING				358
Total PARKING GARAGE Cost	34,000			8,398,000
Developer Payment				2,165,745
Total City Cost for entire parking garage	25,232			6,232,255
		Ground Floor		
		Grocer	30,151	
		Retail B	9,143	
		Level 2		
		Retail C	8,295	
		Retail D	32,789	
		Total SF	80,378	
		Parking/1000 SF	4.45	
			103	
			144	
Developer Payment for 111 Stalls				3,774,000
Total Developer contribution to parking				5,939,745
DEVELOPER LOSS OF FAR				31,430

APPROVED TERM SHEET FINANCE COM 3/26/18				
				\$800,000
				\$592,080
				\$354,240
				\$1,746,320
City Parking				
		Developer Pkg		
		22		
		33	100	21.8%
		49		
		49		
		48		
		49		
		50		
		59		
		359	100	
TOTAL PARKING				459
		12,206,000		
		\$1,746,320		
		10,459,680		
		Ground Floor		
		Grocer	25,806	
		Retail B	4,712	
		Retail C	4,934	
		Level 3	31,045	
		Level 4	30,941	
		Level 5	28,307	
		Total SF	125,745	
		Parking/1000 SF	3.65	
		Developer parking at 3/1000, Minus 111	377	
		Excess Parking for Public	82	

Exhibit F

Concept Plan – 358 Spaces

Concept Plan – 479 Spaces



KARP

ARCHITECTURE
INTERIOR DESIGN
PLANNING

AIA ASID NCARB

2815 Bayshore Boulevard
Suite 200
Miami Beach, FL 33139
P: 305.673.1212
F: 305.673.1213
WWW.KARP-KARP.COM

71 NOBE - WEST PARCEL COMMERCIAL USE DEVELOPMENT

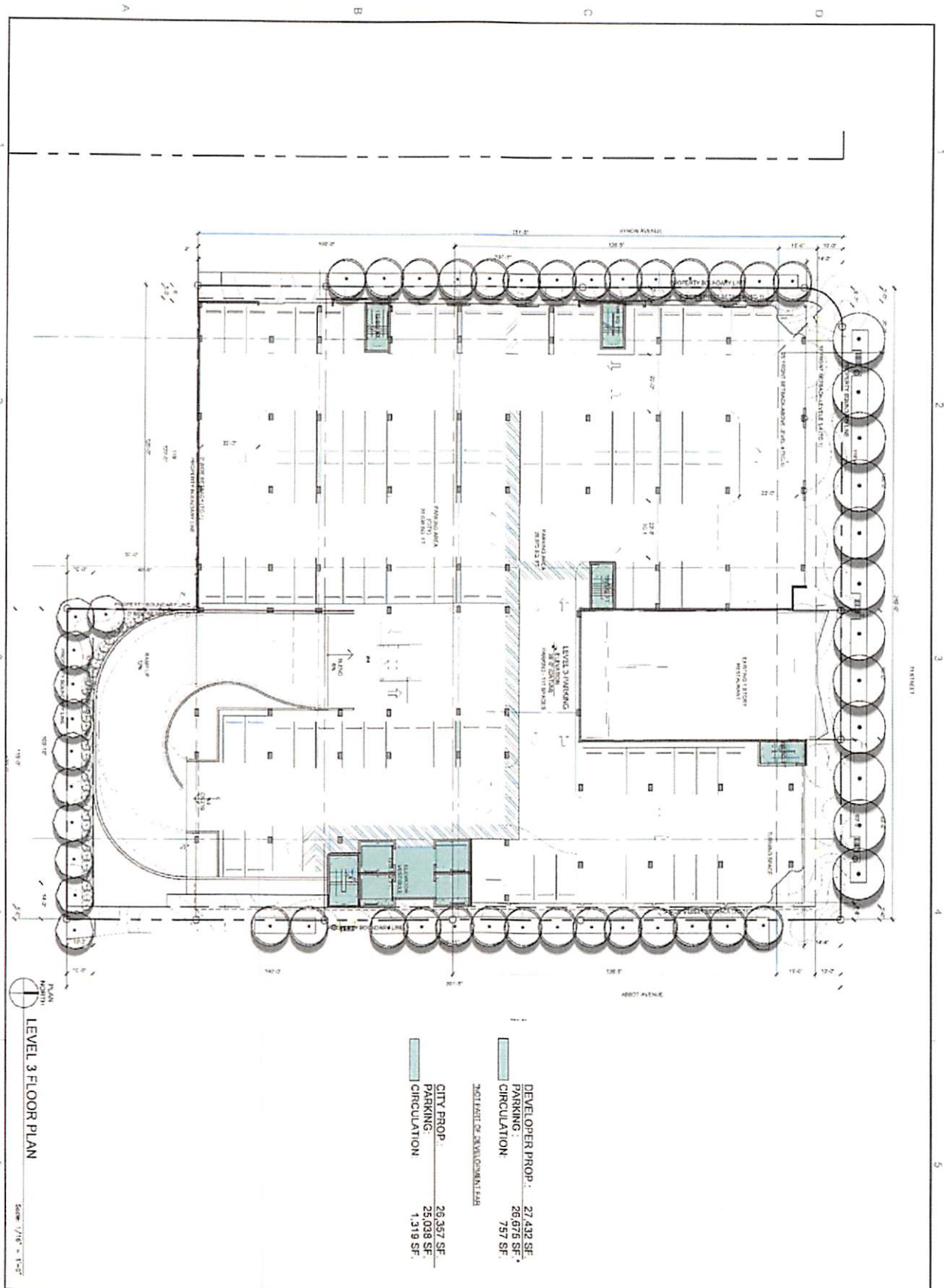
71ST STREET, MIAMI BEACH, FLORIDA

GROUND FLOOR PLAN

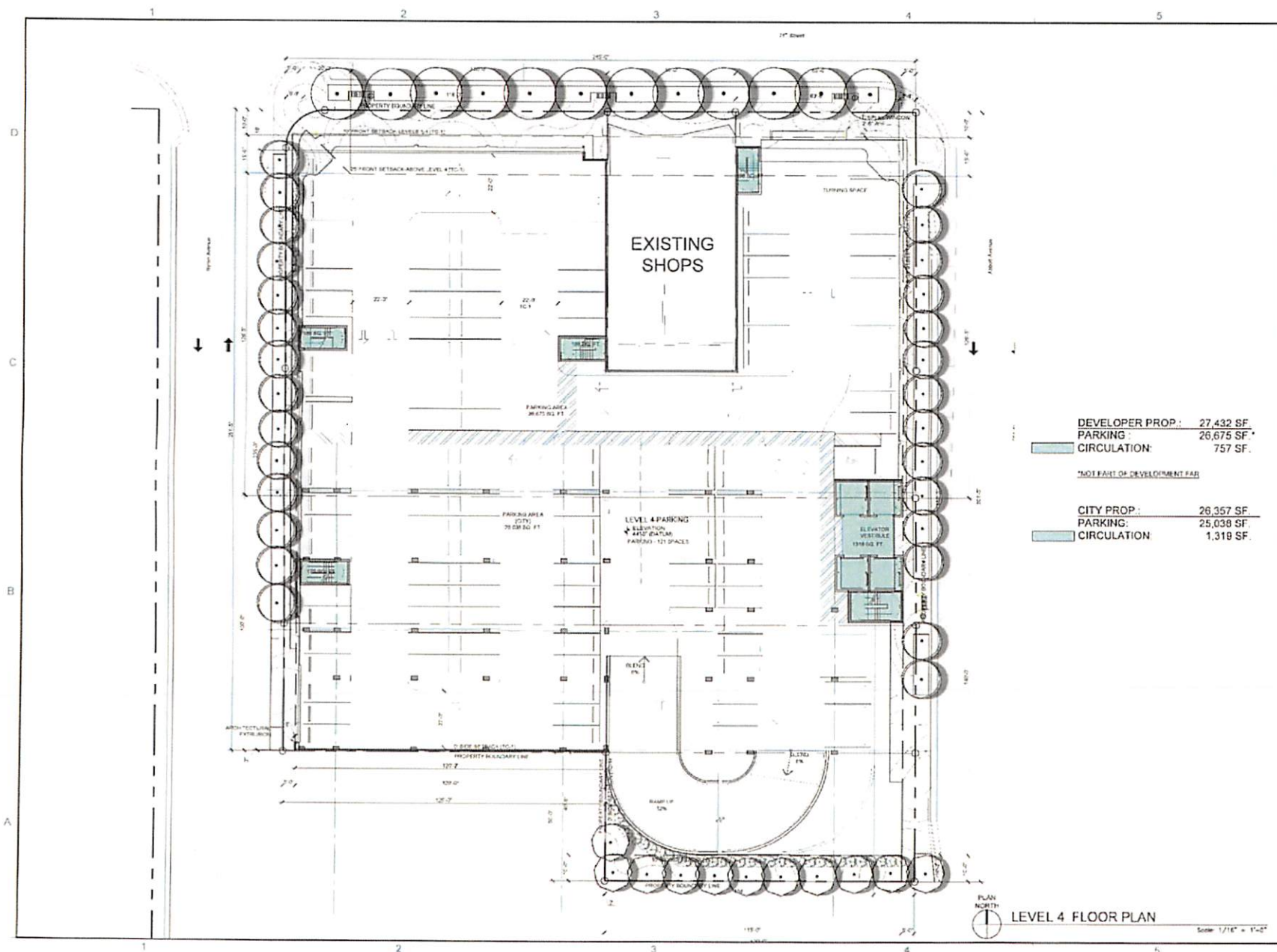
1723

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1723



<p>ARCHITECTURE INTERIOR DESIGN PLANNING</p> <p>AA ASID NCARB</p> <p>2015 Building Blueprint Scale: 1/4" = 1'-0"</p> <p>Miami Office: 311 N. 1st St., Suite 200 Tel: 305.372.1100 Fax: 305.372.1101</p> <p>WWW.KORNBUS.COM</p>	<p>KORNBUS</p> <p>1723</p>	<p>71 NOBE - WEST PARCEL COMMERCIAL USE DEVELOPMENT 1ST STREET, MIAMI BEACH, FLORIDA</p> <p>LEVEL 3 FLOOR PLAN</p>	<p>REVISIONS / DIMENSIONS</p> <p>1723</p>
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REV	DESCRIPTION	SUBMISSIONS

1723

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

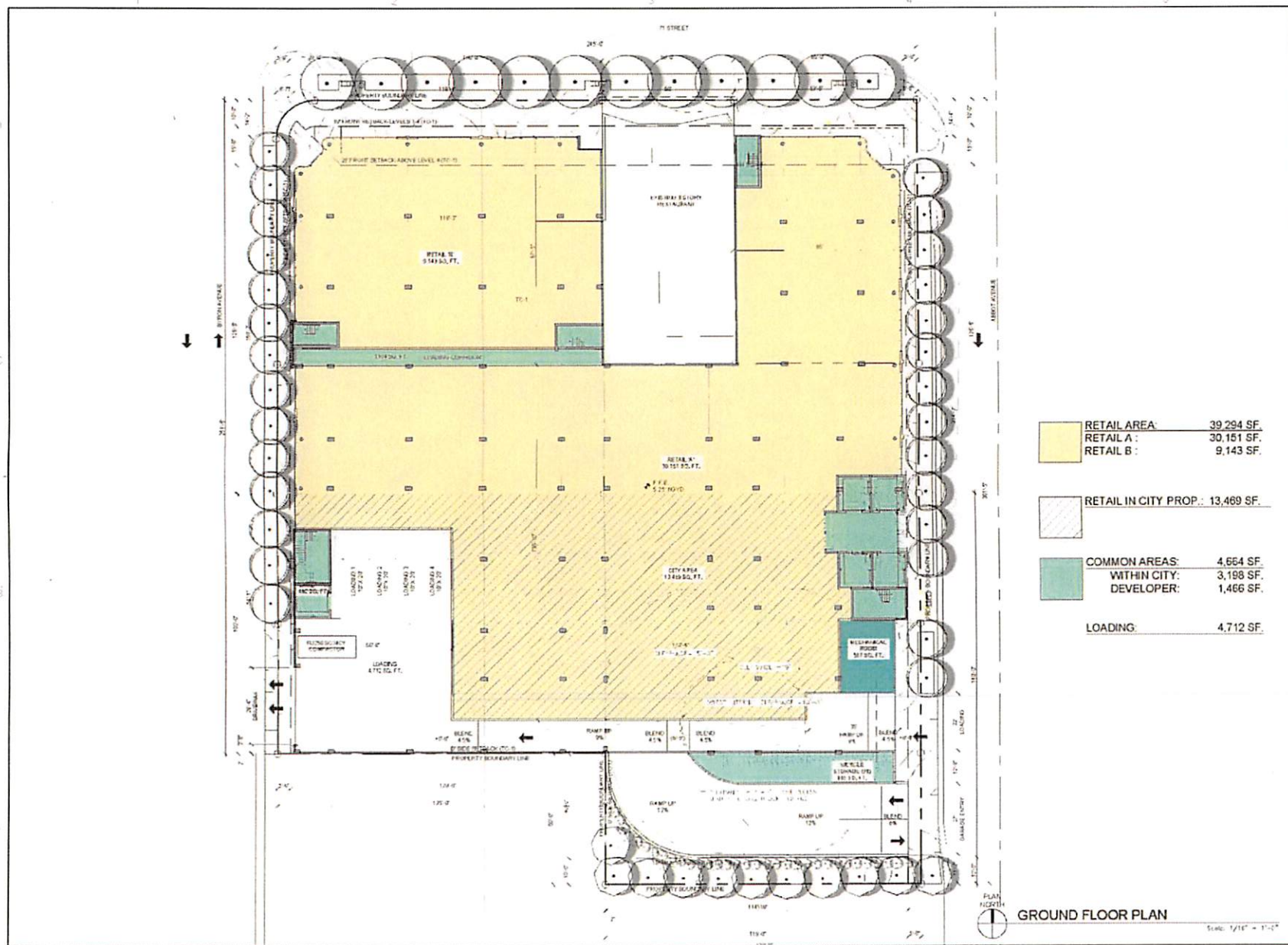
LEVEL 4 FLOOR PLAN



ARCHITECTURE
INTERIOR DESIGN
PLANNING
AIA ASID NCARB
2811 North Bayshore Blvd.
Miami Beach, FL 33137
WWW.KARPP.COM

DESIGNED BY:
CHECKED BY:
DATE: 06.20.2019

A3.04



REVISIONS / SUBMISSIONS

1723

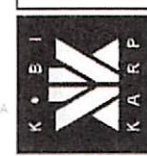
71 NOBE - WEST PARCEL
COMMERCIAL USE DEVELOPMENT
 71ST STREET, MIAMI BEACH, FLORIDA

GROUND FLOOR PLAN



KOB KARP
 L.L. # 110012270

ARCHITECTURE
INTERIOR DESIGN
PLANNING
 AIA AIAI NCARB
 2015 Registered Architect
 2015 Registered Interior Designer
 2015 Registered Planner
 P. 201 571108
 WWW.KOBKARP.COM

