

# *Parking Garages 1 & 4 Redevelopment RFP*

CITY COMMISSION  
DEVELOPER'S PROPOSAL

MARCH 26, 2019

**CORAL  
GABLES**  
THE CITY BEAUTIFUL



## SUBJECT PROPERTIES

**Garage 4**  
348 spaces  
2450 Salzedo



**Garage 1**  
282 spaces  
245 Andalusia





## CITY OBJECTIVES

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- ☐ Replace two parking garages that have many operational deficiencies with a **new parking garage** (above and beyond recent cosmetic improvements).
- ☐ Provide public parking to meet the **future parking needs** of Downtown businesses.
- ☐ Introduce appropriately scaled **mixed uses**, especially ground floor retail and residential, onto Andalusia Avenue to support the City's goals for a vibrant, walkable Downtown.
- ☐ Pursue a holistic approach to these objectives that **balances** parking, planning, design, economic development, community and financial considerations.

3

## PURPOSE OF PRESENTATION

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A RESOLUTION APPROVING THE GENERAL BUSINESS TERMS AND AUTHORIZING THE CITY MANAGER AND CITY ATTORNEY TO NEGOTIATE A DEVELOPMENT AGREEMENT WITH CORAL GABLES CITY CENTER, LLC (CGCC) FOR THE REDEVELOPMENT OF MUNICIPAL PARKING GARAGES 1 AND 4 (G1 AND G4) IN WHICH CGCC PROPOSES A PUBLIC PRIVATE-PARTNERSHIP TO PROVIDE AN IMPROVED PARKING STRUCTURE WHERE THE CITY WILL RETAIN OWNERSHIP OF THE PUBLIC PARKING COMPONENT IN G1 AND ALLOW CGCC TO BUILD A RESIDENTIAL MIXED-USE PROJECT IN G4 COMPATIBLE WITH THE SURROUNDING NEIGHBORHOOD. *(This resolution requires a 4/5 vote because of the value; if an agreement is reached with CGCC an ordinance will come back to City Commission for two readings)*

4



# SUMMARY OF CGCC'S CURRENT PROPOSAL

|                      |                                     | G1            | G4            | CGCC<br>Current<br>Proposal |
|----------------------|-------------------------------------|---------------|---------------|-----------------------------|
| <i>Public Spaces</i> | Total Full Time Parking Spaces      | 750           | -             | 750                         |
|                      | FAR (Total between both sites )     | 0.572         | 6.382         | 4.12                        |
| <i>Massing</i>       | G1 (owned by City)                  |               |               |                             |
|                      | Retail                              | 20,000 SF     | -             | 20,000 SF                   |
|                      | G4 (owned by CGCC)                  | -             | 333,300 SF    | 333,300 SF                  |
|                      | Residential                         | -             | 245 Units     | 245 Units                   |
|                      | Retail                              | -             | 18,000 SF     | 18,000 SF                   |
|                      | Building Area (total both sites )   | 20,000        | 351,300       | 371,300                     |
|                      | Height                              | 97'           | 141'          | 97' / 141'                  |
|                      | # Total Parking Floors              | 8             | 3             | 8 / 3                       |
|                      | # Total Floors                      | 9             | 13            | 9 / 13                      |
|                      | Encroachment (Alley)                | 10'           | 10'           | 10 / 10                     |
| <i>Ownership</i>     | Fee Simple Owner                    | City          | CGCC          | City/CGCC                   |
|                      | Paseo                               | N/A           | N/A           | N/A                         |
| <i>Finance</i>       | City's Annual Payment               | (\$480,000)   | -             | (\$480,000)                 |
|                      | Cost of Retail - Shell Construction | (\$3,000,000) | -             | (\$3,000,000)               |
|                      | Permit Waiver/Impact Fee Reimb.     | -             | (\$3,360,000) | (\$3,360,000)               |

5

# PARKING REQUIREMENTS VS. SUPPLY

|                                         | G1       |          | G4       |          | Total    |          | Surplus/(Deficit) |
|-----------------------------------------|----------|----------|----------|----------|----------|----------|-------------------|
|                                         | Required | Provided | Required | Provided | Required | Provided | Spaces            |
| Residential                             | -        | -        | 411      | 400      | 411      | 400      | (11) <sup>1</sup> |
| Retail Spaces                           | 67       | -        | 60       | -        | 127      | -        | (127)             |
| Total Private                           | 67       | -        | 471      | 400      | 538      | 400      | (138)             |
| Public Parking                          | -        | 750      | -        | -        | -        | 750      | 750               |
| CGCC's Retail absorbed in Public System |          |          |          |          |          |          | (60)              |
| City Retail absorbed in Public System   |          |          |          |          |          |          | (67)              |
| Net public parking                      |          |          |          |          |          |          | 623               |

<sup>1</sup> Per discussion with the City's Parking and Planning Director, the number of parking spaces provided for the Residential is not enough per the City Code, but due to the parking demand of luxury brand products the provided parking is sufficient to meet the private use.

