



**Coral Gables City Center
121 Alhambra Plaza
Suite 1600
Coral Gables, FL 33134**

January 8, 2018

City of Coral Gables
City Manager's Office
Peter Iglesias
City Manager
405 Biltmore Way
Coral Gables, FL 33134
piglesias@coralgables.com

RE: Proposed development between Coral Gables City Center, LLC, a Florida limited liability company, or affiliate thereof (“CGCC”), and the City of Coral Gables, a municipal corporation of the State of Florida (the “City”) in connection with the acquisition and development of real estate

Dear Mr. City Manager Iglesias,

This Term Sheet (this “**Letter**”) sets forth the general terms and conditions of the transaction (the “**Proposed Transaction**”) pursuant to which CGCC and the City shall enter into a development agreement (the “**Development Agreement**”) (CGCC and City are collectively defined as the “**Parties**”) for the development of (i) Folio: 03-4117-005-0400 (commonly referred to as City of Coral Gables Municipal Garage 1 at the 200 block of Andalusia Ave, Coral Gables, Florida 33134) (“**G1**”); (ii) Folio: 03-4117-005-0150 and 03-4117-005-0470 (“**Lot 43**”) (commonly and collectively referred to as City of Coral Gables Municipal Garage 4 at the 300 block of Andalusia Ave., Coral Gables, Florida 33134) (“**G4**”); and, (iii) Folio: 03-4117-005-0340; Folio: 03-4117-005-0140; and, Folio: 03-4117-005-0090 (the “**Mile Retail and Paseos**”) (collectively, G1, G4 and Mile Retail and Paseos shall be referred to as the “**Property**”).

Project Components:

The Parties shall enter into a Development Agreement, to govern the terms of the development of the Property, including the economic and other benefits to be conferred upon the City, for the development of the following components at the Property:

- G1 public municipal parking garage
- G1 private parking garage
- G1 ground floor retail use
- G1 office building use
- G1 alleyway revitalization
- G1 Paseo
- G4 public municipal parking garage
- G4 private parking garage
- G4 ground floor retail use
- G4 residential building use
- G4 alleyway revitalization
- G4 Paseo

All improvements described immediately above shall be referred to herein as the "**Project**".

Project Designations:

The Property is located within the Central Business District (CBD) and Downtown Overlay District (DO). The Property's land use classification is Commercial High-Rise Intensity and the zoning classification is Commercial District. CGCC will satisfy the requirements of Coral Gables Code Section 5-605 and achieve a Level 2 bonus for Coral Gables Mediterranean Architectural Design. Level 2 bonus permits CGCC to achieve a height of 190' 6" and a Floor Area Ratio (FAR) of 4.375, inclusive an additional 25% FAR granted once qualified by the City. The Property is also permitted as a Mixed-Use District (MXD) by Code Section 4-201. In compliance with MXD requirements the Project will be constituted of multiple mixed-use buildings and meet the mandatory requirement of Coral Gables Mediterranean Architecture Design. Alternatively, the Property and Project also meet the requirements of a Planned Area Development (PAD) pursuant to Code Section 3-501. Importantly, the Project meets the requirements of either an MXD or PAD with both its current land use and zoning. Thus, **the Project does not require the City to modify the underlying land use or zoning designations.**

Project Description:

For reference, the Project elevations are attached hereto as Schedule "A".

More particularly, the Project shall be described as follows¹:

Project FAR: 4.375

Site Area:	110,441 SF	Total
	89,941 SF	G4/G1 .
	2,500 SF	Lot 43
	18,000 SF	Mile Retail and Paseos

Project Floor Area:	483,179 SF	Total
	471,179 SF	G4/G1
	12,000 SF	Mile Retail and Paseos

Garage 4:

- Retail (ground floor)
 - o 1 floor
 - o 12,800 SF retail floor area
- Parking
 - o 4 floors
 - o 190 City stalls
 - o 375 private stalls
- Residential Use
 - o 10 floors
 - o 246 units
 - o 333,302 SF residential floor area
- Occupiable Height²
 - o 164'

Garage 1:

- Retail (ground floor)
 - o 1 floor
 - o 8,077 SF retail floor area
- Parking
 - o 8 floors
 - o 430 City stalls (day)
 - o 750 Stalls available to the public (night)³
 - o 320 private stalls (day)
 - o 0 private stalls (night)
- Office Use
 - o 6 floors
 - o 117,000 SF office floor area

¹ All improved building square foot measurements are measured as floor area, unless otherwise indicated.