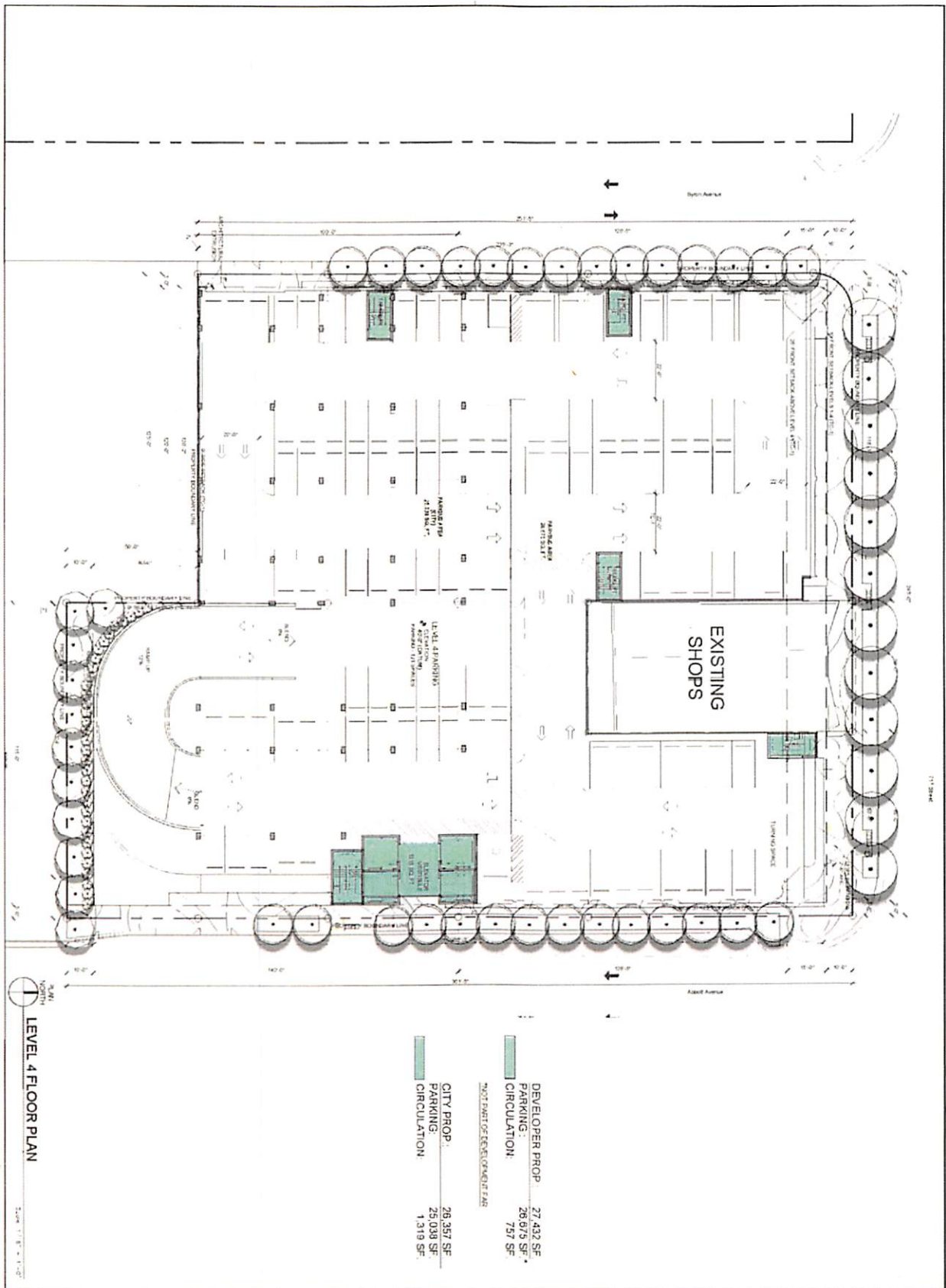


DRAWN BY
CHECKED BY
DATE 12/23/2018

A3.01



<p>DATE: 11/22/2018</p> <p>DESIGNER: A3.02</p>	<p>KARP</p>	<p>ARCHITECTURE INTERIOR DESIGN PLANNING</p> <p>AIA ASID NCARB</p> <p>2015 Rocauna Boulevard Suite 200 Miami, FL 33133 Tel: 305.573.3333 Fax: 305.573.3338</p> <p>WWW.KOBKARP.COM</p>	<p>KOB KARP Lic. # AR0012578</p>	<p>71 NOBE - WEST PARCEL COMMERCIAL USE DEVELOPMENT 71ST STREET, MIAMI BEACH, FLORIDA</p> <p>LEVEL 2 FLOOR PLAN</p>	<p>1723</p>	<p>REVISIONS / REMARKS</p>
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A3.04

DATE: 12/12/2018



ARCHITECTURE
INTERIOR DESIGN
PLANNING

AKA AGD NCARB

2011 Bayview Boulevard
Suite 202
Miami Beach, Florida 33137
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WWW.KOBKARP.COM

KOB KARP
L.E. # A30312578

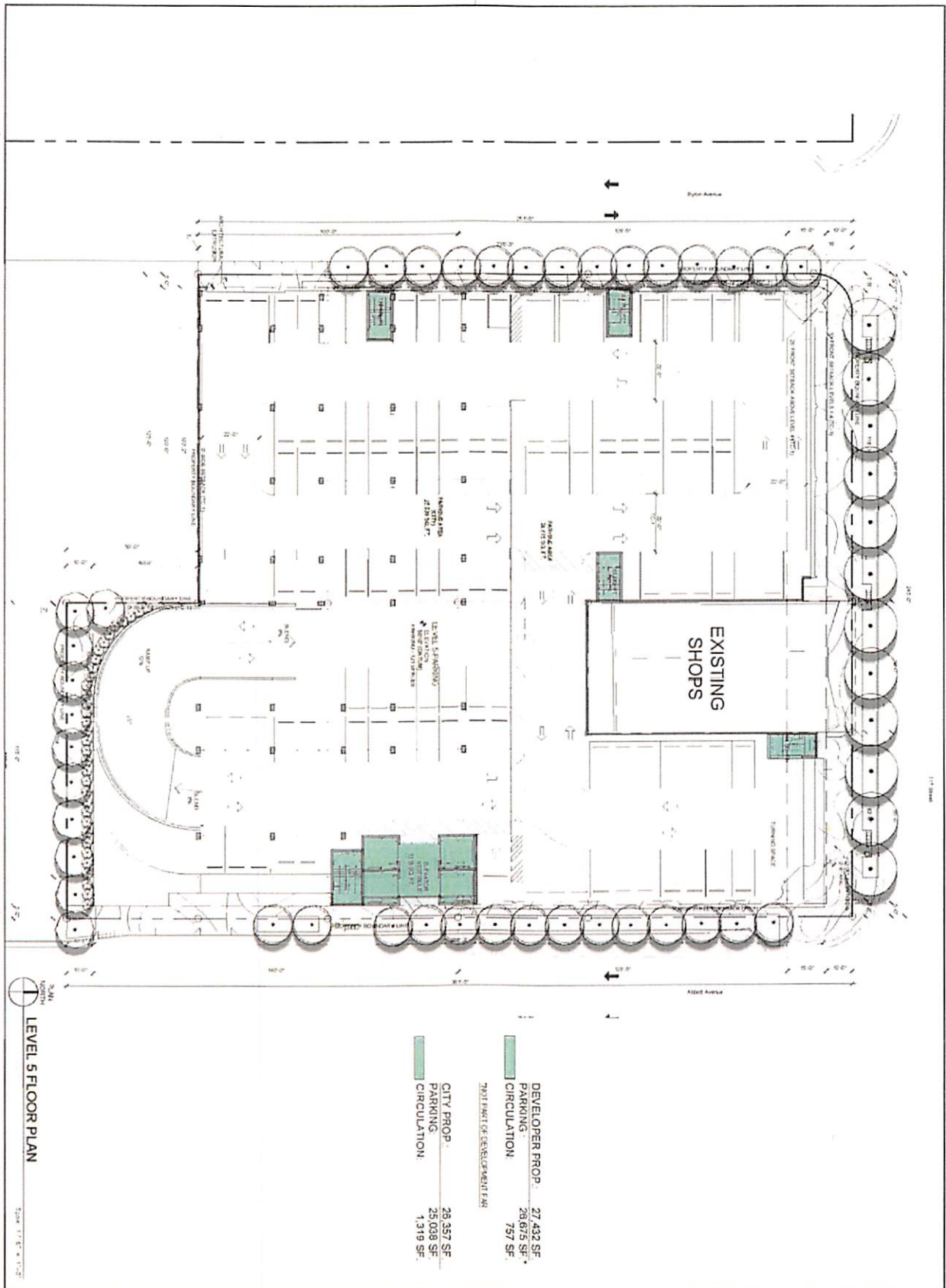


71 NOBE - WEST PARCEL
COMMERCIAL USE DEVELOPMENT
71ST STREET, MIAMI BEACH, FLORIDA

LEVEL 4 FLOOR PLAN

1723

REVISIONS: 1. 03/24/2019



<p>KOB</p> <p>KARP</p> <p>ARCHITECTURE INTERIOR DESIGN PLANNING</p> <p>ALA AIA NCARB</p> <p>2015 Brickman Building Suite 200 Miami, Florida 33137 P: 305.572.1214 F: 305.572.3700 WWW.KOBKARP.COM</p>	<p>71 NOBE - WEST PARCEL COMMERCIAL USE DEVELOPMENT 71ST STREET, MIAMI BEACH, FLORIDA</p> <p>LEVEL 5 FLOOR PLAN</p>	<p>1723</p>
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Exhibit G

NBTC Garage Pro Forma

CITY OF MIAMI BEACH
PARKING DEPARTMENT
North Beach Town Center

358 total spaces (247 City/111 Developer)(69% City/31% Developer)
Revenue was based on 247 City spaces. Expenses based on 358 total spaces.

	REVENUE BASED ON 247 CITY SPACES	247 SPACES (1st Hr Free) Transactions after 6pm reduced by 50%	247 SPACES Transactions after 6pm reduced by 50%	247 SPACES (1st Hr Free) Transactions after 6pm NOT reduced	247 SPACES Transactions after 6pm NOT reduced
	TRANSIENT	\$ 290,000	\$ 310,000	\$ 326,000	\$ 348,000
	MONTHLY RESIDENTS (40% of spaces)(50% residents)	\$ 44,000	\$ 44,000	\$ 44,000	\$ 44,000
	MONTHLY NON-RESIDENT (40% of spaces)(50% non-resident)	\$ 63,000	\$ 63,000	\$ 63,000	\$ 63,000
	SALES TAX	\$ (26,000)	\$ (28,000)	\$ (29,000)	\$ (30,000)
	TOTAL NET REVENUE	\$ 371,000	\$ 389,000	\$ 404,000	\$ 425,000

*Note: Based on pro-rata data for Sunset Harbor Garage (SHG). Please note that curbside parking surrounding SHG is \$4.00 per hour and enforced 9am to 3am.
For this analysis SHG transactions after 6pm were reduced since North Beach hours of enforcement end at 6pm. The last two columns provide estimates without this adjustment as a comparison.*

	EXPENSES BASED ON 358 TOTAL SPACES Developer would reimburse the City for their share of expenses (31%)	358 SPACES	358 SPACES	358 SPACES	358 SPACES
000312	TOTAL PROFESSIONAL SERVICE				
	SUPERVISOR/ATTENDANT (1 attendant/16 hours daily)	\$ 94,000.00	\$ 94,000.00	\$ 94,000.00	\$ 94,000.00
	LANDSCAPING*	\$ 5,500.00	\$ 5,500.00	\$ 5,500.00	\$ 5,500.00
000314	ELECTRICITY*	\$ 18,000.00	\$ 18,000.00	\$ 18,000.00	\$ 18,000.00
000316	TELEPHONE (\$1,218/MO)	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00
000317	WATER (\$20/MO)	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00
000318	SEWER (\$200/MO)	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00
000319	SANITATION (\$1,300/MO - once weekly)	\$ 16,000.00	\$ 16,000.00	\$ 16,000.00	\$ 16,000.00
000324	PRINTING/TICKETS ETC.	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00
000325	TOTAL MAINTENANCE CONTRACTS				
	JANITORIAL*	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00
	ELEVATOR	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00
	EXTERMINATING SERVICES \$250/MO	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00
	FIRE EXTINGUISHERS \$150/MO	\$ 1,800.00	\$ 1,800.00	\$ 1,800.00	\$ 1,800.00
	FIRE ALARM MONITORING \$250/MO	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00
	COURIER SERVICE \$17/day	\$ 7,000.00	\$ 7,000.00	\$ 7,000.00	\$ 7,000.00
	REVENUE CONTROL EQUIPMENT	\$ 12,000.00	\$ 12,000.00	\$ 12,000.00	\$ 12,000.00
000329	STORMWATER \$800/MO	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00
000341	OFFICE SUPPLIES	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00
000342	TOTAL REPAIRS & MAINTENANCE				
	R & M SUPPLIES	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00
	REVENUE CONTROL R & M (NOT COVERED UNDER WARRANTY)	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00
	ELEVATOR REPAIRS (NOT COVERED UNDER CONTRACT)	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00
000343	Other Operating - Windstorm Insurance*	\$ 46,000.00	\$ 46,000.00	\$ 46,000.00	\$ 46,000.00
000349	Other Contractual - SECURITY (1 guard - 24/7 @ \$20/hr)	\$ 175,200.00	\$ 175,200.00	\$ 175,200.00	\$ 175,200.00
	TOTAL OPERATING EXPENSES	\$ 488,500	\$ 488,500	\$ 488,500	\$ 488,500
	PROFIT/(LOSS) - Excludes Depreciation/Capital Expenditures	\$ (117,500)	\$ (99,500)	\$ (84,500)	\$ (63,500)
	31% of Expenses to be reimbursed by Developer	\$ 151,435	\$ 151,435	\$ 151,435	\$ 151,435
	NET PROFIT/(LOSS)	\$ 33,935	\$ 51,935	\$ 66,935	\$ 87,935

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

000484	Depreciation**	\$ 168,000.00	\$ 168,000.00	\$ 168,000.00	\$ 168,000.00
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** Depreciation was calculated based on a construction cost of \$34,000 per space (247 City spaces) over 50 years.

1/8/2019

CITY OF MIAMI BEACH
PARKING DEPARTMENT
North Beach Town Center

479 total spaces (368 City/111 Developer)(77% City/23% Developer)
Revenue was based on 368 City spaces. Expenses based on 479 total spaces.