6



## FAR ANALYSIS

|         | Garage 1 |         |             | Garage 4 |         |             | Total   |         |             |
|---------|----------|---------|-------------|----------|---------|-------------|---------|---------|-------------|
|         | Land SF  | Bldg SF | FAR         | Land SF  | Bldg SF | FAR         | Land SF | Bldg SF | FAR         |
| Garages | 34,941   | 20,000  | <b>0.57</b> | 55,000   | 351,000 | <b>6.38</b> | 89,941  | 371,000 | <b>4.12</b> |

The City Attorney has issued an opinion that allows the mixed use project to blend the FAR of these two non-adjoining sites as part of this public private partnership

7

## TDR'S NEEDED

|                       | Site Area<br>Square Feet | FAR                        |                   | Total          |
|-----------------------|--------------------------|----------------------------|-------------------|----------------|
|                       |                          | Including<br>Med Bonus     | City<br>TDR's     |                |
|                       |                          | <b>3.5</b>                 | <b>up to .875</b> | <b>4.12</b>    |
| G1                    | 34,941                   | 122,294                    | 8,381             | 130,675        |
| G4                    | 55,000                   | 192,500                    | 48,125            | 240,625        |
| <b>City Site Area</b> | <b>89,941</b>            | <b>314,794</b>             | <b>56,506</b>     | <b>371,300</b> |
|                       |                          | G1 Retail City-Owned       |                   | (20,000)       |
|                       |                          | <b>CGCC-Owned Total SF</b> |                   | <b>351,300</b> |

8

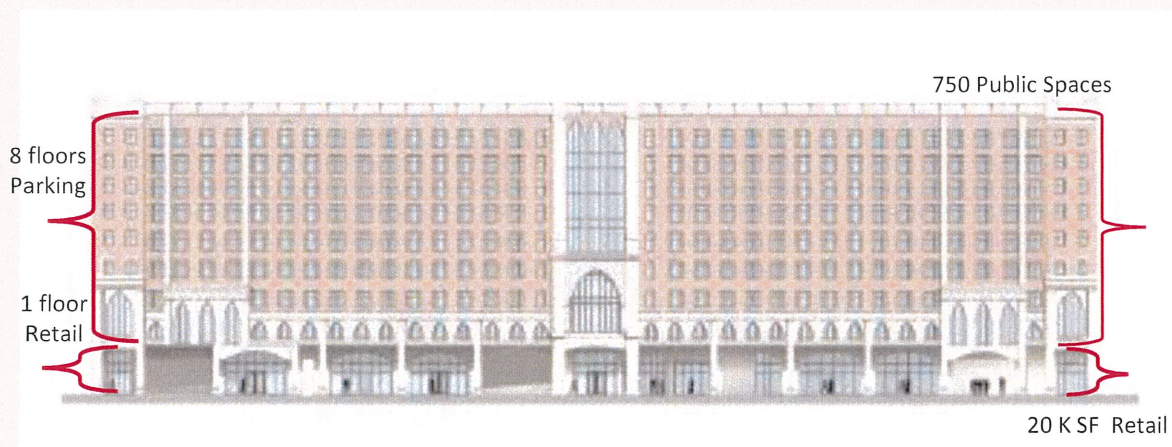


# PARKING/BUILDING FLOORS/HEIGHTS

|                    | 750 Spaces   |               |
|--------------------|--------------|---------------|
|                    | G1           | G4            |
|                    | (Garage)     | (Residential) |
| Retail Floors      | 1            | 1             |
| Parking Floors     | 8            | 3             |
| Residential Floors | 0            | 9             |
| <b>Total</b>       | <b>9</b>     | <b>13</b>     |
| <b>Height</b>      | <b>97.4'</b> | <b>141'</b>   |

9

## G1 – GARAGE VIEW FROM ANDALUSIA

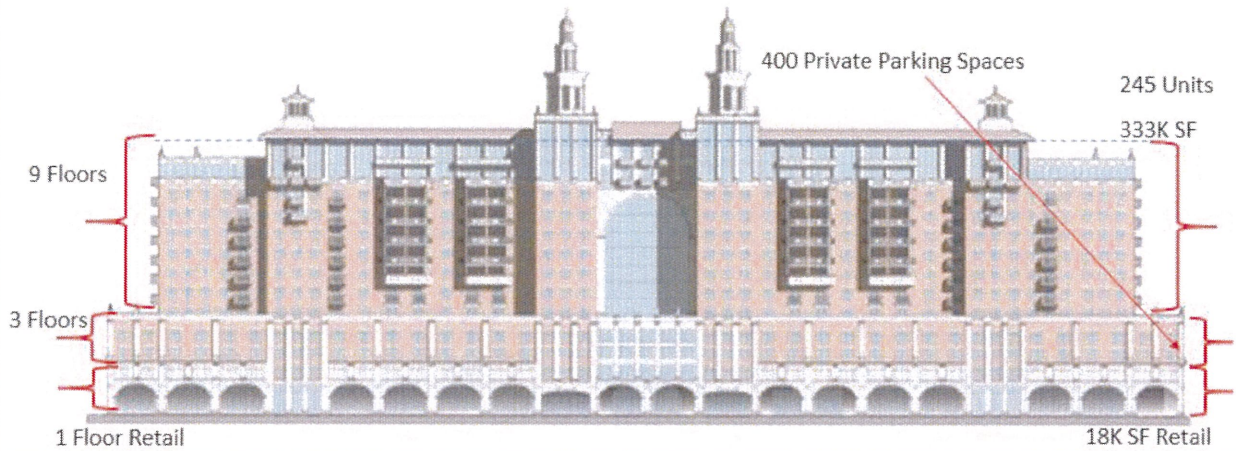


10



## G4 – RESIDENTIAL TOWER

### VIEW FROM ANDALUSIA



11

## LAND USE MAP - COMPATIBILITY



12



## OWNERSHIP STRUCTURE

- City will own G1 in fee simple form including the ground floor retail
- CGCC will own G4 in fee simple form
- The ownership will also include the recording of a Declaration of restrictive covenant in lieu of Unity of Title to allow both sites to be considered a mixed use project, as opined by the City Attorney under CAO 2019-004. In order to comply with all requirements of a Declaration of restrictive covenant in lieu of Unity of Title, the Development Agreement will need to detail how the owners will maintain and operate the property as a single building site.