² Roof-top may contain amenity deck, which would require some level of ancillary bathroom facilities.

³ 320 spaces shall be available for public use on weekdays from the hours of 6:00 P.M. to 7:00 A.M., federal holidays from 7:00 A.M. to 7:00 A.M. of the following weekday, and weekends from 6:00 P.M. Fridays until 7:00 A.M. Mondays.

- Occupiable Height
 - o 178'

Parking:

The total number of parking spaces for the Project shall be 1,315 (750 in G1 and 565 in G4).

The public shall have access to 940 parking spaces on evenings and weekends which is when the City has its peak parking occupancy in the CBD ("Peak Parking").

CGCC shall provide as additional consideration the right for the public to use the 320 private spaces in G1 on evenings and weekends and CGCC shall maintain the revenue therefrom. The City shall not pay any construction, maintenance or repair costs associated with the 320 spaces. Again, the cost to build, maintain and repair these additional 320 spaces are being paid 100% by CGCC, and the use is provided as additional consideration to the public.

The City shall own 620 spaces (430 in G1, 190 in G4) for public use 24/7.

Both parking garages shall be privately managed by CGCC in a manner and practice consistent with, and typical of, Class A office, residential and retail space. The garages will include a smart parking system to be agreed upon by CGCC and the City, the cost of which will be covered 100% by CGCC up to a \$300,000 allowance amount.

Benefits to City:

Parking Revenues

- The City shall retain all parking revenues from its 620 City owned parking stalls, net of management costs. The City estimates each stall generates approximately \$1,860 stall/year of net operating income in year one of operation and growing to nearly \$2,500 stall/year in year 3.
- Total net operating income from the 620 spaces is expected to be \$1,153,217 in the first year of operations and growing to \$1,543,667 in year 3.

City Improvements

- Paseos

Benefit to City - \$7,000,000

CGCC shall acquire, vacate, demolish and improve a 3,000 SF paseo on the 300 block of Miracle Mile. Upon completion of the paseo, CGCC shall dedicate the land to the City.

CGCC shall acquire, vacate, demolish and improve a 3,000 SF paseo on the 200 block of Miracle Mile. Upon completion of the paseo, CGCC shall dedicate the land to the City.

- Public parking stalls - 620

Benefit to City - \$20,732,800

CGCC shall construct 620 parking stalls to be owned by the City. These stalls shall be constructed at zero cost to the City.

- Public parking stalls - 320

Benefit to City - \$4,280,000

CGCC shall construct 320 parking stalls to be owned by CGCC, but which shall be made available to the public on nights and weekends. These stalls shall be constructed at zero cost to the City. 40% of the cost to construct these spaces is included above to indicate a portion of this cost which is available for public benefit.

- "Miracle Lane" - alleyway revitalization,

Benefit to City - \$500,000

Alleyways between garages and Miracle Mile will be revitalized and rebranded "Miracle Lane". Improvements will include construction of air-conditioned garages within base of garages to accommodate garbage dumpsters for all stores in the 200 and 300 blocks of Miracle Mile, new alleyway drainage, new alleyway resurfacing, and new lighting.

- Smart Parking Allowance

Benefit to City - \$300,000

- Existing Garage Demolition

Benefit to City - \$1,011,000

- Design/Engineering/Insurance and Finance Costs

Benefit to City - \$2,633,224

Soft costs incurred in the acquisition, design, engineering, financing and construction of the improvements above.