	REVENUE BASED ON 247 CITY SPACES	368 SPACES (1st Hr Free) Transactions after 6pm reduced by 50%*	368 SPACES Transactions after 6pm reduced by 50%*	368 SPACES (1st Hr Free) Transactions after 6pm NOT reduced*	368 SPACES Transactions after 6pm NOT reduced*
	TRANSIENT	\$ 438,000	\$ 468,000	\$ 492,000	\$ 526,000
	MONTHLY RESIDENTS (40% of spaces)(50% residents)	\$ 66,000	\$ 66,000	\$ 66,000	\$ 66,000
	MONTHLY NON-RESIDENT (40% of spaces)(50% non-resident)	\$ 94,000	\$ 94,000	\$ 94,000	\$ 94,000
	SALES TAX	\$ (40,000)	\$ (42,000)	\$ (43,000)	\$ (45,000)
	TOTAL NET REVENUE	\$ 558,000	\$ 586,000	\$ 609,000	\$ 641,000

*Note: Based on pro-rata data for Sunset Harbor Garage (SHG). Please note that curbside parking surrounding SHG is \$4.00 per hour and enforced 9am to 3am.
For this analysis SHG transactions after 6pm were reduced since North Beach metered hours of enforcement are 8am - 6pm. The last two columns provide estimates without this adjustment as a comparison.*

	EXPENSES BASED ON 479 TOTAL SPACES Developer would reimburse the City for their share of expenses (23%)	479 SPACES	479 SPACES	479 SPACES	479 SPACES
000312	TOTAL PROFESSIONAL SERVICE				
	SUPERVISOR/ATTENDANT (1 attendant/16 hours daily)	\$ 94,000.00	\$ 94,000.00	\$ 94,000.00	\$ 94,000.00
	LANDSCAPING*	\$ 7,500.00	\$ 7,500.00	\$ 7,500.00	\$ 7,500.00
000314	ELECTRICITY*	\$ 24,000.00	\$ 24,000.00	\$ 24,000.00	\$ 24,000.00
000316	TELEPHONE (\$1,218/MO)	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00
000317	WATER (\$20/MO)	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00
000318	SEWER (\$200/MO)	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00
000319	SANITATION (\$1,300/MO - once weekly)	\$ 16,000.00	\$ 16,000.00	\$ 16,000.00	\$ 16,000.00
000324	PRINTING/TICKETS ETC.	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00
000325	TOTAL MAINTENANCE CONTRACTS				
	JANITORIAL*	\$ 66,000.00	\$ 66,000.00	\$ 66,000.00	\$ 66,000.00
	ELEVATOR	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00
	EXTERMINATING SERVICES \$250/MO	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00
	FIRE EXTINGUISHERS \$150/MO	\$ 1,800.00	\$ 1,800.00	\$ 1,800.00	\$ 1,800.00
	FIRE ALARM MONITORING \$250/MO	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00
	COURIER SERVICE \$17/day	\$ 7,000.00	\$ 7,000.00	\$ 7,000.00	\$ 7,000.00
	REVENUE CONTROL EQUIPMENT	\$ 12,000.00	\$ 12,000.00	\$ 12,000.00	\$ 12,000.00
000329	STORMWATER \$800/MO	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00
000341	OFFICE SUPPLIES	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00
000342	TOTAL REPAIRS & MAINTENANCE				
	R & M SUPPLIES	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00
	REVENUE CONTROL R & M (NOT COVERED UNDER WARRANTY)	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00
	ELEVATOR REPAIRS (NOT COVERED UNDER CONTRACT)	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00
000343	Other Operating - Windstorm Insurance*	\$ 62,000.00	\$ 62,000.00	\$ 62,000.00	\$ 62,000.00
000349	Other Contractual - SECURITY (1 guard - 24/7 @ \$20/hr)	\$ 175,200.00	\$ 175,200.00	\$ 175,200.00	\$ 175,200.00
	TOTAL OPERATING EXPENSES	\$ 528,500	\$ 528,500	\$ 528,500	\$ 528,500
	PROFIT/(LOSS) - Excludes Depreciation/Capital Expenditures	\$ 29,500	\$ 57,500	\$ 80,500	\$ 112,500
	23% of Expenses to be reimbursed by Developer	\$ 121,555	\$ 121,555	\$ 121,555	\$ 121,555
	NET PROFIT/(LOSS)	\$ 151,055	\$ 179,055	\$ 202,055	\$ 234,055

* Based on pro-rata data for Sunset Harbor Garage

000484	Depreciation**	\$ 251,000.00	\$ 251,000.00	\$ 251,000.00	\$ 251,000.00
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** Depreciation was calculated based on a construction cost of \$34,000 per space (368 City spaces) over 50 years.

1/10/2019

Exhibit H

Comparative Pro Forma

**CITY OF MIAMI BEACH
PARKING DEPARTMENT
COMPARISON**

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

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

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

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

Exhibit I

12/20/18 Letter to Commission

MIAMI BEACH


City of Miami Beach, 1700 Convention Center Drive, Miami Beach, Florida 33139, www.miamibeachfl.gov

OFFICE OF THE CITY MANAGER

656-2018

LETTER TO COMMISSION

TO: Mayor Dan Gelber and Members of the City Commission

FROM: Jimmy L. Morales, City Manager 

DATE: December 20, 2018

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

The purpose of this Letter to the Commission (LTC) is to inform the Mayor and City Commission regarding the status of negotiations between the City and North Beach Town Center Development, LLC ("Developer").

BACKGROUND

At its November 30, 2018 meeting, the Finance and Citywide Projects Committee (FCWPC) advised the Developer to substantially improve the economic terms of the submitted proposal if it wished to continue negotiations with the City. The FCWPC also recommended in favor of directing staff to engage a consultant to perform an economic impact study of the Developer's proposal. At its December 12, 2018 meeting, the Mayor and City Commission accepted the recommendation of the FCWPC and directed staff to engage a consultant to perform an economic impact study and to include the value of the City's land in the financial analysis.

Subsequent to the December 12, 2018 Commission meeting, the Developer submitted various revised proposals to the City. Following ongoing negotiations, on December 20, 2018, the Developer submitted its best and final proposal for the City's consideration. The noteworthy changes from the proposal submitted at the November 30, 2018 FCWPC are as follows:

1. The Developer will pay for the air rights and construction costs associated with all 111 parking spaces on the 3rd floor of the garage. The 111 spaces represent 31% of the 358 total parking spaces. **[This results in a total out-of-pocket cost to the City of \$6,203,835 which is a reduction of \$5,842,520.]**
2. The City will provide one hour free parking for a period up to twenty (20) years. The Developer will pay for the costs associated with implementing a validation system. The Developer will pay the City the amount of the operating losses, if any, plus a contribution of \$66,000 annually to replace the net revenue associated with the existing City-owned surface parking lots. **[The 11/30/18 proposal did not include any free parking as the Developer reimbursed the City for all validated tickets.]**

3. Commencing on the fifth anniversary of the opening date, if the Developer's retail tenants occupy more than 79% of the floor area ("Occupancy Threshold"), the Developer will reimburse the City for the validated tickets, plus an annual contribution off \$66,000. **[Even though the 11/30/18 proposal did not include any free parking, previous proposals which included free parking contained an Occupancy Threshold of 70%.]**

As directed by the Commission, the Administration is engaging a consultant to perform an economic impact analysis based on these revised terms. The study is expected to be completed in February.

The developer has requested that this item be discussed at the January Commission meeting.

Please contact Kathie Brooks at extension 6249 if you would like to discuss further.

JLM/KGB/MMM

MIAMI BEACH

COMMITTEE MEMORANDUM

TO: Finance and Citywide Projects Committee Members

FROM: Jimmy L. Morales, City Manager

DATE: January 25, 2019

SUBJECT: **DISCUSSION ON THE STORMWATER UTILITY RATES**

ANALYSIS:

Item to be submitted as supplemental.

MIAMI BEACH

COMMITTEE MEMORANDUM

TO: Finance and Citywide Projects Committee Members

FROM: Jimmy L. Morales, City Manager

DATE: January 25, 2019

SUBJECT: **DISCUSSION REGARDING THE FUTURE USE OF THE CORAL ROCK HOUSE, CONSISTING OF APPROXIMATELY 1,307 SQUARE FEET, LOCATED AT 1701 NORMANDY DRIVE**

ANALYSIS:

Item withdrawn by Administration.

MIAMI BEACH

COMMITTEE MEMORANDUM

TO: Finance and Citywide Projects Committee Members

FROM: Jimmy L. Morales, City Manager

DATE: January 25, 2019

SUBJECT: DISCUSSION REGARDING LEASING THE PENNSYLVANIA GARAGE RETAIL SPACE, CONSISTING OF APPROXIMATELY 7,722 SQUARE FEET, LOCATED AT 1661 PENNSYLVANIA AVENUE, TO MOONLIGHTER MAKERSPACE

HISTORY:

The Pennsylvania Garage building consists of 572 municipal parking spaces and approximately 7,722 square feet of ground floor retail space. In September 2011, the City executed a new lease agreement for the retail space with Penn 17, LLC ("Penn 17") for a period of ten (10) years. When Penn 17 failed to make the required rent payments under the lease the City terminated the lease in March 2015 and Penn 17 vacated the space in July 2015.

Since that time, the City has utilized the vacant space for various purposes such as EnerGov training, temporary offices for Code Compliance and Housing & Community Services and as a temporary location for the Miami Beach Chamber of Commerce Visitor's Center.

In March 2017, the City engaged the Koniver Stern Group to market the space for lease. In June 2018, the City opted to change brokers and engaged CBRE, Inc. to market the space for lease. Due to a number of factors, including the convention center renovation, the extended closure of Convention Center Drive and the temporary closure of 17th Street, the City has received very little interest in the space and no serious leasing prospects for the City's consideration. For example, on January 15, 2018, CBRE received a proposal from a local Latin restaurant, Ola, located at 2216 Park Avenue. In part, the proposal included a City contribution of \$100,000 towards interior improvements, and base rent increasing from \$5.18 PSF in years 1 and 2, 5.83 PSF in year 3 and \$7.77 PSF in year 4. Thereafter, assuming completion of the convention center hotel, the rent would be based on a percentage of revenue (to be determined).

Due to the lack of viable lease prospects at this time, and the need to relocate City departments from the 555 17th Street building in preparation for the pending construction of the Convention Center hotel, the Administration has been considering the Pennsylvania Garage retail space as potential short term solution. The Administration recognizes that this is not the best use of the space once the new Convention Center hotel is complete as this corridor will serve as a vital connector between the Miami Beach Convention Center, the new Convention Center hotel, and Lincoln Road.

The Miami Beach Chamber of Commerce currently utilizes 935 SF in the retail space for the Miami Beach Visitor's Center resulting in +/-6,800 SF of available space which could be utilized by Code. The

Administration anticipates that the Miami Beach Visitor's Center will continue to occupy the space until the new Convention Center Hotel is completed.

ANALYSIS:

On December 21, 2018, Moonlighter Makerspace (Moonlighter) submitted a Letter of Intent to the City, attached hereto as Attachment A (Letter of Intent). As contained in the Overview section on Page 2 of the Letter of Intent, "Moonlighter is a social venture that brings a S.T.E.A.M. (Science, Technology, Engineering, Arts & Math) education center, co-working space, and digital fabrication lab together in the same space. This encourages creative collaboration and innovation to occur organically - where members are constantly learning, making, and sharing ideas. By empowering the community with the technical skills they need and giving them affordable access to advanced manufacturing technologies, we prepare citizens for exponential and changing economies, and we close the digital divide by leveling the playing field and giving everyone an opportunity to harness the means of shaping their futures and the environments where they live, work and play." Moonlighter has provided several articles regarding their work within the community, attached hereto as Attachments B, C and D.

While Moonlighter currently operates as a social venture (S-corp.), the corporation is in the process of incorporating and filing for 501(c)3 status, expected to be completed in February 2019.

The basic terms and conditions contained in the Letter of Intent are as follows:

Demised Premises: Approximately 7,722 rentable square feet

Use: S.T.E.A.M. education center, co-working space, and digital fabrication lab

Term: Up to ten (10) years

Rent: \$1.00 annually

Moonlighter has proposed numerous public benefits initiatives as outlined below:

STEAM Education

Supporting Science, Technology, Engineering, Arts, and Mathematics education to students throughout Miami Beach.

- 1 Free Field Trip to all Miami Beach schools (up to 30 students per field trip)
- Reduced rate after school programming to Miami Beach students.
- Bi-Annual Educator Professional Development Workshops.
- Free Monthly Maker Workshops for Miami Beach Residents.

Urban Placemaking / Arts Activations

Partnering with local Miami Beach institutions to activate public spaces and/or support arts initiatives with the digital fabrication lab. Work with local artists to nurture emerging talent.

Artisans and Innovators in Residence

A residency program that supports creatives with the resources they need to build their innovative concepts. 1 studio space per year for a selected person or team based on project proposal submission.

Moonlighter Memberships

Memberships are a low-cost solution for people interested in learning how to use digital fabrication techniques and tools to build their ideas. It provides a low barrier to entry for new ideas to be

tested before committing to more expensive manufacturing methods.

Community Benefit Venue Waiver

Exhibition space can be granted to cultural and educational organizations for exhibitions, fundraisers, workshops, and events that support the advancement of the mission.

Fourth Industrial Revolution Lecture Series

A lecture series bringing in experts in the fields of Internet of Things, Machine Learning, Artificial Intelligence, Robotics, Automation, Autonomous, Alternative Energies, Advanced Manufacturing and Construction, and other relevant topics to advance workforce development in the region, preparing the city for industry 4.0.

CONCLUSION:

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

ATTACHMENTS:

Description		Type
❏	Exhibit A - Letter of Intent	Memo
❏	Exhibit B - Children's Camps	Memo
❏	Exhibit C - 3D Printing	Memo
❏	Exhibit D - Fairchild Grant	Memo

Moonlighter Makerspace 2041 NW 1 Place Miami, Fl. 33127 | (305) 699-2041 | info@moonlighter.co

Letter of Intent - Overview Summary

Moonlighter Makerspace Miami Beach would become the South Florida hub for Advanced Manufacturing - positioning the city to become the epicenter for innovative solutions to the regions exponential social, economic, and climatic changes. The fablab can be used to advance research and prototypes for civic initiatives and support local arts programs.

Possible synergies with other educational, cultural, and government institutions include:

- Miami Beach Urban Studios - FIU
- Bass Museum
- Wolfsonian Museum - FIU
- New World Symphony
- Miami New Drama
- City of Miami Beach Government Sea Level Rise Initiatives
- City of Miami Beach Cultural Arts Council
- Artechouse Gallery
- ArtCenter South Florida
- Code for Miami Workshops + Hackathons

While Moonlighter currently operates as a social venture (S-corp.), the corporation is in the process of incorporating and filing for 501(c)3 status, expected to be completed in February 2019. The listed community benefits below are offered in exchange for a subsidized rent of \$1/year at the City owned property: 7,722sqft. at 1661 Pennsylvania Avenue Miami Beach, Fl. Moonlighter seeks to lease for a term of up to 10 years, with options to renew the terms, in order to work on long term initiatives that build a robust advanced manufacturing/innovation ecosystem in The City of Miami Beach.

Moonlighter Makerspace will relocate to the Miami Beach location, bringing over a quarter million dollars worth of technology, equipment and tools, as well as the maker communities, networks, and research initiatives it is currently involved in and fostering. Moonlighter will coordinate featuring the innovation work in the City of Miami Beach at the annual regional Maker Faire and other national and international Maker conferences. Other possible initiatives for working in partnership with City of Miami Beach:

- Precious Plastics Initiative
 - Beach plastics pickup and recycling
 - In-house plastics lab teaches the community to make new objects with the recycled plastic. More info: <https://preciousplastic.com>
- FabCity Global Initiative Designation
 - Work with city to develop policy and infrastructures for becoming a self-sufficient city - joining 28 cities across the globe.
 - Initiatives support resiliency efforts and position Miami Beach as a leader in sustainability. More info: <https://fab.city>

Moonlighter Miami Beach

Mission

Empowering the community with the opportunity to build ideas and shape the future through a shared learning and working environment that provides access to digital tools, advanced manufacturing, and innovative, hands-on educational experiences.

Objectives

1. Educate a new generation of innovators with digital and technical skills.
2. Provide an environment for shared working and learning that accelerates innovation and collaboration.
3. Provide access to a wide range of advanced manufacturing tools and equipment.
4. Create opportunities to bridge civic and social challenges to the community of talent that can help build solutions.

Overview

Moonlighter Makerspace is a social venture that brings a S.T.E.A.M. education center, co-working space, and digital fabrication lab together in the same space. This encourages creative collaboration and innovation to occur organically - where members are constantly learning, making, and sharing ideas. By empowering the community with the technical skills they need and giving them affordable access to advanced manufacturing technologies, we prepare citizens for exponential and changing economies, and we close the digital divide by leveling the playing field and giving everyone an opportunity to harness the means of shaping their futures and the environments where they live, work, and play.

- Registered MIT/Fab Foundation Fabrication lab. One of 1600 worldwide connected to global research initiatives and shared resources.
- Member, Urban Manufacturing Alliance and Nation of Makers Organizations.
- Partner, Fairchild Tropical Botanic Garden and NASA - Education and research initiative to develop efficient technologies for growing plants in the International Space Station.

Public Benefits

STEAM Education

Supporting Science, Technology, Engineering, Arts, and Mathematics education to students throughout Miami Beach.

- 1 Free Field Trip to all Miami Beach schools (up to 30 students per field trip)
- Reduced rate after school programming to Miami Beach students.
- Bi-Annual Educator Professional Development Workshops.
- Free Monthly Maker Workshops for Miami Beach Residents.