13

## CITY BUILT VS. CGCC PARKING COST

|                                                        | CGCC Cost<br>750 Spaces | City Built<br>750 Spaces |
|--------------------------------------------------------|-------------------------|--------------------------|
| Hard Cost Per Space                                    | \$27,500 Per Space      | \$26,000 Per Space       |
| City-owned Parking (Hard & Soft Cost)                  | \$21,251,000            | 22,485,000               |
| Demo                                                   | 253,000                 | 253,000                  |
| Smart Parking                                          | 150,000                 | 150,000                  |
| <b>City-owned Parking Cost</b>                         | <b>\$21,654,000</b>     | <b>22,888,000</b>        |
| Direct Cost Per Space                                  | \$28,872                | \$30,517                 |
| Financing Cost (Garage Only)                           | 1,273,000               | 2,289,000                |
| <b>Total City-owned Parking Cost w/o Retail</b>        | <b>\$22,927,000</b>     | <b>25,177,000</b>        |
| Retail Darkshell Build out                             | 3,000,000               | 2,400,000                |
| <b>Parking to be delivered to City w/ Retail shell</b> | <b>25,927,000</b>       | <b>27,577,000</b>        |
| <b>Total Cost w/ Retail Darkshell Per Space</b>        | <b>\$34,569</b>         | <b>\$36,769</b>          |
| Retail Build out cost (TI, Soft Cost, Financing)       | 3,336,000               | 3,672,000                |
| <b>Total Parking Cost</b>                              | <b>29,263,000</b>       | <b>31,249,000</b>        |
| <b>Total Cost w/ Retail Per Space</b>                  | <b>\$39,017</b>         | <b>\$41,665</b>          |

14



## PUBLIC PARKING VALUE

|                                                      | G1                 | G4                  | Average<br>Total    |
|------------------------------------------------------|--------------------|---------------------|---------------------|
| <b>Value of Development Rights Conveyed by City</b>  |                    |                     |                     |
| Land Base @ 3.5 FAR                                  | \$5,197,500        | \$16,363,000        | \$21,561,000        |
| Land TDR's .875 TDRs to achieve 4.128 from Land base | -                  | 3,906,130           | 3,906,000           |
| <b>Value of sites being Conveyed</b>                 | <b>\$5,197,500</b> | <b>\$20,269,130</b> | <b>\$25,467,000</b> |
| Demo Cost                                            | -                  | (\$758,000)         | (\$758,000)         |
| <b>Value of sites being Conveyed after Demo</b>      | <b>\$5,197,500</b> | <b>\$19,511,130</b> | <b>\$24,709,000</b> |
| City Impact Fee Reimb. & Permit Waiver               | 181,000            | 3,179,000           | 3,360,000           |
| <b>Total Value after Impact/Permit fees</b>          | <b>\$5,378,500</b> | <b>\$22,690,130</b> | <b>28,069,000</b>   |

15

## NET BENEFIT

|                                     |                                 |
|-------------------------------------|---------------------------------|
|                                     | <b>G4 Sale @<br/>351,300 SF</b> |
| <b>Lot Valued provided to CGCC</b>  | <b>24,709,000</b>               |
| Impact Fees provided to CGCC        | 3,360,000                       |
| <b>Total Value to CGCC</b>          | <b>28,069,000</b>               |
| Cost of construction (Parking only) | 25,177,000                      |
| <b>Benefit provided to CGCC</b>     | <b>2,892,000</b>                |

### *Net Present Value Review - 50 Years*

|                                                      |                    |
|------------------------------------------------------|--------------------|
| Cashflow over time from CGCC Scenario                | \$45,637,000       |
| Cashflow over time - City selling G4 at 351,300 SF   | 51,958,000         |
| <b>Total Benefit to City from Cashflow over time</b> | <b>\$6,321,000</b> |

|                                                           |                       |
|-----------------------------------------------------------|-----------------------|
| Cashflow over time from CGCC Scenario                     | \$45,637,000          |
| Cashflow over time - City selling G4 at 227,000 SF        | 43,096,000            |
| <b>Total Lost Benefit to City from Cashflow over time</b> | <b>\$ (2,541,000)</b> |

16



# PROS & CONS OF CGCC PROPOSAL

## PROS

- Development on G4 controlled by a Development Agreement
- 2 Year early delivery of G1 Municipal Garage
- No RFP for Construction of G1 needed
- Increment payment is lower than City's debt service payment would be
- No Garage bond financing required
- Not subject to market fluctuations and risk

## CONS

- Majority of density goes to the G4 site
- No significant future development allowed on G1
- City required to pay \$3 million upfront for retail
- City required to pay \$480K per year with 2% escalation for 30 years
- 10 ft Alley Encroachment vs 4 ft if City Built
- Providing retail parking requirement for G4 at G1 site (60 spaces provided)

17

# CUMULATIVE FINANCIAL EFFECT CGCC VS. CITY BUILT

**750 Spaces  
NPV 50 Years**

|                                                                |                     |
|----------------------------------------------------------------|---------------------|
| <b>CGCC Built Scenario w/o G1 Retail Control</b>               | <b>\$45,637,000</b> |
| <b>City Built at Garage 1 &amp; sale of Garage 4 @ 351K SF</b> | <b>\$51,958,000</b> |
| <b>City Built at Garage 1 &amp; sale of Garage 4 @ 227K SF</b> | <b>\$43,096,000</b> |
| <b>City Built at Garage 1 &amp; G4 as Park</b>                 | <b>\$16,979,000</b> |

18



# SUMMARY OF PROPOSAL

| Parking                      | Massing                                        | Ownership                                      | Economics                                                                         |
|------------------------------|------------------------------------------------|------------------------------------------------|-----------------------------------------------------------------------------------|
| 750 City-owned public spaces | 4.12 FAR                                       | City owns G1 (with limited development rights) | \$3 Mil upfront payment; \$480k annual payment @2% increase<br><br>Added Tax Base |
| New Garage                   | 141' & 97.4' below City allowed height of 190' | CGCC owns G4                                   | Increased residents                                                               |

19

*Thank you*

QUESTIONS?