Ownership:

The Project shall be structured as a vertical subdivision so that the City will maintain fee simple ownership of the Daytime Parking (620 spaces) in the G1 public municipal garage spaces and the G4 public municipal garage spaces portion of the Project (the "**Public Component**").

CGCC shall maintain fee simple ownership of all Project components not included as part of the Public Component, including but not limited to, the private garages, private retail, Residences and Offices (the "**Private Component**").

City Fee Waiver:

The City agrees to waive all City impact, art, utility and permit fees for the Project (the "**Project Fees**").

By agreeing to waive the Project Fees CGCC will deliver the Benefits to the City listed above at no upfront and with no increment payment from the City to CGCC.

Construction Sequencing:

CGCC may elect to start construction on either garage first depending on the timing which CGCC secures major tenants for the office building. Upon receipt by CGCC of the certificate of occupancy/use, or equivalent thereto, that deems the first completed parking garage suitable to commence operation to the public, CGCC shall partially open one parking garage to be utilized for public parking while construction continues above.

Upon opening a portion of the first parking garage to the public, CGCC shall commence with the demolition and construction of the second garage. Upon receipt by CGCC of the certificate of occupancy/use, or equivalent thereto, that deems the second parking garage suitable to commence operation to the public, CGCC shall open the second garage to be used by the public while construction continues above.

Governance/Control:

CGCC shall be responsible for implementing the development and construction of the Project and shall be authorized and directed to take all actions necessary for the same.

Other Provisions:

This Letter shall be effective upon the date upon which it is approved by completion of all the following: (1) execution by all Parties to the Letter; and, (2) passing of a resolution of the City approving this letter and expiration of applicable appeal period for same (the "**Effective Date**"). This Letter includes all forms of consideration to be paid by CGCC to the City and no additional consideration will be due to the City unless expressly written herein. Upon the Effective date, CGCC shall draft the Development Agreement and the Parties agree to negotiate, in good faith, to produce and execute the Development Agreement to be presented to the City for passing of a resolution approving the same.

Considering the escalating nature of construction costs in the current environment, a large component of which is going directly to construct a public parking garage for the City, CGCC requests expediting of all Project related City regulatory review and approval. In particular, the Parties must commit to completion of development agreement by _____; upon submission of complete package to development services a -- month planning and zoning review; and __ month review of building plans once submitted for review from the City, subject of course to required corrections and modifications.

We look forward to working with the City of Coral Gables on this Project. If this Letter accurately sets forth our understanding, please execute a copy of this Letter in the space provided below and return the signed Letter to CGCC.

[Signature page to follow]

CITY:

CITY OF CORAL GABLES, FLORIDA

By: _____

Name: Peter J. Iglesias

It's: City Manager

Attest:

By: _____

Name: Billy Yurquia

It's: City Clerk

Approved as to Legal Form:

Miriam Soler Ramos, City Attorney

CGCC:

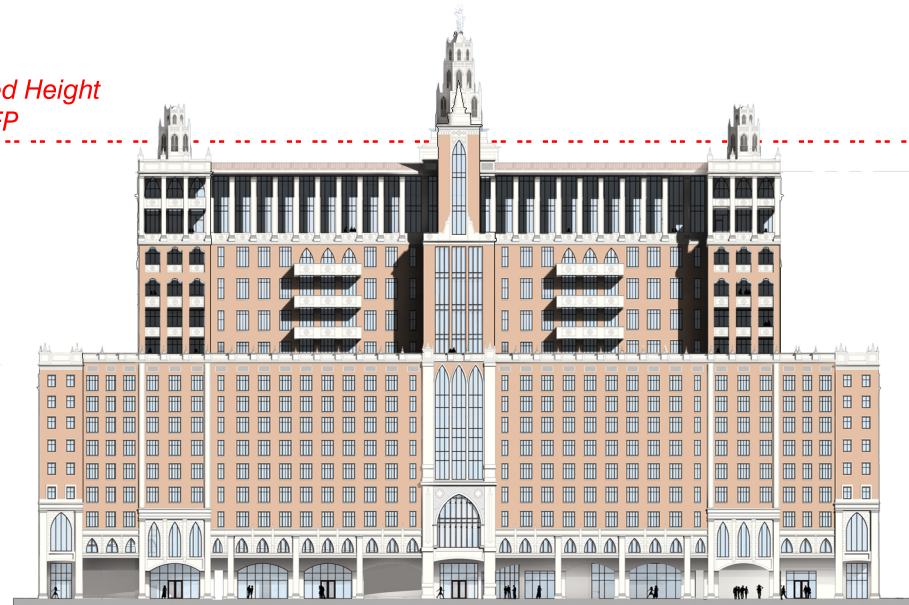
**CORAL GABLES CITY CENTER, LLC, A FLORIDA
LIMITED LIABILITY COMPANY**

By: _____

Name: _____

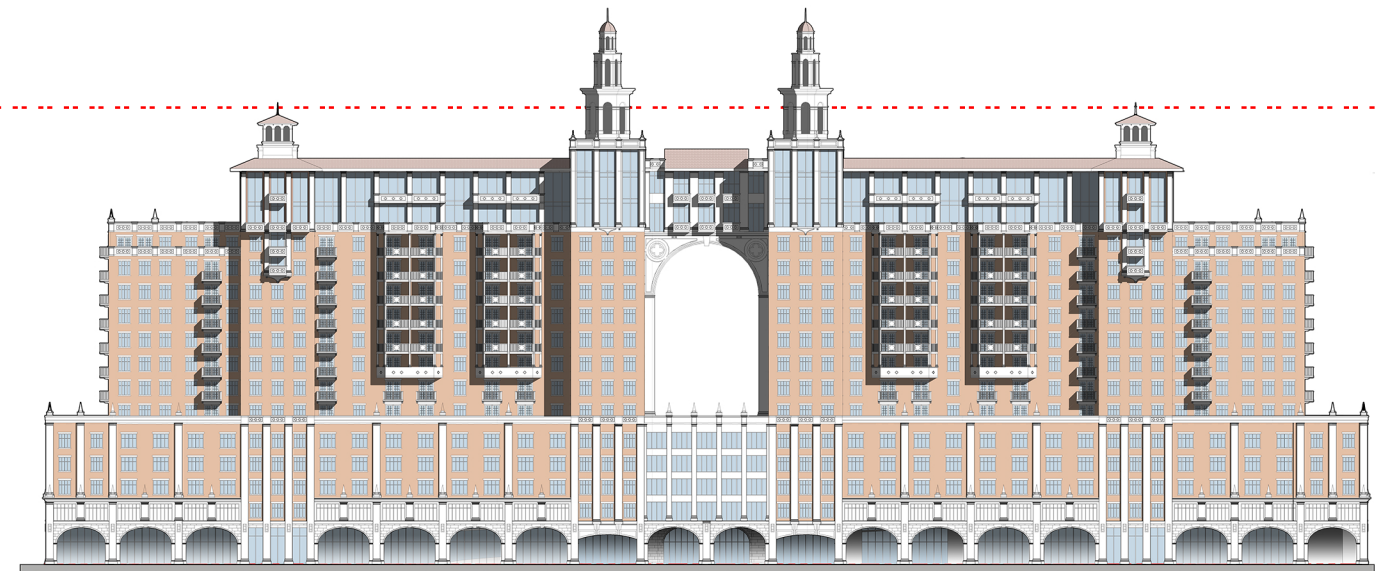
Title: _____

190'-6" Approved Height
by Code and RFP



T.O Roof
+177'-10"

G1 - 9 LEVEL PODIUM WITH 8 LEVELS OF PARKING



T.O ROOF
EL: + 163'-8"

G4 - 5 LEVEL PODIUM WITH 4 LEVELS OF PARKING

Zero Increment / 940 Night and Weekend Public Spaces / 620 Weekday Public Spaces

Coral Gables City Center:

Coral Gables, Florida

South Elevation G1/G4

SCALE: 1"=20'

01.07.19

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Combined Development Pro Forma

CGCC Garage 1 & G4 | October 10, 2018 vs January 11, 2019

Net Operating Income	Oct '18	Jan '19	Delta	Notes
G1 Private NOI	5,589,087	5,589,087	0	<i>No change</i>
G4 Private NOI	7,794,803	8,007,888	213,084	<i>Additional NOI from new rentable sf of resi from Lot 43, less revenue from 23 lost private parking spaces @ \$100/space/month</i>
Total Private NOI	13,383,890	13,596,975	213,084	
Total City Increment	595,000	0	(595,000)	<i>Removed City increment to CGCC</i>
Total Private NOI + City Increment	13,978,890	13,596,975	(381,916)	
Total Development Cost				
G1	86,777,000	84,716,000	(2,061,000)	<i>See detail sheet</i>
G4	128,229,000	127,168,000	(1,061,000)	<i>See detail sheet</i>
Total Development Cost	215,006,000	211,884,000	(3,122,000)	
Yield on Cost	6.50%	6.42%	-0.08%	<i>CGCC waives the balance of the increment (\$185,000) and agrees to keep the night/weekend parking revenue from the 320 private spaces to reduce the increment to <u>\$0</u></i>

RECAP OF ITEMS ABOVE TO REDUCE INCREMENT TO \$0

CGCC Garage 1 & G4 | October 10, 2018 vs January 11, 2019

October 2018 - Starting Increment	595,000	
City fee Waiver (\$4.8MM± waiver)	(320,000)	
Inclusion of Lot 43	(56,000)	<i>Based upon the appraised value of City property calculated at \$85 psf for the first 3.5 FAR and \$40 for FAR up to 4.375.</i>
Delete Actor's Playhouse Unit (\$500k)	(34,000)	
Revised Increment Needed for 6.5% YOC	185,000	
CGCC Waiver of Increment from City	(185,000)	
Increment Required from City	0	