Urban Placemaking / Arts Activations

Partnering with local Miami Beach institutions to activate public spaces and/or support arts initiatives with the digital fabrication lab. Work with local artists to nurture emerging talent.

Artisans and Innovators in Residence

A residency program that supports creatives with the resources they need to build their innovative concepts. 1 studio space per year for a selected person or team based on project proposal submission.

Moonlighter Memberships

Memberships are a low-cost solution for people interested in learning how to use digital fabrication techniques and tools to build their ideas. It provides a low barrier to entry for new ideas to be tested before committing to more expensive manufacturing methods.

Community Benefit Venue Waiver

Exhibition space can be granted to cultural and educational organizations for exhibitions, fundraisers, workshops, and events that support the advancement of the mission.

Fourth Industrial Revolution Lecture Series

A lecture series bringing in experts in the fields of Internet of Things, Machine Learning, Artificial Intelligence, Robotics, Automation, Autonomous, Alternative Energies, Advanced Manufacturing and Construction, and other relevant topics to advance workforce development in the region, preparing the city for industry 4.0.

Contextual Information:

The Importance of The Maker Movement

Maker culture is a contemporary culture or subculture representing a technology-based extension of DIY culture that revels in the creation of new devices as well as tinkering with existing ones. The maker culture in general supports open-source hardware and software. Typical interests enjoyed by the maker culture include engineering-oriented pursuits such as electronics, robotics, 3-D printing, and the use of Computer Numerically Controlled tools, as well as more traditional activities such as metalworking, woodworking, and, mainly, its predecessor, the traditional arts and crafts. There is a strong focus on using and learning practical skills and applying them to solve problems.

Maker culture emphasizes learning-through-doing ([active learning](#)) in a social environment. It emphasizes informal, networked, peer-led, and shared learning motivated by fun and self-fulfillment. Maker culture encourages novel applications of technologies as well as the exploration of intersections between traditionally separate domains and ways of working including metal-working, calligraphy, film making, and computer programming. Community interaction and knowledge sharing are often mediated through networked technologies, with websites and social media tools forming the basis of knowledge repositories along with a central channel for information sharing and exchange of ideas, and focused through social meetings in shared spaces such as makerspaces. Maker culture has attracted the interest of educators concerned about students' disengagement from STEAM subjects (science, technology, engineering, arts and mathematics) in formal educational settings. Maker culture is seen as having the potential to contribute to a more participatory approach and create new pathways into topics that will make them more alive and relevant to learners.

Some say that the maker movement is a reaction to the de-valuing of physical exploration and the growing sense of disconnection with the physical world in modern cities. Many products produced by maker communities have a focus on [health](#) (food), [sustainable development](#), [environmentalism](#) and local [culture](#), and can from that point of view also be seen as a negative response to [disposables](#), [globalised mass production](#), the power of [chain stores](#), [multinationals](#) and [consumerism](#).

In reaction to the rise of maker culture, [Barack Obama](#) pledged to open several national [research and development](#) facilities to the public. In addition, the U.S. federal government renamed one of their national centers "[America Makes](#)".

The maker movement is a social movement with an [artisanal](#) spirit in which the methods of [digital fabrication](#)—previously the exclusive domain of institutions—have become accessible at a personal scale, following a logical and economic progression similar to the transition from minicomputers to personal computers in the [microcomputer revolution](#) of the 1970s. In 2005, Dale Dougherty launched [Make](#) magazine to serve the growing community, followed by the

2006 launch of [Maker Faire](#). The term, coined by Dougherty, grew into a full-fledged industry based on the growing number of DIYers who want to build something rather than buy it.

The rise of the maker culture is closely associated with the rise of hackerspaces, Fab Labs and other makerspaces, of which there are now many around the world. These spaces allow like-minded individuals to share ideas, tools, and skill sets. In addition, those who identify with the subculture can be found at more traditional universities with a technical orientation, such as [MIT](#) and [Carnegie Mellon](#) (specifically around "shop" areas like the MIT Center for Bits and Atoms, MediaLab and the CMU Robotics Club). As maker culture becomes more popular, makerspaces and Fab Labs are becoming more common in communities, universities and public libraries. The federal government has started adopting the concept of fully open makerspaces within its agencies, the first of which (SpaceShop Rapid Prototyping Lab) resides at [NASA Ames Research Center](#). In Europe the popularity of the labs is more prominent than in the US: about three times more labs exist there.

With the rise of cities, which is estimated to host 60% of mankind by 2030, hackerspaces, fablabs and makerspaces will likely gain traction, as they are places for local entrepreneurs to gather and collaborate, providing local solutions to environmental, social or economical issues. Though desktop machines and inexpensive tools for the home have made many projects possible, some still require industrial equipment that's not accessible to the typical maker. Makerspaces tend to be a community-based industrial space that operate on a membership plan, somewhat like a gym. Moonlighter is one of these spaces.

What is S.T.E.A.M?

STEAM is an educational approach to learning that uses **Science, Technology, Engineering, the Arts and Mathematics** as access points for guiding student inquiry, dialogue, and critical thinking. The end results are students who take thoughtful risks, engage in experiential learning, persist in problem-solving, embrace collaboration, and work through the creative process. These are the innovators, educators, leaders, and learners of the 21st century!

The US Department of Education reports that the number of STEM/STEAM jobs in the United States will grow by 14% from 2010 to 2020, growth that the BLS terms as “much faster” than the national average of 5-8 % across all job sectors.

Computer programming and IT jobs top the list of the the hardest to fill jobs, according to a recent study done by McKinsey. Despite this, the most popular college majors are not STEAM related.

“The number of graduates in the STEM fields is growing. Only .8% annually” according to the same Mckinsey study. So how can we get more kids involved in STEM, and create a strong and able workforce? By teaching STEAM, of course.

The inclusion of the arts component into STEM makes it more fun to learn, and approachable for children to learn. A child who has never seen code or computer science learning will be less intimidated and more engaged if it includes something they are familiar with, like an art component, whether that is learning it on an interface that uses a creative component to teach it, or whether they are learning computer science by actually creating something.

Children need to be engaged in learning through ways that can hold their attention, the way social media and internet sites like Youtube do. The easiest way to do this is to make it fun and interesting. The inclusion of arts does this, for a wider range of children. Something like video art tied into code makes learning look more fun, where the student is solving a problem to create a project they love.

Art education allows students to learn things in a more open ended way and make them applicable to real life. Arts and creativity are crucial to the sciences, technology, and computer science. They are the tool that allows technology to be usable in real life! Arts are used in website and user interfaces design, advertising, product design and usability, branding, and start-up creation among countless other uses. All things that are crucial to STEM learning and careers.

STEAM education is crucial to educate and prepare the next generation of the American and global workforce. It will allow this generation to create jobs and grow the economy in ways that are more sustainable and equitable than ever before.

Second Floor Plan Details:

- Workshop:** Large orange room at the top right.
- Safety/Prep:** Pink room below the Workshop.
- Front Desk Entrance:** Blue room below Safety/Prep.
- Retail:** Green room below Front Desk Entrance.
- Kitchen:** Light green room below Retail.
- Conference Room:** Purple room below Kitchen.
- Studio/Office:** A row of seven dark blue rooms below the Conference Room.
- CoWorking Desks:** A row of eight yellow desks below the Studio/Office rooms.
- Classroom A:** Dark blue room at the bottom right.
- Classroom B:** Light blue room to the left of Classroom A.
- Exhibits/Events:** Red room to the left of Classroom B.
- New Dry Floodproofed Area:** Large area at the top left, including storage and work/office space.
- Support Spaces:** Restrooms, a parking garage, and various smaller rooms like a fish room, beer cooler, and product room.

Reference Images for Lab:

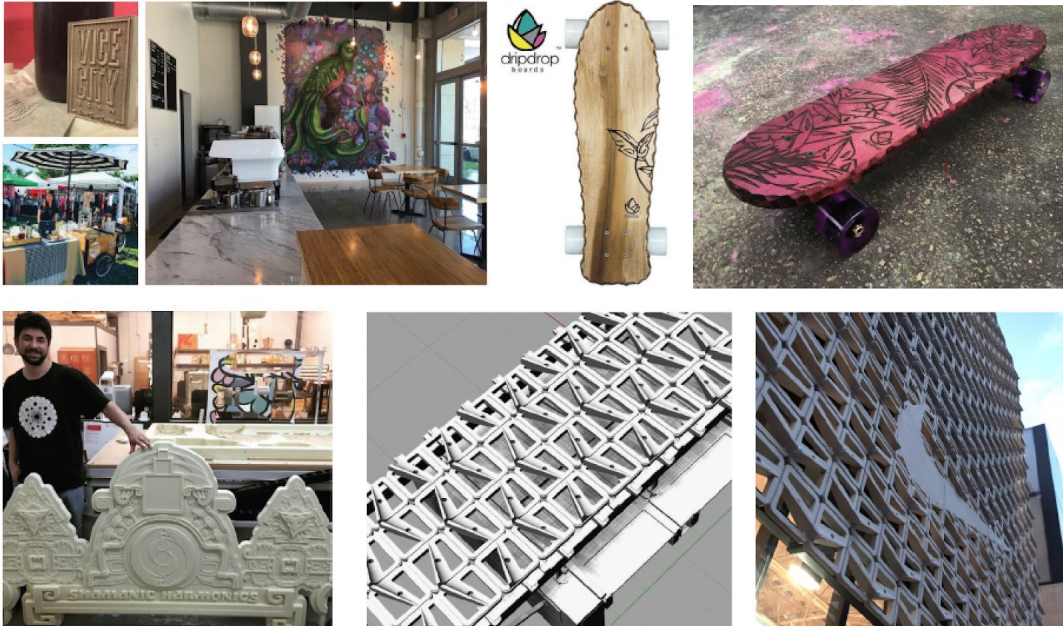




Moonlighter History/Overview:

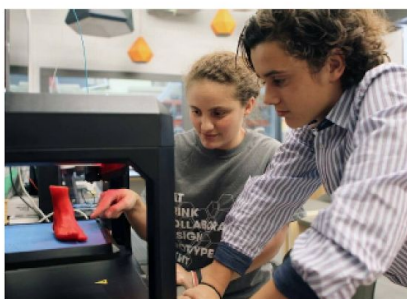
A Diverse Maker Community

- Vice City Bean | Small Business
- Drip Drop Boards | Product Start-Up
- Shamanic Harmonics | Artist
- Touzet Studio | Architecture Firm



Member Stories

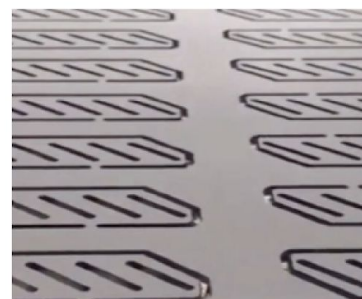
"What incubators and co-working spaces have done for the tech industry, maker spaces will do for the hardware, manufacturing, and fabrication design industries."



Digifeet:

A technology startup that creates truly custom orthotics by 3d scanning patients' feet, sending digital files to doctors for review, and 3D printing flexible orthotic solutions to solve various foot problems.

- 16 Year old founder
- Winner of Miami Herald Business Plan Challenge
- Founded Moonshot Makers at School for Advanced Studies
- Winner of 2017 Silver Knights Award



Watsco Ventures:

Weekly users of Watsco's e-commerce apps grew by 220 percent last year, while online transactions grew by 127 percent. Line items per order grew 28 percent when the apps were used.

More than 1,500 internal users are now using its Business Intelligence platform, up 12 percent, and the average number of BI queries per day increased 31 percent per user.

Because of warehousing efficiencies, the company reduced its needs by 500,000 square feet in 2016. The company made dramatic improvements in inventory turnover at locations that have fully adopted the technologies.



SOP Technologies:

An environmental startup that provides technologies to prevent ocean pollution, prevent floods, and provide cost savings to communities.

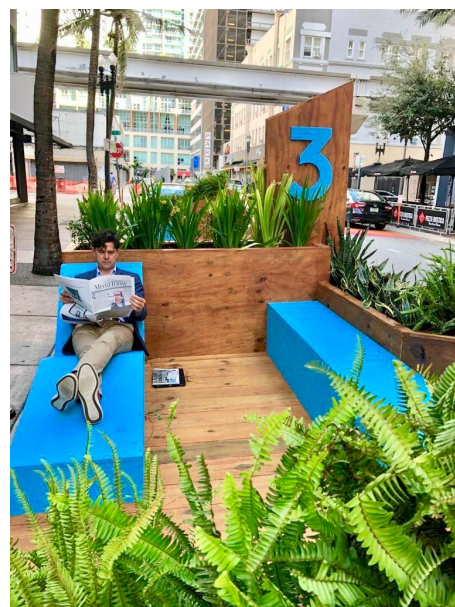
- Awarded Key to the City 2017
- Awarded 2017 American Entrepreneurship Award
- Working with local and national municipalities to implement cost effective stormwater filtration devices and smart sensors for mitigating ocean pollution.

Social Impact Projects

- Biscayne Green Pop-Up Park
- Maker Faire Miami Pavilion
- Urban Hacking: SmartBites Vertical Farms
- Mobile Reading Pod: Miami Book Fair



Miami Baywalk Activation in Partnership with DDA | Avenue 3 Miami Parklet / MDT Quick Build



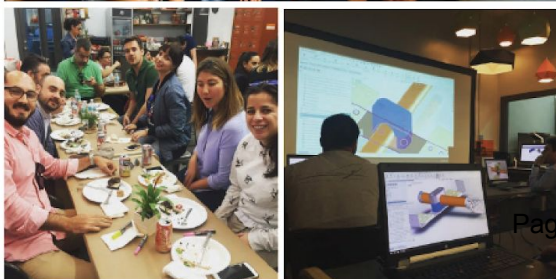
Education of the 21st Century

- Unique STEAM Curriculum
- Internship Programs + University Partnerships
- Entrepreneurship, Electronics, Design Thinking
- Field Trips, Afterschool, Camps, & More!



Events, Meetups & Conferences

- Maker Faire Global Summit
- ie School of Business Global Immersion
- Nation of Makers Summit at White House
- Solidworks Industry Meetups, + More!