**CORAL GABLES**  
THE CITY BEAUTIFUL





**ALLEN MORRIS AND RELATED:**

**CORAL GABLES  
CITYCENTER**

6291999.V1



## 20+ YEARS AND COUNTING

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### 20 YEARS AGO...

Original Garage RFP Signed by Mayor Valdes-Fauli

### 13 YEARS AGO...

CGCC Member Related Awarded RFP

### 6 YEARS AGO...

Current Garage RFP Authorized



# Garage Conditions

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Vice Mayor Kerdyk: I think everybody agrees that both of those garages need to be developed.

Mayor Cason: It's an embarrassment.

Commissioner Quesada: It's an embarrassment

Commissioner Lago: I think it's also a liability because it's not -- it's structurally unsound....

Mayor Valdes-Fauli: There are no elevators.

Commissioner Lago: It's not accommodating to the new style of cars.

Commissioner Keon: There's no security

Parking Director Kinney: So nobody uses the roof.

Commissioner Keon: but I certainly do understand the financial need to move forward with this RFP.



## City Objectives: Residential

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### CITY OBJECTIVES

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- ❑ Introduce appropriately scaled **mixed uses**, especially ground floor retail and residential, onto Andalusia Avenue to support the City's goals for a vibrant, walkable Downtown.



# DOWNTOWN WORKS: Coral Gables Retail Strategy

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downtown  
works

## FINAL

DOWNTOWN CORAL GABLES RETAIL STRATEGY

### **Recommendation #8— Encourage More Residential in the Downtown**

Downtown residents bring activity to a district, both by putting feet on the streets but also with lights on at night. Encourage as much residential as possible be built in downtown Coral Gables...



# MIAMI TODAY: CBD Lacks Residents To Support Retail

WEEK OF THURSDAY, JANUARY 19, 2017

## TODAY'S NEWS

MIAMI TODAY 23

### Gables too small to support retail it has, consultant finds

BY LORNAISSE LACROIX

The right mix of stores, from value-oriented to high-end — combined with restaurants that credit their own buzz and streetscape improvements to promote walkability — is the formula that will make Coral Gables retail thrive.

That is the assessment of Midge McCauley, a principal of national retail consultant Downtown Works, who was hired last year by the city, the Coral Gables Chamber of Commerce and the Coral Gables Business Improvement District. The goal was to survey the city's current retail climate and potential opportunities.

Her company's research indicated that Coral Gables, which has a population of about 50,000, isn't a large enough city to support the retail it has, Ms. McCauley said.

"The city has to look to the greater metro-

politan area" to fill its stores and restaurants, she said. Because the ZIP codes surrounding the city are not as affluent and are already served by their own retail establishments, it can be a challenge, she said.

Miracle Mile itself, the spine of the retail district, has several identities, she said. On the eastern end, it's home to several value-based stores, including Ross Dress for Less, which is expanding, she said. Toward the middle and the western part of the street are higher-end stores and a collection of restaurants.

Ross "is a quality tenant," Ms. McCauley said. "We don't judge by the price of the merchandise, but by whether it is a good operation with a good layout, how the inventory is handled, whether it has attractive window displays."

Stores that offer merchandise at higher price-points will fill the rest of Miracle Mile

and the downtown corridor, she said. "It won't be Prada or Louis Vuitton, but these will be upscale stores."

Retail is changing, observers say: shoppers want not just goods but an experience. The city is in the midst of reimagining sidewalks and adding a host of improvements in Miracle Mile and Gaudin Avenue, which Ms. McCauley said is "really extraordinary. I've never seen anything like it."

"Streetscapes don't bring tenants, but they do bring in people. They encourage people to spend more time, and when they spend more time they spend more money."

"Coral Gables is not convinced, it's not a lifestyle mall," Ms. McCauley said. "In fact, the lifestyle malls are trying to recreate what Coral Gables has, because that's what people want."

Even millennials could be lured away

from their downtown, Wynwood and Miami Beach havens if the restaurant scene became more hip, she said. "We have to decide what we want," she said. "But first we have to take care of what's there."

When Ms. McCauley began interviewing stakeholders last summer, "I can tell you that 95% wanted a more upscale environment, one that is unique," said Justice Betancourt, the city's economic development director. "The city is primed for this kind of retail. We don't want just national retailers that you can find anywhere. We want to build on our authenticity and the strong heritage we have. We want to find the right balance of dining and shopping," he said. "Now, people are often drawn to the Mile by a particular restaurant or shop. We want them to stay and experience the Mile just as you would any retail destination."