CORAL GABLES CITY CENTER - G1 BUDGET VARIANCE

OCTOBER 10, 2018 vs JANUARY 11, 2019

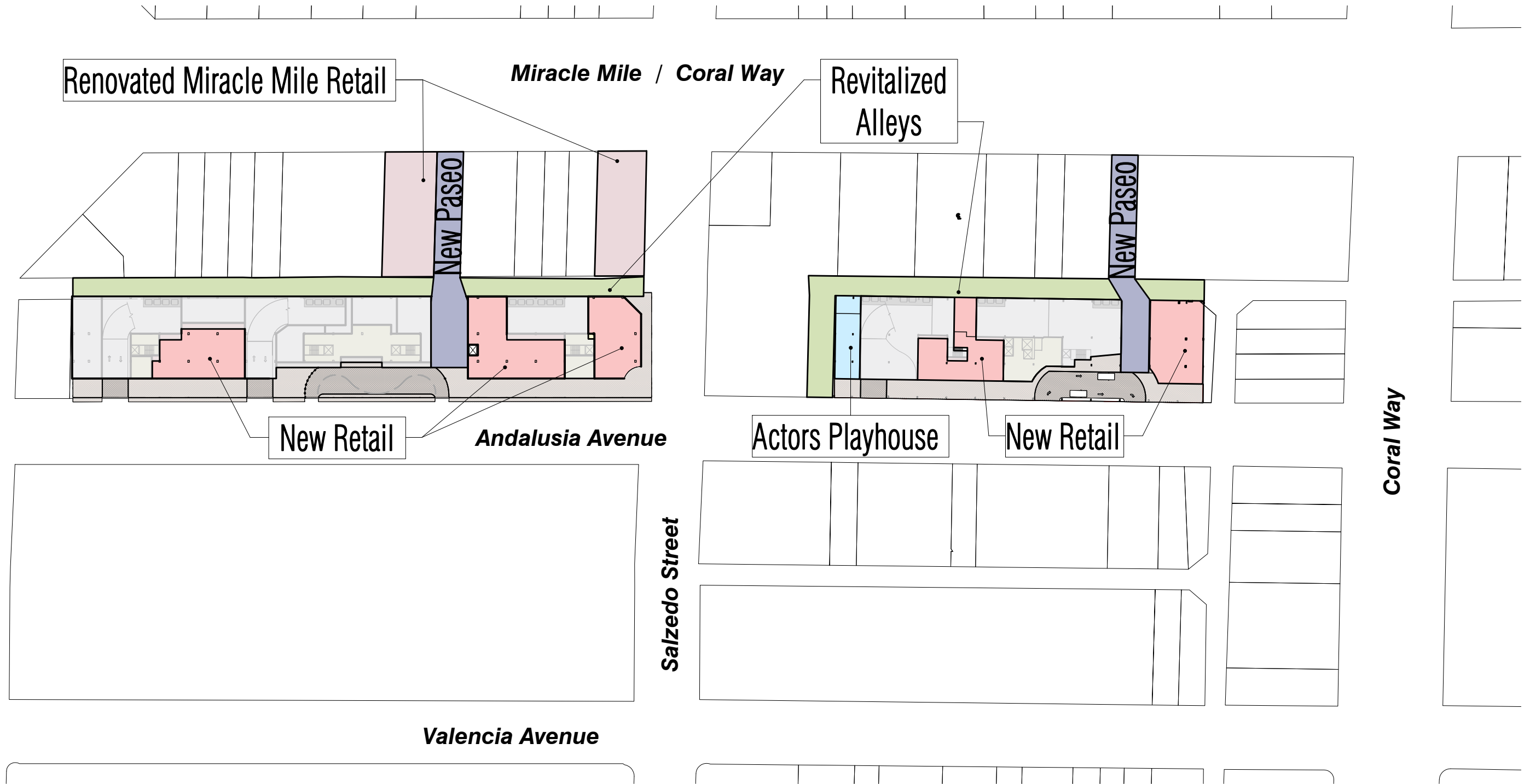
	G1 Budgets		Delta	Notes
	G1 - Oct 2018	G1 - Jan 2019	Jan vs Oct	
DEVELOPMENT SOURCES				
Construction Loan	56,405,000	55,065,351	(1,339,649)	
Project Equity	30,372,000	29,650,649	(721,351)	
Total Development Financing	86,777,000	84,716,000	(2,061,000)	
DEVELOPMENT USES				
Full Time Public Parking	14,379,200	14,379,200	-	
Nights/Weekends Public Parking	3,919,000	4,280,000	361,000	Increased publicly available spaces from 293 to 320 spaces
Smart Parking Allowance	150,000	150,000	-	
Garage Demo + Site Work	253,000	253,000	-	
Paseo Acquisition Costs	2,400,000	2,400,000	-	
Paseo Renovation	1,600,000	1,600,000	-	
Actor's Playhouse Lodging	500,000	-	(500,000)	Delete from scope
Alley Improvements	250,000	250,000	-	
Capitalized Public Pkg Financing Costs	800,949	800,949	-	
Design/Engineering/Permitting/Insurance etc.	1,053,851	1,053,851	-	
Capitalized RFP Costs	25,306,000	25,167,000	(139,000)	
GC Contract/Parking Costs	6,781,632	6,420,632	(361,000)	Increased publicly available spaces from 293 to 320 spaces
GC Contract/All Other	25,852,089	25,852,089	-	
Owner Controlled	8,954,476	8,954,476	-	
FF&E	--	--	-	
Total Hard Costs	41,588,197	41,227,197	361,000	
Professional fees	3,723,615	3,723,615	-	
Permits/ impact fees	2,122,918	729,400	(1,393,518)	City waiver of fees
Project management	1,835,641	1,835,641	-	
RFP Pursuit Costs	500,000	500,000	-	
Reserves/Leasing Cost	5,782,015	5,782,015	-	
Financing/closing costs	3,553,756	3,441,517	(112,239)	Based on changes above
Total Soft Costs	17,517,944	16,012,188	(1,505,756)	
Contingency	2,364,859	2,309,615	(55,244)	Based on changes above
Total Development Cost	86,777,000	84,716,000	(2,061,000)	