Stats + Structure



2000+

students



100+

workshops



15+

schools



12+

companies



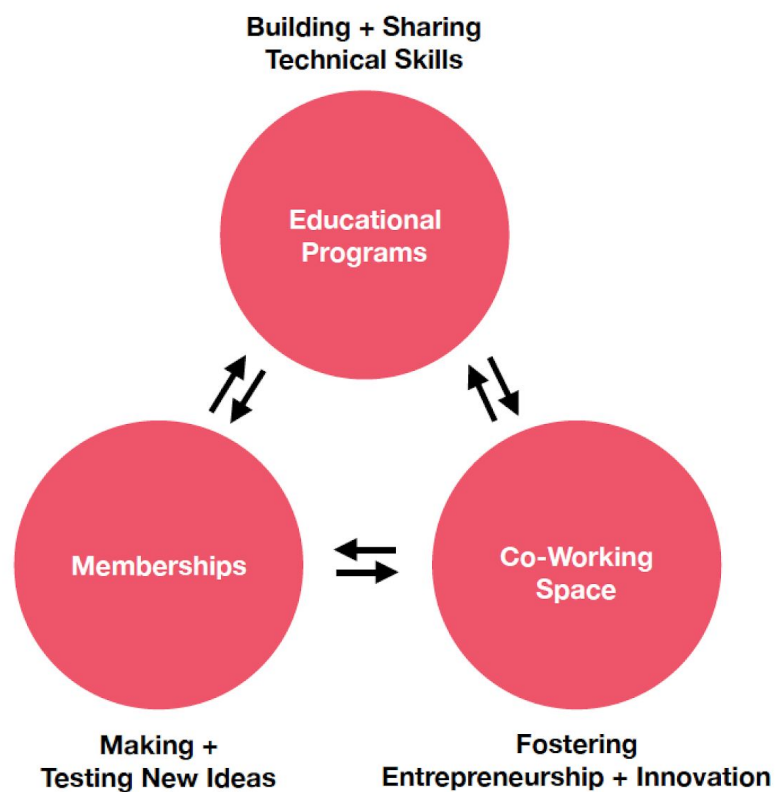
120+

members

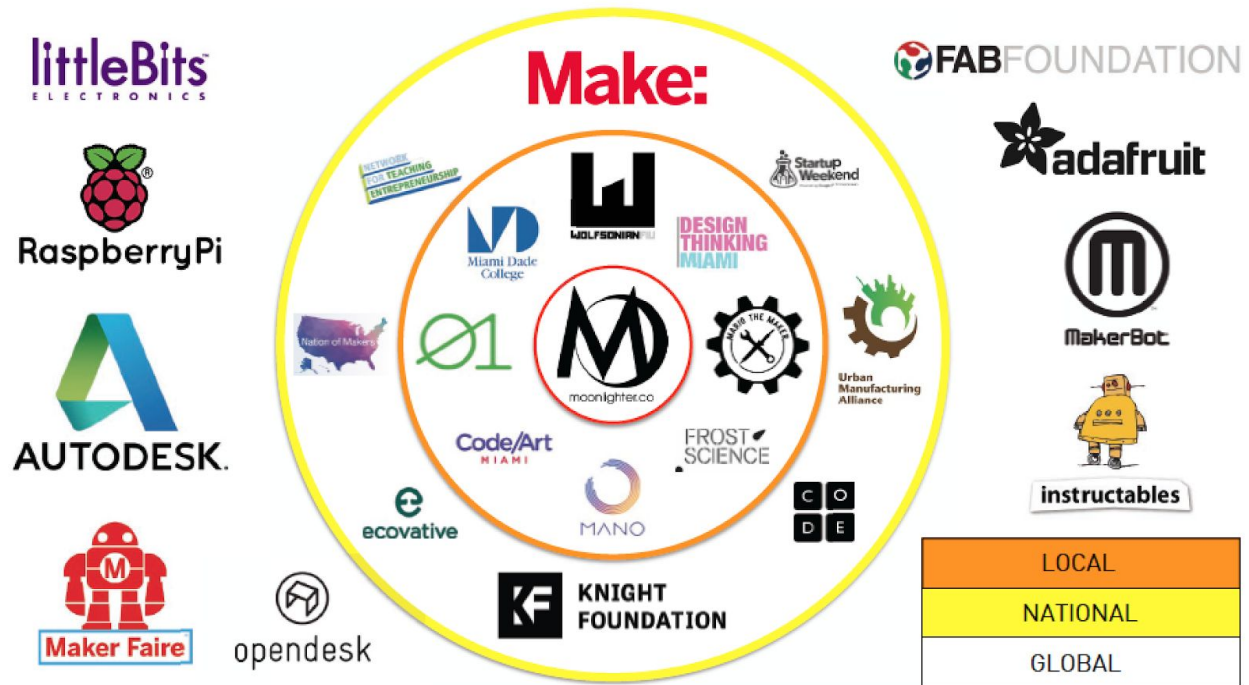


5+

social impact projects



Networks + Partnerships



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When children build for real clients: A summer filled with collaboration, creativity and community



(<https://miamiherald.typepad.com/.a/6a00d83451b26169e201b8d2a6ad7b970c-pi>)

By Tom Pupo and Daisy Nodal

Each Summer, we host our Summer S.T.E.A.M. maker camps that engage kids in hands-on projects exploring Design Thinking, Electronics, Sustainable Design, and more. But this Summer, to make the impact even greater, we partnered with various organizations and local small businesses to provide real-world challenges that the kids would design and build solutions for. It was uncharted territory for many

involved, but it ended up being an incredibly rewarding experience! These two projects put the power of community transformation in the hands of children—of course, with the help of a committed team of local makers!

Urban Hacking Camp

We partnered with Learn 01, Mano Americas and Codella to create the ultimate maker camp experience: a real-world sustainability project, built in our community, incorporating both physical and digital skills, and inclusive to all kids using fund-raised scholarships.

There were 5 project categories that the kids could choose to join. The groups were tasked to collaborate, design, develop, and build their own visions for improving the Smartbites Community Garden + Cafe. They learned how to use power tools, design software, and digital fabrication technologies to build corn hole games, outdoor tables that grow spices and herbs, art pieces made of recycled plastics, sensors that monitor moisture levels in the soil, two vertical farming systems, and more!

It was a transformative experience, for both the kids, the staff, and the team of MDCPS high school Summer interns who were also learning and assisting during the whole process. They learned by *doing*, by manipulating materials, looking things up online for reference, and testing their ideas with prototypes. These are the skills they need to be successful in the 21st century. You can see their incredible work by visiting SmartBites (<http://smartbitestogo.com/>).

The Mobile Reading Pod

Our Design Thinking camps usually use imaginary characters as clients. But this year, thanks to The New Tropic, the camp had a real client—The Miami Book Fair! Their task was to design an installation that would travel to different neighborhoods, provide a nice place to sit and read, dispense free books, and promote literature. The kids dreamed up all sorts of fantastical technologies like giant drones that deliver books, autonomous library vehicles, etc. but the panel of judges chose one winner—The Mobile Reading Pod by 9-year old Allen Hasbun.

With the help of his family and our staff, Allen spent the next month at Moonlighter refining his design and building his creation in full scale! He learned how to use the various software and fabrication equipment in the space and actively took part in every step of the process, never shying away from the work involved to realize his vision.

It debuted at The Wynwood Yard and will travel to the Miami Book Fair in November. Allen also intends to open source his design. When given the tools, skills, and resources to build, you'll be surprised what kids are capable of building – and of the impact they can have on their community. By empowering future generations, we can build an innovative maker city!

**For the full article and photo essay, visit www.moonlighter.camp (<http://www.moonlighter.camp>)*

Tom Pupo and Daisy Nodal are co-founders of Moonlighter Makerspace (<http://moonlighter.co/>) in Wynwood.



(<https://miamiherald.typepad.com/.a/6a00d83451b26169e201b8d2a6ad88970c-pi>)

Posted by Nancy Dahlberg 09/02/2017 at 09:20 PM in Co-working spaces, Education, Guest Posts, Maker movement, Youth Entrepreneurship | [Permalink](#)

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Enterprise Development Corp.

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hbiff florida.org

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www.floridasbdc.org

Florida Women's Business Center

www.flwbc.org

Idea Center at Miami Dade College

theideacenter.co/

Miami Dade College Carrie P. Meek Entrepreneurial Education Center

www.mdc.edu/north/eec

MetroBroward

www.metrobroward.org

Partners for Self-Employment

www.partnersforselfemployment.com

SCORE

www.miamidade.score.org

www.browardscore.org

Sophisticated Finance

www.sophisticatedfinance.typepad.com

South Florida Urban Ministries' ASSETS Business Development

www.sflum.org

Southern Florida Minority Supplier Development Council

www.sfmsdc.org

Small Business Administration

sba.gov/southflorida

StartupDigest

www.startupdigest.com

Startupbootcamp Digital Health

www.startupbootcamp.org/accelerator/digital-health-miami

StartUP FIU

startup.fiu.edu

Startup.Miami information portal
thenewtropic.com/startups

10,000 Small Businesses at Miami Dade College
www.mdc.edu/10ksb

United Way Center for Financial Stability
www.unitedwaymiami.org/WhatWeDo/CFS

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BUSINESS PLAN CHALLENGE

Student's 3D-printing idea could help people with feet problems

BY STEPHANIE BRITO

SBRITO@MIAMIHERALD.COM



MAY 08, 2016 08:19 AM, UPDATED MAY 09, 2016 07:25 PM



High school student Marco Fernandez, right, with makerspace co-founder Daisy Nodal work together at Moonlighter Makerspace in Wynwood. **ROBERTO KOLTUN** RKOLTUN@ELNUEVOHERALD.COM

When Marco Fernandez realized that commercial insoles weren't helping his flat-feet problems, he decided to work on a more customized insole product — using 3D scanning and printing techniques.

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Marco, who's 16 and a junior at Miami-Dade County's School for Advanced Studies at Miami Dade College Wolfson Campus, has suffered from a flat-foot problem all his life. The problem has affected his performance in soccer, where he is currently in the regional pool for the state team.

"In my younger years, [my flat-feet problems] weren't as prevalent. But then I was starting to get injuries in soccer, and it was hurting my feet and my calves," he said.

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Marco had spent a lot of time at a makerspace called Moonlighter in Wynwood with his sister, Alessandra Fernandez, 18, a senior at New World School of the Arts, who was working on some art pieces.

He realized that he could use the same 3D scanning and printing techniques he saw at the makerspace to create a more accurate insole product for himself.

"Once I found the solution to what was my problem, I thought, 'Why don't I help others with the foot problems they're having?'" Marco said. "Companies in the market aren't helping people with the problems — they just have general insoles."

He approached the staff at Moonlighter, who were finalists for the [Business Plan Challenge in 2014](#), about his idea, and they connected him with Dr. Richard Santo Mallia, a podiatrist with a master's in public health from FIU. The two shared their ideas and decided to join forces to create Digifeet, a company that connects podiatrists, designers and patients to create a custom insole.

"He has a lot of enthusiasm, and he's very bright. I can see where he's going with this, and I really believe in what he's doing," Mallia said about working with Marco.

Marco, with Mallia's mentorship, then compiled the idea into a business plan and submitted it to the Miami Herald Business Plan Challenge High School Track, which attracted 104 entries this year — and he won.

HOW IT WORKS

Patients looking for a custom insole would find out about Digifeet from either a mobile application or from their podiatrist. Patients would then scan their feet using a 3D scanner and send the scan to a designer who would then create a 3D image of the insole to print. The cost would be \$95 plus shipping for the insole.

Doctors can purchase either a monthly or yearly package with 3D scanners. For \$1,600, the monthly package includes a 3D scanner on lease, 3D scanning training and tech support. For \$18,000, the yearly package includes a 3D scanner, two 3D scanning trainings and tech support.

On the mobile application, patients can find podiatrists who have 3D scanners. Once patients go to an appointment, the podiatrist will determine whether the patient has a foot problem.

If they do, the doctor will scan the patient's foot and send the file, along with information about the patient's foot, to a 3D designer, who would then design the insole. After the doctor approves the design, the insole would be sent to print at a 3D printing hub and delivered to the patient's local doctor.

PROGRESS

Right now, the team is working on creating a prototype for the insole by taking 3D scans of Marco's feet and other patients with feet problems. The team is also working on getting more doctors on board with the project.

One of Marco's goals is to get Digifeet covered under insurance.

"We're trying to see if insurance could cover the appointment because that would be huge. Realistically, a lot of people who have foot problems are older, and if it could get covered by insurance, it would save a lot of money," Marco said.

Since they're still working on prototyping, the team hasn't looked into patents yet, but they intend to file for one once they create the app.

When creating Digifeet, one of the biggest challenges the team faced was creating a unique product. Other companies do make insoles, but 3D scanning is the ultimate way to make custom insoles, Marco said.

Another major challenge the team has faced is time: Both Mallia and Marco have full schedules.

"Whenever [Mallia is] available, I'm ready to work with him. He's full of energy," Marco said. "This is definitely one of my priorities right now. He has so much knowledge on the topic."

Despite that, the team makes an effort to meet and work on the project because they are both certain that it will be a success.

"I think that if [Marco] doesn't come out with it first, someone else is going to come up with one later," Mallia said.

Marco plans to go to a college where he can continue to pursue entrepreneurship. He mentioned Brown, Columbia and Wake Forest as possible options. In his free time, Marco loves being active; he teaches karate classes and received a black belt when he was 12.

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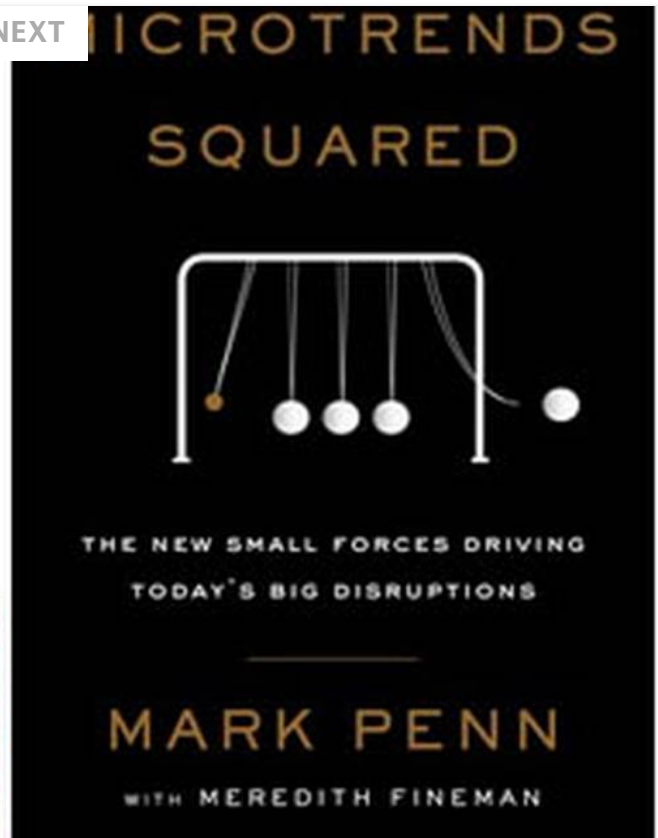
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BY JANE WOOLDRIDGE



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Mark Penn, author of "Microtrends Squared," speaks at a free Miami Herald event May 10. Winners of the 2018 Miami Herald Business Plan Challenge will also talk about their winning plans.

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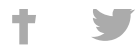
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Fairchild gets NASA grant to develop a food technology education facility

By: Jeanne A. Becker | June 25, 2018



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Fairchild Tropical Botanic Garden has received a grant from the National Aeronautics and Space Administration (NASA) to create the world's first makerspace in a botanic garden. The grant of nearly \$750,000 supports Fairchild's Growing Beyond Earth Innovation Studio, a new community workspace dedicated to the technology of growing food.

"With help from NASA, Fairchild will be equipped for anyone to help develop new food growing technologies," said Carl Lewis, Fairchild's director. "We are thrilled that our community can help find better ways to grow edible plants on Earth and in space."

Fairchild will focus on specific challenges that are related to NASA's food production initiatives, including growing

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plants in small containers with the limited resources available on spacecraft, and using automation to plant, harvest, and maintain crops with little or no intervention from astronauts.

The planned makerspace is a new concept for botanic gardens and for NASA, and will be unique within the maker community. It will be the first public facility dedicated to NASA's food production challenges and the first project to leverage community input in the development of plant-growing hardware.

To create the new makerspace, Fairchild has selected two existing centrally located buildings for renovation. The grant will help equip the facility with fabrication equipment including 3D printers and laser cutters, allowing users to turn ideas into reality.

"The Growing Beyond Earth Innovation Studio will now allow us to offer an open approach for students, Garden visitors and the maker community to think creatively, conduct experiments, test technology, and exchange ideas to address real-world challenges." said Amy Padolf, Fairchild's director of education.

The Growing Beyond Earth Innovation Studio is being developed in collaboration with Moonlighter Miami, a makerspace with broad local outreach programs, and the Nation of Makers, a nonprofit organization that fosters collaboration among makerspaces nationwide. It will serve students in elementary, middle, and high schools, local community members of all ages, and makers throughout the United States.

Fairchild's project is one of three proposals selected by NASA's Teams Engaging Affiliated Museums and Informal Institutions (TEAM II) program from 43 applicants.

Goals of Fairchild's TEAMII project include: (1) creating an innovative and accessible facility for the community; (2) providing science, technology, engineering, and math (STEM) education opportunities for students, and (3) developing a national network of professionals and non-



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professionals to help design plant growing systems for use aboard spacecraft and other planets.