# RFP Approvals (At 190.5')

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| <u>RFP APPROVALS (AT 190.5')</u> |                  |                  |
|----------------------------------|------------------|------------------|
| Unanimous (4-0)                  | Authorize RFP    | May 28, 2013     |
| Unanimous (4-0)                  | Stage I RFP      | May 27, 2014     |
| Unanimous (4-0)                  | Stage II RFP     | January 26, 2016 |
| Unanimous (5-0)                  | CGCC Recommended | January 24, 2017 |



# Evaluation Committee Scoring

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On December 1, 2016, the Evaluation Committee reconvened to continue its deliberations. Subsequent to the Consultant's presentation of his evaluation, which incorporated input from City Staff and other City consultants, the Evaluation Committee discussed and evaluated the proposals based on the following criteria, consistent with the RFP:

- **20 Points:** Capability of the Proposer and Development Team
- **20 Points:** Likelihood of Feasibility
- **15 Points:** Financial Return to the City
- **25 Points:** Enhancement of the Public Parking Supply in a Cost-Effective Manner
- **20 Points:** Contribution to the Vitality, Amenity & Economic Activity of/in the CBD



# Evaluation Committee Scoring

The results of the Evaluation Committee scoring based on the above criteria were as follows:

| <u>PROPOSER</u>                          | <u>AVG. SCORE</u> | <u>RANK</u> |
|------------------------------------------|-------------------|-------------|
| Coral Gables City Center, LLC, Version 1 | 93                | 1           |
| Coral Gables City Center, LLC, Version 2 | 87                | 2           |
| Coral Gables City Center, LLC, Version 3 | 86.67             | 3           |
| TC Gables, LLC                           | 70                | 4           |

Consistent with the scores noted above, the Evaluation Committee unanimously voted to recommend that the City approve the top-ranked proposer, Coral Gables City Center, LLC for contract negotiations, with preference given to Version 1 of their proposal, followed by Versions 2 and 3 respectively.



# CGCC is only responsive proposer to RFP

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City Attorney Leen: Now, of the two proposers, one proposer did submit one proposal that was compliant with the Zoning Code and then two other proposals that were not and that provided public benefits, one of which I think -- and I'm not commenting on the value of the public benefits. That's for you and the Manager to consider --, but I think that that was where the parking component came from is a public benefit that they're providing to justify the difference in the Zoning Code. The other applicant did not present a proposal that complied with the Zoning Code, so that did not comply with the strict requirements of the RFP. That's one of the reasons they ended up being the fourth party -- the fourth of the options, and really the second of the two proposers, because they did not comply with the strict requirements of the RFP. But from the beginning, I've always said and the City has always said in the RFP and what



# Major Proposals Since Nov. 2017

| Major Proposal | Date      | Total Parking <sup>1</sup> | Day Parking | G4 Units (KSF) | G1 Office (KSF) | G4 Height | G1 Height | City Total Out of Pocket | FAR    |
|----------------|-----------|----------------------------|-------------|----------------|-----------------|-----------|-----------|--------------------------|--------|
| 1              | Nov. 2017 | -                          | -           | 334            | 170,000         | 190'      | 190'      | -                        | >4.375 |
| 2              | Mar. 2018 | 953                        | 565         | 294 (403,000)  | 144,000         | 190'      | 190'      | \$26.2M <sup>2</sup>     | >4.735 |
| 3              | Aug. 2018 | 1,000                      | 577         | 294 (403,000)  | 127,000         | 190'      | 190'      | \$0                      | >4.735 |
| 4              | Aug. 2018 | 1,000                      | 577         | 270 (375,000)  | 127,000         | 190'      | 190'      | \$640k / year            | >4.735 |
| 5              | Aug. 2018 | 1,000                      | 750         | 270 (375,000)  | 127,000         | 190'      | 190'      | \$1M / year              | >4.735 |
| 6              | Aug. 2018 | 750                        | 750         | 356 (452,000)  | No Office       | 190'      | 97'       | \$0                      | >4.735 |
| 7              | Oct. 2018 | 913                        | 620         | 236 (335,000)  | 125,000         | 163'      | 190'      | \$595k / year            | 4.375  |
| 8              | Dec. 2018 | 850                        | 530         | 236 (335,000)  | 125,000         | 163'      | 168'      | \$0                      | 4.375  |

<sup>1</sup> Total parking available to public evenings and weekends.

<sup>2</sup> City received greater of 3.75% of gross revenues or \$1,000,000 per annum, plus all parking revenues from City owned parking spaces.



# Major Proposals Since Nov. 2017

| Major Proposal | Date      | Total Parking <sup>3</sup> | Day Parking | G4 Units (KSF) | G1 Office (KSF) | G4 Height   | G1 Height | City Total Out of Pocket   | FAR    |
|----------------|-----------|----------------------------|-------------|----------------|-----------------|-------------|-----------|----------------------------|--------|
| 9              | Dec. 2018 | 913                        | 620         | 236 (335,000)  | 125,000         | 163'        | 190'      | \$275k / year              | 4.375  |
| 10             | Dec. 2018 | 1,020                      | 700         | 236 (335,000)  | 125,000         | 174'        | 168'      | \$440k / year              | 4.375  |
| 11             | Jan. 2019 | 940                        | 620         | 246 (346,000)  | 125,000         | 163'        | 177'      | \$0                        | 4.375  |
| 12             | Jan. 2019 | 940                        | 620         | 246 (346,000)  | 125,000         | 150'        | 164'      | \$0                        | 4.375  |
| 13             | Jan. 2019 | 750                        | 750         | 246 (346,000)  | No Office       | 150'        | 97'       | \$350k / year              | <4.375 |
| 14             | Feb. 2019 | 750                        | 750         | 246 (346,000)  | No Office       | 141' (129') | 97'       | \$250k / year <sup>4</sup> | <4.375 |
| 15             | Feb. 2019 | 620                        | 620         | 246 (346,000)  | No Office       | 141' (129') | 97'       | \$0                        | <4.375 |
| 16             | Mar. 2019 | 750                        | 750         | 246 (331,000)  | No Office       | 141' (129') | 97'       | \$480k/year <sup>5</sup>   | <4.375 |

<sup>3</sup> Total parking available to public evenings and weekends.

<sup>4</sup> Staff states extra 130 spaces generate \$250,000 net income, thus increment is a wash. Lump sum payment possible.

<sup>5</sup> City owns G1 retail at hard cost of \$3MM, and remaining increment equates to City staff ultra conservative real estate tax estimate for CGCC project.



# Current Proposal Improved at City Request

| RFP VERSION 1            |                              | IMPROVED               |
|--------------------------|------------------------------|------------------------|
| Height Tower G4          | 187'                         | 141'                   |
| Height Podium G4         | 76'                          | 48'                    |
| Height G1                | 110'                         | 97'                    |
| Encroachment - Andalusia | 5'                           | Zero                   |
| NPV                      | \$3,200,000                  | \$46,000,000           |
| Revenue / Increment      | \$2,000,000+ (no time limit) | \$480,000 (30 years)   |
| Retail Ownership G1      | City Option at Market Value  | City Buys at Hard Cost |



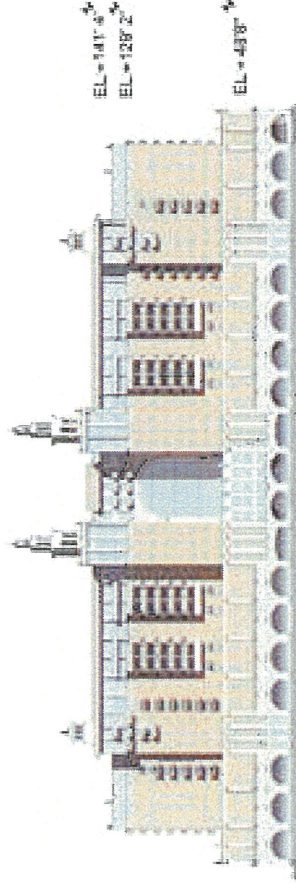
# CORAL GABLES CITYCENTER: Elevations

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TO GARAGE  
+97'-4"



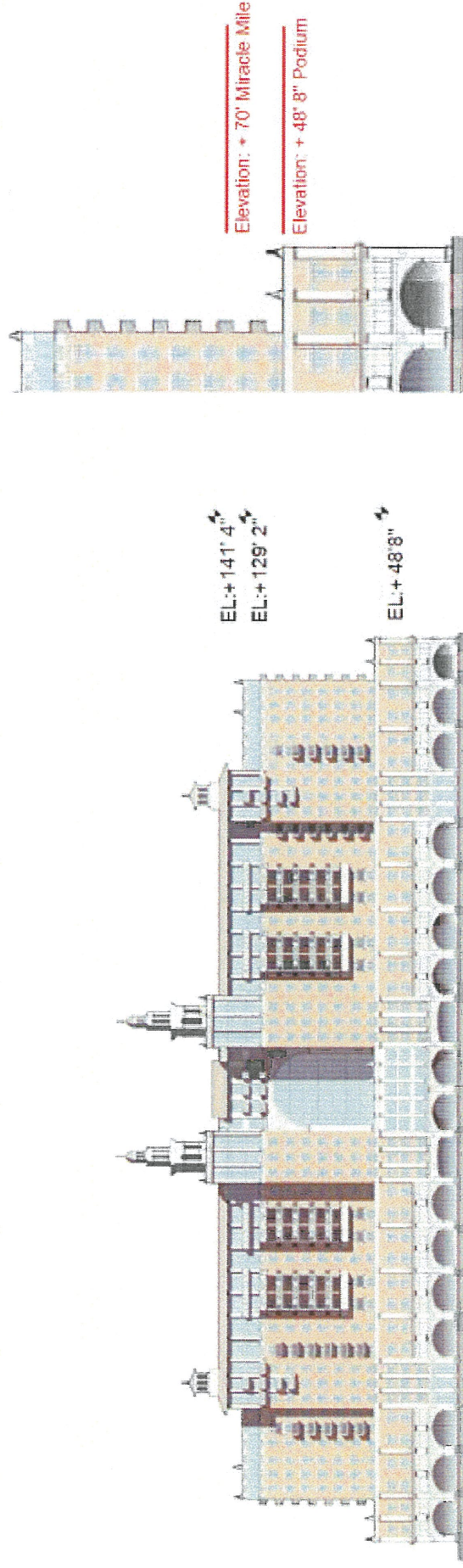
G1 - 9 LEVEL PODIUM WITH 8 LEVELS OF PARKING



G4 - 4 LEVEL PODIUM WITH 3 LEVELS OF PARKING



# CORAL GABLES CITYCENTER: Podium Levels



G4 - 4 LEVEL PODIUM WITH 3 LEVELS OF PARKING

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**CONCRETE DEAL TODAY  
OR MORE RISK 50 YEAR  
HYPOTHETICALS...**

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## TWO BIRDS IN THE HAND

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- The Related Group and Allen Morris Company are two of the most accomplished real estate developers in the United States and are willing to do the deal the City requested TODAY.
- Alternatively, City proposes to build their own G1 Garage in the future, sell G4 to a yet unknown developer in the future and then sell G1 in 50 years in order to try to match the financial benefits of CGCC's proposal which are delivered TODAY.