Growing Beyond Earth is Fairchild's classroom science project, designed in partnership with NASA Kennedy Space Center, to advance research on growing plants aboard spacecraft. As NASA looks toward a long term human presence beyond Earth orbit, there are specific STEM challenges related to food production. Fairchild's project is addressing those challenges by expanding the diversity and quality of edible plants that can be grown in space.

Growing Beyond Earth is now underway in 120 Miami-Dade middle and high schools with a special focus on under-resourced, Title 1 schools. Beginning in 2018, 30 pilot sites have been established outside Miami-Dade, in other Florida locations and in Ohio, Pennsylvania, Colorado, and Puerto Rico. Growing Beyond Earth is based upon work supported by NASA under Award No. NNX16AM32G.

Established in 1938 and comprising 83 acres, Fairchild Tropical Botanic Garden is a 501(c)(3) non-profit organization dedicated to exploring, explaining and conserving the world of tropical plants. The world-renowned plant collections feature unusual plants from throughout the tropical world. Fairchild has the largest botanical education program of any metropolitan area, reaching more than 200,000 schoolchildren each year. Special events include Chocolate, Mango, and Orchid Festivals in addition to an annual art exhibition, concerts, plant sales and more.

For more information, visit www.fairchild.org and follow on Facebook, Twitter, and Pinterest.



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MARKETING CAMPAIGNS MIAMI SOCIAL MEDIA MARKETING COMPANY MIAMI BEACH AD AGENCY SOUTH FLORIDA ADVERTISING
INTERNET MARKETING MIAMI ANNUAL REPORT DEVELOPMENT BANNER ADVERTISING BROCHURE DESIGN TRADE SHOW EXHIBIT
DESIGNS MAGAZINE ADVERTISINGADVERTISING CAMPAIGN PLANNING NEWSPAPER ADVERTISING FLORIDA OUTDOOR
ADVERTISING CAMPAIGNS PACKAGE DESIGN BRICKELL ADVERTISING MULTIMEDIA PRESENTATIONS AND WEBINARS PODCAST
RADIO COMMERCIALS MIAMI LEGAL NOTICES MIAMI WEBSITE DESIGN TRADE SHOW DISPLAY DESIGNS SOCIAL MEDIA
ADVERTISING MIAMI SOUTH FLORIDA SOCIAL MEDIA OPTIMIZATION WEBSITE SEO MIAMI MIAMI FLASH WEB DESIGN FLORIDA
WEB DEVELOPMENT COMPANY MIAMI WEB DESIGN FLASH WEBSITE DESIGN FLORIDA WEB DESIGN COMPANY MIAMI DESIGN
CENTER MIAMI GRAPHIC DESIGN CORPORATE IDENTITY DESIGN INTERNET MARKETING CUSTOM LOGO DESIGN

2

MIAMI BEACH

COMMITTEE MEMORANDUM

TO: Finance and Citywide Projects Committee Members

FROM: Jimmy L. Morales, City Manager

DATE: January 25, 2019

SUBJECT: **DISCUSSION ON FUNDING AND SCOPE OF WORK FOR THE FAIRWAY PARK PROJECT**

ANALYSIS:

The Fairway Park Turf Replacement & Other Improvements project was approved in the Fiscal Year 2015/16 Capital Budget in the amount of \$918,000. The scope of work consisted of installation of quality, industry standard artificial turf soccer field and other related improvements that increase customer satisfaction with programming and general use. The field is host to hundreds of users daily causing significant wear and tear on the existing natural turf soccer field. New artificial turf system would allow for increased public use as well as program expansion.

As part of the Fiscal Year 2016/17 Capital Budget, the Fairway Park project name was revised to “Fairway Park Artificial Turf Soccer Field, Drainage & Playground Replacement” and the scope of work was expanded to include the installation of proper drainage in the playground area to eliminate flooding and to replace the deteriorated playground, safety surface and shade structure. In addition, the project funding was increased to \$1,181,000.

Pursuant to the Agreement between the City of Miami Beach and Kimley-Horn and Associates for Professional Architectural and Engineering Services, RFQ 2014-346-YG, a Consultant Service Order was executed and the project design began in June 2017. The Scope of Work at that time included the drainage analysis and design for the entire park and design of improvements to the existing playground and playfields as follows:

- New playground equipment
- New separate play structures for ages 2-5yrs and 5-10yrs including an accessible swing bay
- Playground area poured in place rubber surface and drainage system installed over lime-rock base
- New artificial turf multipurpose play field
- New landscape and irrigation associated with field and playground modifications
- New bleachers and concrete pads
- New water service for drinking fountain

At the request of the Parks & Recreation Department a jogging path around the multi purpose field and chilled water fountains was added to the project.

During the Fiscal Year 2017/18 Capital Budget process, \$91,000 was added to the project, bringing the total budget to \$1,272,000.

On February 15, 2018 a Community Design Review Meeting was held at Normandy Isle Golf Course to present the 60% Fairway Park project design to the residents. During that meeting the residents made a number of requests that would constitute additional scope of work to the project. These requests consisted of a baseball diamond within the soccer/multipurpose field, a dog park, renovation of the bathrooms, bike rack, park monument sign and additional landscaping and irrigation. They also requested the project should address the flooding at the basketball and tennis courts.

On March 6, 2018 the 60% project design and the residents' requested changes including the baseball diamond within the soccer/multipurpose field was presented to the Parks & Recreation Facilities Advisory Board (the "Board"). During their meeting, the Board discussed the additional scope requested by the community and made a motion to support the 60% conceptual design of the Fairway Park without the baseball component. The Board was in favor of the residents' requested changes, however, this was not reflected in their motion.

The project is currently at the ninety percent (90%) design development stage and is in the Building Department permitting process. The Engineer's Estimate of Probable Construction Cost for the project is \$1,625,903, including a twenty percent construction contingency of \$270,984. This cost reflects the original scope and the additional scope (listed below) requested by the Parks and Recreation Department, the community and endorsed by the Board. Locations of all the amenities are identified on the attached site plan (Attachment A).

- New walkway/jogging path system around the soccer field
- Construction of new tennis and basketball court at a higher elevation to eliminate flooding
- New park monument sign
- Chilled water fountains and related electrical connections
- New dog park and fencing
- Additional landscaping and irrigation throughout the park
- New raised sidewalks

During the recent Building Department permitting review process, the Public Works Department requested additional changes to the stormwater drainage design approach and methodology. These changes would further increase the project cost.

The estimated total project cost, including the additional scope related to the revised drainage requirement is \$2,274,045 (Attachment B). The total available budget is in the amount of \$1,272,000. Additional funds, in the amount of \$1,002,045, will be needed to cover the cost of the increased scope. The funds are not included in the 2018 General Obligation Bond.

The community has expressed the desire to phase the project so that the playground and the playfield are not disturbed at the same time during construction. The phasing plan can be implemented once the design is complete and the construction contract is awarded.

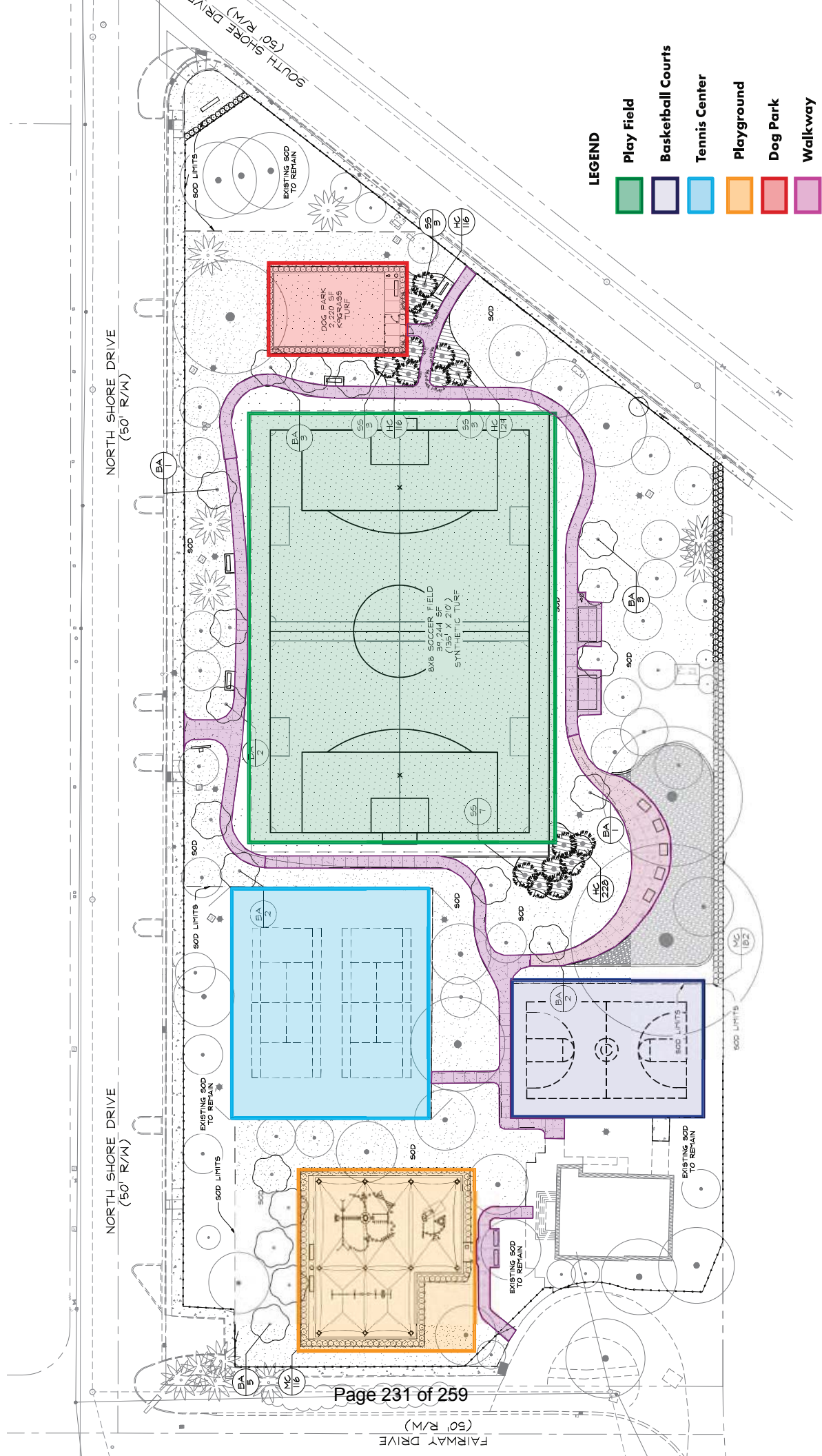
CONCLUSION:

The Administration is hereby seeking direction regarding the funding and scope of work for Fairway Park project.

ATTACHMENTS:

Description		Type
<input type="checkbox"/>	Attachment A Site Plan	Memo
<input type="checkbox"/>	Attachment B Estimated Project Cost	Memo

ATTACHMENT A



LEGEND

- Play Field
- Basketball Courts
- Tennis Center
- Playground
- Dog Park
- Walkway

Estimated Budget

Fairway Park (Artificial Turf Soccer Field Drainage and Playground Replacement Project)

Date: 01/17/2019

Item No.	Description	Cost
1	Soccer Field/Synthetic Turf (Astro Turf- DT32 w/Underdrain System)	\$ 385,866.31
2	Playground (shade structure, playground equipment and surfacing)	\$ 314,044.50
3	Tennis Court	\$ 100,726.66
4	Basketball Court	\$ 49,832.60
5	Dog Park (natural turf and aluminum fence)	\$ 34,765.71
6	Hardscape (walkways, picnic table area, bench pads)	\$ 125,525.47
7	Site Furnishings (picnic tables, benches, trash receptacles, drinking fountain, bike racks)	\$ 53,854.93
8	Landscape & Irrigation	\$ 143,241.90
9	Drainage System	\$ 282,553.04
10	Additional Drainage System(PWD Revised Criteria)	\$ 180,000.00
Sub-Total		\$ 1,670,411.11
10	Permitting	\$ 44,581.45
12	Other Soft Costs (AIPP, Design & CA Services, Survey & Testing, CIP Fees, etc)	\$ 364,939.29
13	Project Contingency (10%)	\$ 194,114.03
Estimated Total Budget		\$ 2,274,045.88
Current Budget		\$ (1,272,000.00)
Additional Funding Required		\$ 1,002,045.88

MIAMI BEACH

COMMITTEE MEMORANDUM

TO: Finance and Citywide Projects Committee Members

FROM: Jimmy L. Morales, City Manager

DATE: January 25, 2019

SUBJECT: **DISCUSSION REGARDING THE REVIEW OF CITY STREETS THAT NEED TO BE FIXED**

HISTORY:

There was a discussion at the City Commission meeting of October 17, 2018, regarding the condition of City streets in the Central Bayshore South project area. The City Commission authorized the Administration to temporarily resurface Prairie Avenue, from 28th through 34th Streets in the not-to-exceed amount of \$100,000, with previously appropriated funding from the Central Bayshore South. This work was completed by the Capital Improvement Department.

There was also a referral to the Finance and Citywide Projects Committee (FCWPC) to develop a list of any other streets staff found that are in dire need to be fixed.

ANALYSIS:

As a result of a survey of the project area, the following streets were determined to be in need of remedial action:

- 28 Street from Sheridan to Prairie Avenue – Critical due to length and degree of deterioration as well as the volume of traffic
- Sheridan Ave from 28 Street to 30 Street. – Critical due to residential complaints and volume of traffic
- Royal Palm Avenue from 29 Street to 34 Street
- 29 Street from Royal Palm to Prairie Avenue
- 31 Street from Sheridan to Prairie Avenue

CONCLUSION:

The following is presented to the members of the FCWPC for discussion and further direction.

MIAMI BEACH

COMMITTEE MEMORANDUM

TO: Finance and Citywide Projects Committee Members

FROM: Jimmy L. Morales, City Manager

DATE: January 25, 2019

SUBJECT: **DISCUSSION TO CONSIDER THE REQUIREMENT THAT CITY REVENUE-GENERATING CONTRACTS INCLUDE A CONTRIBUTION TO EDUCATIONAL INITIATIVE**

ANALYSIS:

Discussion at Committee.

ATTACHMENTS:

Description	Type
☐ Commission Referral C4 AM	Memo

MIAMI BEACH

COMMISSION MEMORANDUM

TO: Honorable Mayor and Members of the City Commission
FROM: Commissioner John Elizabeth Aleman
DATE: January 16, 2019

SUBJECT: REFERRAL TO THE JANUARY 2019 FINANCE AND CITYWIDE PROJECTS
COMMITTEE TO CONSIDER THE REQUIREMENT THAT CITY REVENUE-
GENERATING CONTRACTS INCLUDE A CONTRIBUTION TO
EDUCATIONAL INITIATIVES.

ANALYSIS

Please place on the January 16, 2019 a referral to the January Finance and Citywide Projects Committee (FCWPC) to consider the requirement that all City revenue-generating contracts include a contribution to educational initiatives.

For additional information, please contact my office at extension 6437.

Legislative Tracking

Commissioner John Elizabeth Aleman



COMMITTEE MEMORANDUM

TO: Finance and Citywide Projects Committee Members

FROM: Jimmy L. Morales, City Manager

DATE: January 25, 2019

SUBJECT: DISCUSSION REGARDING PROSPERA REQUEST FOR FUNDING, IN THE AMOUNT NOT TO EXCEED \$12,500, FOR A TECHNOLOGY BUSINESS SOLUTIONS ACADEMY FOR SMALL BUSINESSES

HISTORY:

During the December 12, 2018 City Commission meeting the request for \$12,500 in funding was referred to the Finance and Citywide Projects Committee (FCWPC) for review.