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**BETTER DESIGN,  
CONCRETE FINANCIALS,  
MITIGATED RISK,  
TODAY.**

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## DESIGN AND AESTHETICS MATTER

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- Award winning development team Allen Morris Co. and Related Group
- Development Agreement Control
- 141' VS. 190'6"
- No Andalusia encroachment
- Aesthetics beyond minimum Med Bonus

## FINANCIAL ADVANTAGES OF CGCC

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- No borrow \$30MM+
- No debt service of \$52MM+
- Cost savings vs. debt service
- Smartest spend of tax dollars
- No guarantee of financial return with future City build
- No guarantee of cost ceiling with future City build
- No guarantee of delivery date with future City build



# City Prepared Financial Summaries

| Alternatives Summary<br>Net Cash Flow to City<br>Including RE Taxes<br>3/19/19       | CGCC<br>Proposal<br>1/8/19 | CGCC<br>Proposal<br>2/25/19 | CGCC<br>Proposal<br>3/18/19<br>City Controls<br>G1 Retail | City Build G1<br>Garage<br>G4 Same as in<br>CGCC proposal<br>G4 Sale @ G1<br>Constr. Start | City Build G1<br>Garage<br>G4 @ 4.128<br>FAR of G4 Site<br>G4 Sale @ G1<br>Constr. Start | City Build G1<br>Garage<br>Park on<br>G4 Site |
|--------------------------------------------------------------------------------------|----------------------------|-----------------------------|-----------------------------------------------------------|--------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|-----------------------------------------------|
| Total thru year 6                                                                    | \$12,000,000               | \$11,000,000                | \$11,000,000                                              | \$13,000,000                                                                               | \$11,000,000                                                                             | \$7,000,000                                   |
| Total thru year 30                                                                   | \$86,000,000               | \$82,000,000                | \$86,000,000                                              | \$101,000,000                                                                              | \$83,000,000                                                                             | \$33,000,000                                  |
| Total thru Year 50 *                                                                 | \$174,000,000              | \$174,000,000               | \$206,000,000                                             | \$221,000,000                                                                              | \$196,000,000                                                                            | \$133,000,000                                 |
| Net Present Value **                                                                 | \$47,000,000               | \$45,000,000                | \$46,000,000                                              | \$52,000,000                                                                               | \$43,000,000                                                                             | \$17,000,000                                  |
| Year 7 ***                                                                           | \$2,180,000                | \$2,000,000                 | \$2,040,000                                               | \$2,480,000                                                                                | \$1,840,000                                                                              | \$40,000                                      |
| Year 32 ****                                                                         | \$4,200,000                | \$4,500,000                 | \$5,600,000                                               | \$5,600,000                                                                                | \$5,400,000                                                                              | \$4,900,000                                   |
| Net Amt City Financing *****<br>(NOTE - Above Net Cash Flows are AFTER debt service) | \$0                        | \$0                         | \$7,151,000                                               | \$8,588,000                                                                                | \$16,514,000                                                                             | \$40,960,000                                  |

\* 50 year total includes annual income streams only excluding reversion and/or G1 site sale at end of 50 years

\*\* NPV as of start 2020, includes reversion and/or G1 site sale at end of 50 years

\*\*\* first year all alternatives are stabilized

\*\*\*\* first year following end of both CGOC increment and City debt service

\*\*\*\*\* Escalated cost less est. G4 net sale proceeds (escalated to year of sale)

# City Land Valuation

|                                                                 | City Figures    | CGCC / Expert Appraiser                        |
|-----------------------------------------------------------------|-----------------|------------------------------------------------|
| Pad Ready "Fee" Value                                           | \$25.5M         | \$19.3M ( $\Delta$ of \$6.1M)                  |
| \$ / SF (FAR)                                                   | \$73            | \$55                                           |
| \$ / Unit (after retail value removed)                          | \$100K          | \$75K                                          |
| Deduct Demo Cost                                                | (\$760K)        | (\$760K)                                       |
| Add Fee Waiver                                                  | \$3.36M         | \$3.36M                                        |
| <b>Net Adjusted Land Value</b>                                  | <b>\$28M</b>    | <b>\$21.9M (<math>\Delta</math> of \$6.1M)</b> |
| Cost of Construction of City Garages                            | \$25.2M         | \$25.2M                                        |
| <b>Net Benefit to City</b>                                      | <b>(\$2.8M)</b> | <b>\$3.3M</b>                                  |
| <b>NPV Review – 50 Years</b>                                    |                 |                                                |
| Cashflow to City from CGCC                                      | \$46M           | \$46M                                          |
| City Sells G4 same Intensity                                    | \$52M           | \$46M ( $\Delta$ of \$6.1M)                    |
| Projected Benefit of City Build (w/ no risk factor adjustments) | \$6M            | None; they are equal                           |