ANALYSIS:

Prospera is an economic development nonprofit that provides technical and professional business support to local and small Hispanic businesses with a focus on technology and financial literacy.

Technology in business is a vital necessity, critical to the ability to grow and communicate with clients effectively. IT trends can also enhance footprint, but the risk for cyber threats and vandalism has also grown exponentially. To mitigate risks and expand growth, business owners need a plan, and usually the smaller businesses have no reliable IT support, and lack of basic knowledge about applications and trends.

Prospera's Technology Academy proposes to provide specialized hands-on bilingual training that includes culturally relevant information focusing on businesses in North Beach. While open to businesses in Citywide, Prospera will focus on businesses in North Beach given the larger proportion of spanish speaking businesses and given that WeWork located in South Beach is also providing capacity training programs for businesses. The ability to apply these IT trends will provide these minority businesses with tangible assistance that should assist these businesses immediately as well as beyond the duration of the program.

Context: The Technology Academy is a 4-5 week training program that provides business owners with a better understanding of critical issues related to technology and how to apply them and grow their businesses. Participation is free.

Objectives: To guide small businesses through the age of digital transformation, allowing them to leverage technology and increase the efficiency of their business, manage information for customers, reach greater audiences, and make better business decisions.

Value for businesses that complete the curriculum:

- Knowledge of technology trends.

- Knowledge on how to leverage and apply technology to enhance business operations and profitability.

Content:

Session 1. Understanding the Value of Technology.

Session 2. Software and Hardware.

Session 3. Digital Marketing: Social Media and Google Adwords.

Session 4. Cyber security threats

Technical Components and Integration:

- Programs and applications (Software: CRM, POS, etc.)
- Infrastructure and equipment (Hardware)
- Networks
- Servers
- Mobile technology

The proposed budget, of \$25,000, and Prospera is requesting \$12,500 from the City and will match the City's funding with private funding. The City of Miami has sponsored a similar technology bootcamp for Miami-Based businesses successfully.

CONCLUSION:

The Small Business Task Force (SBTF) discussed this item and .stated that it was a good idea to provide the bilingual services in North Beach. No motion was made by SBTF.

The Administration is seeking direction from FCWPC regarding this funding.

ATTACHMENTS:

Description	Type
 Prospera Document	Memo

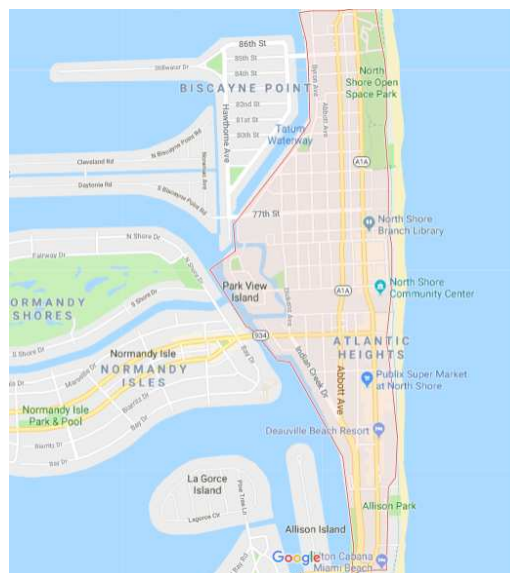


Technology in business is a vital necessity, critical to the ability to grow and communicate with clients effectively. IT trends can also enhance footprint, but the risk for cyber threats and vandalism has also grown exponentially.

To mitigate risks and expand growth, business owners need a plan, and usually the smaller businesses have no reliable IT support, and lack of basic knowledge about applications and trends.



The Technology Academy will provide **North Beach small business owners an innovative and holistic, focused, curriculum that is easy to understand and adapt.** Specialized hands on training, accessed on the spot, will ensure business owners acquire in-language, culturally relevant knowledge to harness the inexhaustible source of resources provided by IT. The ability to apply IT trends provides these minority businesses with a legacy that helps their enterprise prosper well beyond the duration of this program.





Prospera is an economic development organization specialized in providing bilingual assistance to Hispanic entrepreneurs trying to start or expand their business.

For more information, contact us!

<http://www.prosperausa.org>
 786-329-5830

Our mission is to strengthen the economy of Florida through quality business development and training to Hispanic entrepreneurs.



Business Seminars



Business Consulting



Business Grants



Access to Capital

Context: The Technology Academy is a 4-week training program that allows local business owners to get a better understanding of critical issues related to technology and how to apply them to grow their businesses. Participation is free-of-charge to the small business owner.

Objectives: To guide the participant through the age of digital transformation, allowing him to perceive technology as a strength to increase the efficiency of his business, manage better information for customers, reach greater audiences and make decisions, among other topics.

Value for business owners that complete the curriculum:

- ✓ Key knowledge on new technologies trends.
- ✓ How to apply technology to your business to enhance your operations and profitability.
- ✓ Certificate of Participation.

Content:

Session 1. Understanding the Value of Technology.

Session 2. What you need for your business: Software and Hardware.

Session 3. Digital Marketing: Social Media and Google Adwords.

Session 4. Cyber security threats you need to know about.

82% of customers conduct an online search before making a purchase in a store and **84% trust the reviews** in the same way as the recommendations of a friend.

50% of small businesses in the US have experienced security breaches in the last 12 months, of which only 14% could effectively mitigate the cyberattack, paying out \$ 38,000 on average. Cyber threats are more expensive to correct than to prevent.



Session 1. Understanding the value of technology

- Digital skills as a business owner
- What technological tools does my business need?
- Trends that will impact my business
- Practical advice to grow profitably in the digital economy

Session 2. What you need for your business: Software and Hardware

Technical Components and Integration:

- Programs and applications (Software: CRM, POS, etc.)
- Infrastructure and equipment (Hardware)
- Networks
- Servers
- Mobile technology
- Communication and work stations
- How do I manage my business data? (cloud servers, local, back up)

Session 3. Digital Marketing

- Social Media: What Will work best for me based on the products and services that I offer (Facebook, Instagram, Twitter, etc.)
- My website
- Google Adwords
- Email (auto reply)
- How to measure your social media effectiveness
- A guideline on how to create a digital marketing campaign

Session 4. Cyber Security

- Virtual security, privacy and confidentiality
- Authentication: passwords and user management
- Is my client data and my business data secure?
- Cyber Crimes: types and consequences
- Actions to take to prevent a cyberattack



Proposed Budget:

PROGRAM SERVICES	Proposed Funding from City of Miami Beach
Consulting Services - Salaries & Related Expenses	\$2,500
Curriculum Development – Modules	\$11,250
Implementation Outreach - Planning	\$8,750
Marketing & Administrative Expenses	\$2,500
Total Proposed Investment	\$25,000

Program Services description:

- **Consulting Services - Salaries & Related Expenses:** Staff assigned to program.
- **Curriculum Development – Modules:** Cost of curriculum research and Development (topics, experts, participant certification).
- **Implementation Outreach – Planning:** Site coordination/visits; Prospera Orientation.
- **Marketing & Administrative Expenses:** Related costs to community outreach, program invitations and advertisement; participant registration & check-in, certificate process.

MIAMI BEACH

COMMITTEE MEMORANDUM

TO: Finance and Citywide Projects Committee Members

FROM: Jimmy L. Morales, City Manager

DATE: January 25, 2019

SUBJECT: **DISCUSS UPDATES ON THE NEGOTIATIONS BETWEEN UNITEHERE LOCAL 355 AND THE FOUNTAINEBLEU ON THE PROPOSED ORDINANCE CREATING A MONTHLY PARKING PERMIT RATE OF \$100 FOR P71 - 46TH STREET AND COLLINS AVENUE MUNICIPAL PARKING LOT**

ANALYSIS:

Discussion at Committee.

ATTACHMENTS:

Description	Type
📎 Commission Memorandum R5 G	Memo

MIAMI BEACH

COMMISSION MEMORANDUM

TO: Honorable Mayor and Members of the City Commission
FROM: Jimmy L. Morales, City Manager
DATE: January 16, 2019

First Reading

SUBJECT: AN ORDINANCE OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, AMENDING THE CODE OF THE CITY OF MIAMI BEACH, BY AMENDING CHAPTER 106, ENTITLED "TRAFFIC AND VEHICLES," BY AMENDING ARTICLE II, ENTITLED "METERED PARKING," BY AMENDING DIVISION 1, ENTITLED "GENERALLY," BY AMENDING SECTION 106-55, ENTITLED "PARKING RATES, FEES, AND PENALTIES; EXCEPTIONS," BY AMENDING SUBSECTION 106-55 (B)(11), ENTITLED "P71 - 46TH STREET AND COLLINS AVENUE MUNICIPAL PARKING LOT," BY CREATING A MONTHLY PARKING PERMIT RATE OF \$100.00; PROVIDING FOR CODIFICATION, REPEALER, SEVERABILITY, AND AN EFFECTIVE DATE.

RECOMMENDATION

The Administration recommends the City Commission approve the attached Ordinance at First Reading and schedule a Second Reading Public Hearing for February 13, 2019.

ANALYSIS

On September 26, 2018, the Mayor and Commission approved the second reading of an ordinance amending the parking rates at Municipal Parking Lot No. P71, located at 4601 Collins Avenue. The approved ordinance amendment transitioned operation from an hourly rate to a flat rate of \$20 for visitors and \$6 for residents, 24 hours a day. This excluded any availability of monthly parking at this location.

Upon the Administration's advanced communication of this change in operation to users of P71, hospitality industry employees from the surrounding hotels, including their collective bargaining representative UniteHere Local 355, inquired about the increase and have since been in opposition of this change in operation at the subject parking lot.

In response to this opposition, the Administration proposed the following accommodations for hospitality industry employee parking alternatives. UniteHere Local 355 and the employees they represent support it.

Hospitality Industry Employee Accommodations:

- 400+ monthly municipal parking permits at various parking facilities along the 41st Street and North Collins Avenue corridors accessible through the City's free trolley service have been identified and offered for hospitality employee parking at a deeply discounted monthly rate of \$70.00. This equates to a daily rate of \$3.50 per day, based on a five day work week, and an award winning free trolley service.
- 200 municipal parking permits (100 honored 6:00 AM to 6:00 PM and 100 honored 6:00 PM to 6:AM) will be made available at P71 at a deeply discounted monthly rate of \$100.00, a 75% discount from the daily flat rate, based on a five day work week.
- Unite Here had concerns with their membership having limited opportunities to access these monthly parking alternatives. Therefore, the Administration has proposed that Unite Here Local 355 be the administrator of employee grouping for any and all of the 600+ monthly parking permits (400+ permits at multiple parking lots and 200 permits at bifurcated shifts at P71).
- Adjustments to the City's trolley route serving the 41st Street and Collins Avenue corridor to accommodate increased usage.

This multi-pronged plan provides reasonable monthly parking alternatives to employees of the hospitality industry and increases parking availability at P71 for residents, visitors, and tourists.

The Parking Department estimates this will reduce the projected annual revenue enhancement at P71 from \$539,000 to \$380,000, a difference of \$159,000. However, this would be offset by the new monthly permit revenue generated at the other (park and ride) facilities along 41st Street and North Collins Avenue parking lots. The offset point is 190 monthly permits at these other facilities. This should be quite achievable based on the Fountainbleau Hotel's own account of their employee parking needs.

Please note that the proposed \$100 monthly permit rate is less than what hotel employees are currently paying at P71 through the metered hourly rate of \$1.00 (\$10 a day x 20 days a month = \$200).

It should also be noted that Unite Here Local 355 has held labor/management negotiations with the Fountainbleau Hotel seeking concessions consistent with those proposed herein by the City. The single concession proffered by the Fountainbleau is 25 on-property parking permits at a monthly rate of \$100.00. A more equitable distribution of employee parking concessions is recommended.

CONCLUSION

The Administration recommends the City Commission approve the attached Ordinance at First Reading and schedule a Second Reading Public Hearing for February 13, 2019.

Legislative Tracking

Parking

Sponsor

Mayor Dan Gelber

ATTACHMENTS:

Description

▯ Ordinance

ORDINANCE NO. _____

AN ORDINANCE OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, AMENDING THE CODE OF THE CITY OF MIAMI BEACH, BY AMENDING CHAPTER 106, ENTITLED "TRAFFIC AND VEHICLES," BY AMENDING ARTICLE II, ENTITLED "METERED PARKING," BY AMENDING DIVISION 1, ENTITLED "GENERALLY," BY AMENDING SECTION 106-55, ENTITLED "PARKING RATES, FEES, AND PENALTIES; EXCEPTIONS," BY AMENDING SUBSECTION 106-55 (B)(11), ENTITLED "P71 - 46TH STREET AND COLLINS AVENUE MUNICIPAL PARKING LOT," BY CREATING A MONTHLY PARKING PERMIT RATE OF \$100.00; PROVIDING FOR CODIFICATION, REPEALER, SEVERABILITY, AND AN EFFECTIVE DATE.

WHEREAS, on September 26, 2018, the Mayor and Commission passed and adopted Ordinance No. 2018-4216, which among other things, amended the parking rates at Municipal Parking Lot No. P71, located at 4601 Collins Avenue; and

WHEREAS, the approved Ordinance amendment transitioned operation from an hourly rate to a daily flat rate of \$20 for visitors and \$6 for residents, for a 24 hour period; and

WHEREAS, a monthly parking permit was not provided as an option in Ordinance No. 2018-4216 at this location; and

WHEREAS, upon the Administration's prior communication of this change in operation to users of Lot No. P71, hospitality industry employees from the surrounding hotels, including their collective bargaining representative UniteHere Local 355, inquired about the increase and have opposed this change at the subject parking lot; and

WHEREAS, in response to this opposition, the Administration proposed, among other things, municipal parking permits at Lot No. P71 at a deeply discounted monthly rate of \$100.00 (a 75% discount from the daily flat rate based on a five day work week); and

WHEREAS, the amendment set forth in this Ordinance provides reasonable monthly parking alternatives to employees of the hospitality industry, and UniteHere Local 355 and the employees represented by UniteHere Local 355 support this amendment.

NOW THEREFORE, BE IT ORDAINED BY THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, AS FOLLOWS:

SECTION 1. Chapter 106, "Traffic and Vehicles," Article II, "Metered Parking," Division 1, "Generally," Section 106-55, "Parking Rates, Fees, and Penalties," of the Code of the City of Miami Beach, Florida, is hereby amended as follows and additional sections that are not amended are provided for reference purposes:

**CHAPTER 106
TRAFFIC AND VEHICLES**

* * *

ARTICLE II. Metered Parking

DIVISION 1. Generally

* * *

Sec. 106-55. - Parking rates, fees, and penalties; exceptions.

* * *

(b) *Municipal parking garage and Parking Lot rates and penalties.*

(1) *7th Street Garage:*

- a. Transient rates: \$2.00 per hour and any portion thereof up to 4 hours; \$1.00 per hour or any portion thereof from the 4th hour up to 15 hours, and a maximum daily rate of \$20.00 for any time exceeding 15 hours up to 24 hours (applicable sales tax is included in the hourly and maximum rate).
- b. Lost ticket charge: Parkers who cannot produce a parking entry ticket will be charged the maximum daily rate of \$20.00.
- c. Monthly parking: \$100.00 per month, per permit, plus applicable sales tax.
- d. Weekend/event flat rate: \$15.00 per vehicle Friday, Saturday and Sunday from 8:00 p.m. to 5:00 a.m.

(2) *12th Street Garage:*

- a. Transient rates: \$2.00 per hour and any portion thereof up to 4 hours; \$1.00 per hour or any portion thereof from the 4th hour up to 15 hours, and a maximum daily rate of \$20.00 for any time exceeding 15 hours up to 24 hours (applicable sales tax is included in the hourly and maximum rate).
- b. Lost ticket charge: Parkers who cannot produce a parking entry ticket will be charged the maximum daily rate of \$20.00.
- c. Monthly parking: \$100.00 per month, per permit, plus applicable sales tax.