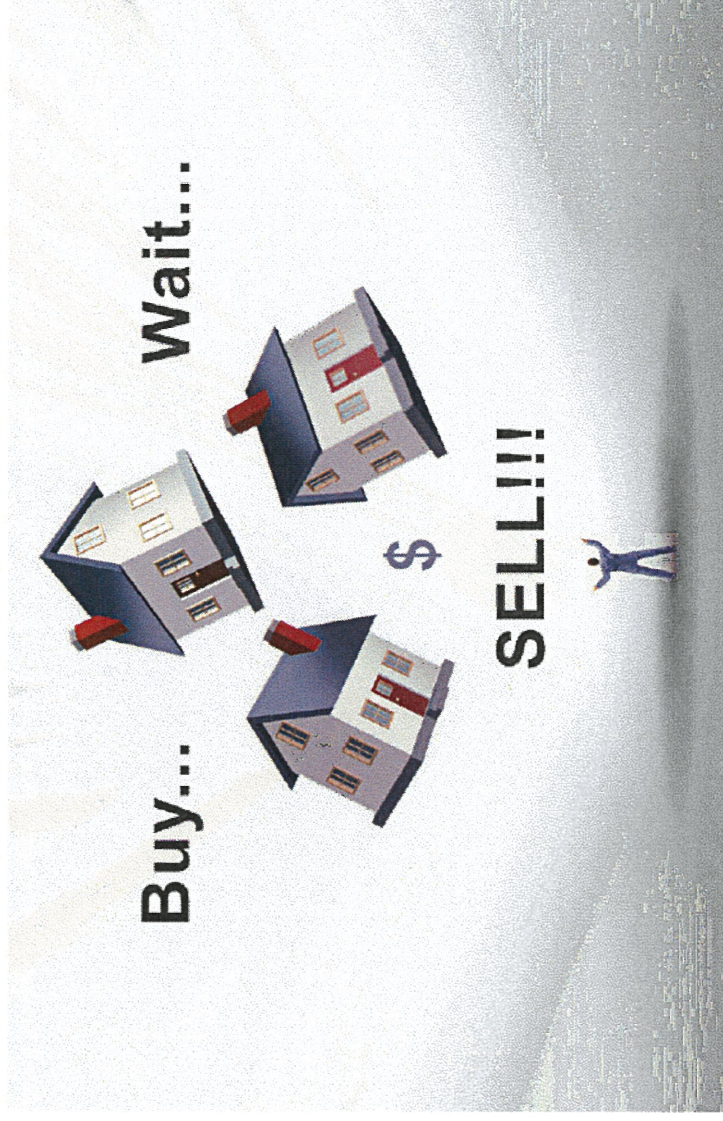
## City Land Valuation

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- City interprets their appraised “pad ready,” fee simple land value for CGCC program at \$25.5M
  - \$73 / SF of FAR
  - \$100K / Unit (after removing 18,000 SF retail at \$73/SF)
- Adjusted for demolition costs and fee waiver, the City interprets the effective land value at \$28M.
- IRR expert opinion is true starting price should be \$19.3M, or \$55 / SF, \$75K / Unit after retail adjustment (\$6.1M below City value)
- IRR value with demolition and fee waiver is then \$21.9M (using same adjustment factors – i.e. adjusted value is still \$6.1M below City adjusted value)

# Risks of Real Estate Speculation

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# RISK OF FUTURE CITY BUILD SCENARIO

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- Political risk (20+ years)
- Real estate speculation risk for sale of G4 in 4+ years
- Real estate speculation sale for sale of G1 in 50 years
- Future construction cost risk
- Future bond cost risk
- Contractor risk
- New RFP
- No guarantees with future City build
- Development team quality unknown and not subject to RFP scrutiny and diligence

# Evaluation Committee Scoring

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On December 1, 2016, the Evaluation Committee reconvened to continue its deliberations. Subsequent to the Consultant's presentation of his evaluation, which incorporated input from City Staff and other City consultants, the Evaluation Committee discussed and evaluated the proposals based on the following criteria, consistent with the RFP:

- **20 Points:** Capability of the Proposer and Development Team
- **20 Points:** Likelihood of Feasibility
- **15 Points:** Financial Return to the City
- **25 Points:** Enhancement of the Public Parking Supply in a Cost-Effective Manner
- **20 Points:** Contribution to the Vitality, Amenity & Economic Activity of/in the CBD



# Evaluation Committee Scoring

The results of the Evaluation Committee scoring based on the above criteria were as follows:

| <u>PROPOSER</u>                          | <u>AVG. SCORE</u> | <u>RANK</u> |
|------------------------------------------|-------------------|-------------|
| Coral Gables City Center, LLC, Version 1 | 93                | 1           |
| Coral Gables City Center, LLC, Version 2 | 87                | 2           |
| Coral Gables City Center, LLC, Version 3 | 86.67             | 3           |
| TC Gables, LLC                           | 70                | 4           |

Consistent with the scores noted above, the Evaluation Committee unanimously voted to recommend that the City approve the top-ranked proposer, Coral Gables City Center, LLC for contract negotiations, with preference given to Version 1 of their proposal, followed by Versions 2 and 3 respectively.

# Current Proposal Improved at City Request

| RFP VERSION 1            |                              | IMPROVED               |
|--------------------------|------------------------------|------------------------|
| Height Tower G4          | 187'                         | 141'                   |
| Height Podium G4         | 76'                          | 48'                    |
| Height G1                | 110'                         | 97'                    |
| Encroachment - Andalusia | 5'                           | Zero                   |
| NPV                      | \$3,200,000                  | \$46,000,000           |
| Revenue / Increment      | \$2,000,000+ (no time limit) | \$480,000 (30 years)   |
| Retail Ownership G1      | City Option at Market Value  | City Buys at Hard Cost |



**20+ YEARS IN THE MAKING... TODAY.**

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**NOW IS THE TIME WITH THE TOP RANKED  
DEVELOPMENT TEAM THAT WILL DELIVER ON ITS  
PROJECT FOR THE CITY AND ITS RESIDENTS.**



## ALLEN MORRIS - RELATED: CORAL GABLES CITYCENTER

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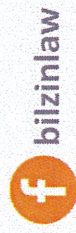
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If I can be of any further assistance with these issues, please call me at 305-350-2404  
Thank you

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