- d. Weekend/event flat rate: \$15.00 per vehicle Friday, Saturday and Sunday from 8:00 p.m. to 5:00 a.m.

(3) *13th Street Garage:*

- a. Transient rates: \$2.00 per hour and any portion thereof up to 4 hours; \$1.00 per hour or any portion thereof from the 4th hour up to 15 hours; and a maximum daily rate of \$20.00 for any time exceeding 15 hours up to 24 hours (applicable sales tax is included in the hourly and maximum rate).
- b. Lost ticket charge: Parkers who cannot produce a parking entry ticket will be charged the maximum daily rate of \$20.00.
- c. Monthly parking: \$100.00 per month, per permit, plus applicable sales tax.
- d. Weekend/event flat rate: \$15.00 per vehicle Friday, Saturday and Sunday from 8:00 p.m. to 5:00 a.m.

(4) *16th Street Garage:*

- a. Transient rates:

0-1 hour	\$2.00
1-2 hours	4.00
2-3 hours	6.00
3-6 hours	10.00
6-24 hours	20.00
- b. Lost ticket charge: Parkers who cannot produce a parking entry ticket will be charged the maximum daily rate of \$20.00.
- c. Monthly parking: \$100.00 per month, per permit, plus applicable sales tax.
- d. Weekend/event flat rate: \$15.00 per vehicle Friday, Saturday and Sunday from 8:00 p.m. to 5:00 a.m.

(5) *17th Street Garage:*

- a. Transient rates:

0-1 hour	\$2.00
1-2 hours	4.00
2-3 hours	6.00
3-4 hours	8.00
4-5 hours	9.00
5-6 hours	10.00
6-7 hours	11.00
7-8 hours	12.00
8-15 hours	15.00
15-24 hours	20.00
- b. Lost ticket charge: Parkers who cannot produce a parking entry ticket will be charged the maximum daily rate of \$20.00.
- c. Monthly parking: \$100.00 per month, per permit, plus applicable sales tax.

- d. Event flat rate: \$15.00 per vehicle.
- e. Employee Value Coupon-Lincoln Road (EVC-LR): \$8.00 daily (17th Street Garage only).

(6) *City Hall Garage:*

- a. Transient rates:

0-1 hour	\$2.00
1-2 hours	4.00
2-3 hours	6.00
3-4 hours	8.00
4-5 hours	9.00
5-6 hours	10.00
6-7 hours	11.00
7-8 hours	12.00
8-15 hours	15.00
15-24 hours	20.00
- b. Lost ticket charge: Parkers who cannot produce a parking entry ticket will be charged the maximum daily rate of \$20.00.
- c. Monthly parking: \$100.00 per month, per permit, plus applicable sales tax.
- d. Event flat rate: \$15.00 per vehicle.

(7) *Pennsylvania Avenue Garage:*

- a. Transient rates:

0-1 hour	\$2.00
1-2 hours	4.00
2-3 hours	6.00
3-4 hours	8.00
4-5 hours	9.00
5-6 hours	10.00
6-7 hours	11.00
7-8 hours	12.00
8-15 hours	15.00
15-24 hours	20.00
- b. Lost ticket charge: Parkers who cannot produce a parking entry ticket will be charged the maximum daily rate of \$20.00.
- c. Monthly parking: \$100.00 per month, per permit, plus applicable sales tax.
- d. Event flat rate: \$15.00 per vehicle.

(8) *Sunset Harbor Garage:*

- a. Transient rates:

0-1 hour	\$2.00
1-2 hours	4.00
2-3 hours	6.00
3-4 hours	8.00

4-5 hours	9.00
5-6 hours	10.00
6-7 hours	11.00
7-8 hours	12.00
8-15 hours	15.00
15-24 hours	20.00

- b. Lost ticket charge: Parkers who cannot produce a parking entry ticket will be charged the maximum daily rate of \$20.00.
- c. Monthly parking: \$100.00 per month, per permit, plus applicable sales tax.
- d. Event flat rate: \$15.00 per vehicle.

(9) *42nd Street Garage:*

- a. Transient rates: \$1.00 per hour or any portion thereof up to eight hours; with an \$8.00 maximum per 24-hour period (applicable sales tax is included in the hourly and maximum rate).
- b. Lost ticket charge: Parkers who cannot produce a parking entry ticket will be charged the maximum daily rate of \$8.00.
- c. Monthly parking: \$70.00 per month, per permit, plus applicable sales tax.

(10) *Convention Center Garage:*

- a. Transient rates:

0-1 hour	\$2.00
1-2 hours	4.00
2-3 hours	6.00
3-4 hours	8.00
4-5 hours	9.00
5-6 hours	10.00
6-7 hours	11.00
7-8 hours	12.00
8-15 hours	15.00
15-24 hours	20.00
- b. Lost ticket charge: Parkers who cannot produce a parking entry ticket will be charged the maximum daily rate of \$20.00.
- c. Monthly parking: \$100.00 per month, per permit, plus applicable sales tax.
- d. Event flat rate: \$20.00 per vehicle.

(11) P71 – 46th Street and Collins Avenue Municipal Parking Lot:

Monday to Sunday, 24 hours a day enforcement

- a. Non-resident - Flat Rate - \$20 daily
- b. Resident
 - i. Flat Rate - \$6 daily; or
 - ii. Hourly metered rate referenced in subsection 106-55(a)(3) entitled "East Middle Beach Zone"

- c. Monthly parking: \$100.00 per month, per permit, plus applicable sales tax.

* * *

SECTION 2. CODIFICATION.

It is the intention of the Mayor and City Commission of the City of Miami Beach, and it is hereby ordained that the provisions of this ordinance shall become and be made part of the Code of the City of Miami Beach, Florida. The sections of this ordinance may be renumbered or re-lettered to accomplish such intention, and, the word "ordinance" may be changed to "section", "article", or other appropriate word.

SECTION 3. REPEALER.

All ordinances or parts of ordinances in conflict herewith be and the same are hereby repealed.

SECTION 4. SEVERABILITY.

If any section, subsection, clause or provision of this Ordinance is held invalid, the remainder shall not be affected by such invalidity.

SECTION 5. EFFECTIVE DATE.

This Ordinance shall take effect ten (10) days following adoption.

PASSED and ADOPTED this ____ day of _____, 2019.

ATTEST:


Dan Gelber, Mayor

Rafael E. Granado, City Clerk

(Sponsored by Mayor Dan Gelber)

Underline denotes new language
~~Strike through~~ denotes deletions

APPROVED AS TO
FORM & LANGUAGE
& FOR EXECUTION



City Attorney

1-8-19

Date

MIAMI BEACH

COMMITTEE MEMORANDUM

TO: Finance and Citywide Projects Committee Members

FROM: Jimmy L. Morales, City Manager

DATE: January 25, 2019

SUBJECT: **DISCUSSION REGARDING THE BUDGET ADVISORY COMMITTEE MOTION THAT THE CITY OF MIAMI BEACH COMPLETE A FACILITY CONDITION ASSESSMENT**

HISTORY:

On March 13, 2013, the Mayor and City Commission approved Resolution No. 2013-28155, awarding the agreements for Facilities Condition Assessment (FCA) to Nova Engineering and Environmental, LLC (Nova) and VFA, Inc. (VFA), pursuant to Request for Qualifications (RFQ) No. 56-11/12. The purpose of the FCA is to conduct field inspections and document the condition of various buildings and assets owned by the City. From the information gathered a report is developed for each asset that includes a current and projected future asset replacement cost, and a full condition report of all systems that support the asset within its envelope. The FCA also projects timelines for equipment replacement based on current condition during the assessment and expected lifecycle.

All of this information combined generates the Facility Condition Index (FCI), a ratio of deferred maintenance costs and the Asset Replacement Value for each asset. The FCI measures the facility's overall condition via an evaluation rating of excellent, good, fair, or poor. A monetary investment value is associated with this score to bring the FCI to a more desirable rating.

$$\text{FCI} = \frac{\text{Deferred Maintenance} + \text{Current Year}}{\text{Current Year Replacement Value}}$$

In 2014, the City conducted a Facilities Condition Assessment with VFA. Approximately 97 assets were evaluated and their FCI scores noted. As capital replacements are conducted to facilities, the VFA database is updated and scores adjusted to reflect the information provided. However, in order to accurately capture a facility's condition an assessment should be conducted every five years per industry standards.

FACILITY TYPES AND CONDITION INDEX

<u>Condition</u>	<u># of Buildings (Citywide)</u>	<u>% by Sq.Ft.</u>
0.00 to 0.10 (Excellent)	20	10.8
0.10 to 0.20 (Good)	26	41.7
0.20 to 0.30 (Fair)	24	8.9

***FCI is a ratio of deferred maintenance costs and the Asset Replacement Value.**

On July 1, 2006, the City and Azteca entered into Cityworks Software License Agreement No. C127505 for the Public Works Department to have a computerized system to manage functions such as infrastructure, asset management, service requests, work order requests, and Geographic Information Systems (GIS) implementation. Since then Cityworks software has been used by Public Works Utility Division for Water, Storm Water, Sewer, Streets, Sanitation and GIS with Engineering joining in 2010.

On May 11, 2011, the Mayor and City Commission approved Resolution No. 2011-27654 authorizing the sole source purchase for annual maintenance of Cityworks software. Furthermore, it was implemented for the Miami Beach Convention Center and Property Management.

In an attempt to streamline the delivery of services throughout all departments, on March 1, 2017, an upgrade in the not to exceed annual amount of \$66,000.00 for three years was done to Cityworks in order to utilize the software's new options such as its mobile applications, CCTV and MicroPaver interfaces.

ANALYSIS:

Currently, the Property Management Department utilizes VFA as one of the tools for capital planning and Cityworks as the computerized maintenance management system (CMMS) for work order requests, emergencies, and scheduled maintenance. The data within VFA has become dated since the last assessment was in 2014 with the understanding that every five years a re-assessment would be due.

The Department through staff's efforts has tried to keep the information relevant by manually inputting replacements and renewals as they are completed within the assets. Despite these efforts the database continues to become limited since the information for replacements, or repairs is only collected in the CMMS. In order for VFA or any other facility condition assessment software to truly become the capital planning tool that will accurately enable forecasting of long-term renewal, other capital costs, and the prioritization of those investments based on the City's vision, it needs to also capture and reflect the data generated by the CMMS system. Unfortunately, Cityworks and VFA do not integrate with one another and the day to day information is lost. In turn this leaves the Department vulnerable to costly assumptions of replacements, emergencies, and poor investment of already limited resources.

In efforts to overcome these challenges the Property Management Department holds internal biweekly project meetings with the Department's Facility Capital Project Coordinators and the Facility Zone Managers. These meetings are held as round table discussions to review and assess facility needs, current projects, and address potential new capital projects (renewal or replacement) based on field conditions and observations. Though a valiant effort, this attempt to bridge the information gap between capital project planning and daily maintenance, is merely an informal process to support this exchange of information.

The Department is responsible for the day to day management of over 4 million square feet including 84 municipal buildings, the Lincoln Road District, 39 bridges, 15 monuments, 23 fountains, holiday lighting, oversight of the Convention Center, over 6 miles of pedestrian areas along the beaches and boardwalk, 36 lifeguard stands and Capital Renewal and Replacement projects. With a portfolio as diverse as this one it is crucial that budget decisions are based on tangible measurable data. Bridging the information gap for capital and maintenance investments provides the opportunity for accurate forecasting of capital planning by capturing information in real time. This aligns organizational needs with the right information, at the right time, for the right budget decisions.

Since the Budget Advisory Committee's recommendation on December 12, 2018, the Department has met with multiple facility condition assessment software companies and multiple CMMS software companies with the purpose of finding two software systems that merge the asset's information captured during the facility assessment and updated in real time by the actions of maintenance and repairs. For CMMS, the Department has met with companies such as 24/7 Software, Asset Works, Corrigo, and Dude Solutions. For the facility condition assessment, the Department has met with FoScore, ReVision and VFA. These are firms that have handled portfolios in municipalities, hospitals, universities and the like and are aware of both the needs and requirements for a smooth deployment.

The goal is to find a platform that integrates the data holistically for capital planning and facility management systems to accurately define metrics that will provide clarity and recommendations for the annual budgeting for current and future needs.

Administration seeks the Finance and Citywide Projects Committee's direction and time to further evaluate firms able to provide the best tool enabling a methodical facility condition assessment process that shows how data is collected, facility replacement values are derived, and cost data is developed.

CONCLUSION:

Administration seeks the Finance and Citywide Projects Committee's direction and time to further evaluate firms able to provide the best tool enabling a methodical facility condition assessment process that shows how data is collected, facility replacement values are derived, and cost data is developed.

MIAMI BEACH

COMMITTEE MEMORANDUM

TO: Finance and Citywide Projects Committee Members

FROM: Jimmy L. Morales, City Manager

DATE: January 25, 2019

SUBJECT: **DISCUSSION REGARDING ANNUAL ADJUSTMENTS (EG. CPI) FOR CITY FEES AND CHARGES**

ANALYSIS:

Discussion at Committee.

ATTACHMENTS:

Description	Type
□ Commission Referral C4D	Memo

MIAMI BEACH

COMMISSION MEMORANDUM

TO: Honorable Mayor and Members of the City Commission
FROM: Commissioner Mark Samuelian
DATE: December 12, 2018

SUBJECT: REFERRAL TO THE FINANCE AND CITYWIDE PROJECTS COMMITTEE
TO DISCUSS ANNUAL ADJUSTMENTS (EG. CPI) FOR CITY FEES AND
CHARGES.

ANALYSIS

The City receives a material amount of revenue from fees and charges to recover costs. These costs typically increase annually - for instance, employee cost of living allowances, employee merit increases, typical inflationary pressures, etc. However, the City Administration has recognized a broad range of fees and charges, including sanitation, sidewalk cafe and permit fees, concurrency fees, etc. that are not systematically adjusted for cost increases (eg. CPI adjustments) and has begun work on how to address.

To that end, this referral to the Finance Committee should entail:

- A review of all relevant fees and charges in annual dollars
- Identification of current fees and charges with CPI adjustments and those without
- Identification of circumstances when CPI adjustments may not be appropriate
- Review of the financial impact of implementing annual CPI adjustments
- Discussion of action steps and timing required for implementation

Legislative Tracking

Commissioner Mark Samuelian

MIAMI BEACH

COMMITTEE MEMORANDUM

TO: Finance and Citywide Projects Committee Members

FROM: Jimmy L. Morales, City Manager

DATE: January 25, 2019

SUBJECT: **DISCUSSION REGARDING REVENUE GENERATING OPPORTUNITIES FOR
BEACH CONCESSION OPERATIONS**

ANALYSIS:

Item to be submitted as supplemental.

MIAMI BEACH

COMMITTEE MEMORANDUM

TO: Finance and Citywide Projects Committee Members

FROM: Jimmy L. Morales, City Manager

DATE: January 25, 2019

SUBJECT: **DISCUSSION REGARDING THE INTERLOCAL AGREEMENT WITH MIAMI-
DADE COUNTY FOR THE CITY'S CONTRIBUTION IN THE AMOUNT OF
\$417,000 TOWARDS THE BEACH CORRIDOR RAPID TRANSIT
CONNECTION PROJECT DEVELOPMENT AND ENVIRONMENT STUDY**

ANALYSIS:

Item withdrawn by Administration.

MIAMI BEACH

COMMITTEE MEMORANDUM

TO: Finance and Citywide Projects Committee Members

FROM: Jimmy L. Morales, City Manager

DATE: January 25, 2019

SUBJECT: **DISCUSSION REGARDING CAPITAL APPROPRIATIONS FOR THE SOUTH
POINTE PARK BUILDING HVAC UNIT REPLACEMENT**

ANALYSIS:

Item withdrawn by Administration.