CORAL GABLES CITY CENTER - G4 BUDGET VARIANCE

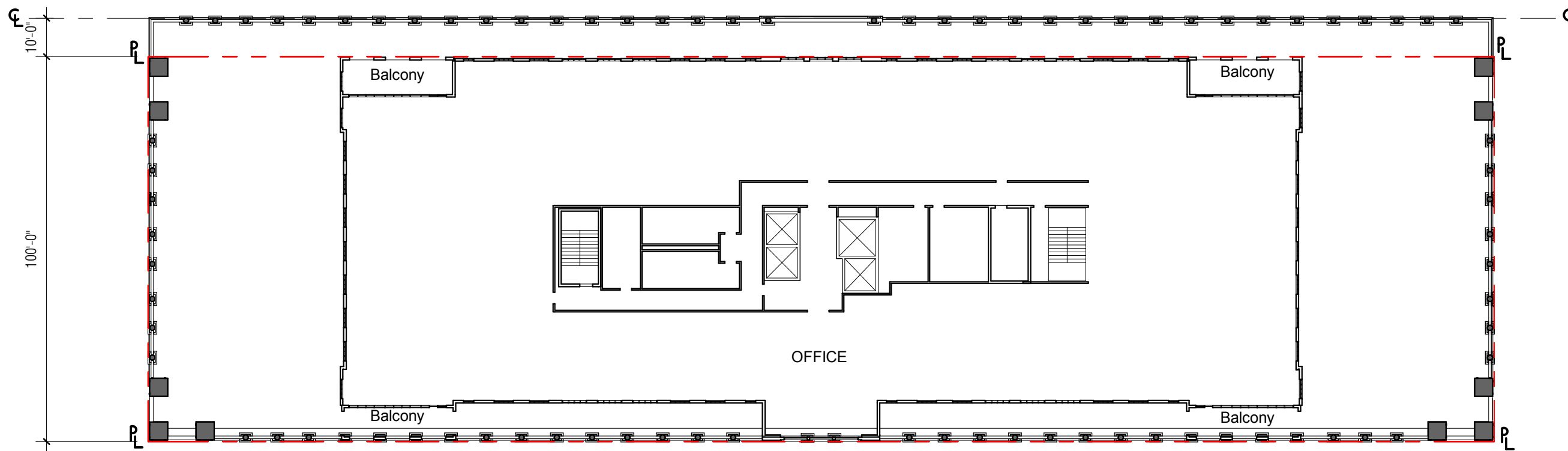
OCTOBER 10, 2018 vs JANUARY 11, 2019

	G4 Budgets		Delta	Notes
	G4 - Oct 2018	G4 - Jan 2019	Jan vs Oct	
DEVELOPMENT SOURCES				
Construction Loan	83,349,000	82,659,000	(690,000)	
Project Equity	44,880,000	44,509,000	(371,000)	
Total Development Financing	128,229,000	127,168,000	(1,061,000)	
DEVELOPMENT USES				
Full Time Public Parking	6,353,600	6,353,600	-	
Nights/Weekends Public Parking	-	-	-	
Smart Parking Allowance	150,000	150,000	-	
Garage Demo + Site Work	758,000	758,000	-	
Paseo Acquisition Costs	2,400,000	2,400,000	-	
Paseo Renovation	600,000	600,000	-	
Actor's Playhouse Lodging	-	-	-	
Alley Improvements	250,000	250,000	-	
Capitalized Public Pkg Financing Costs	278,209	278,209	-	
Design/Engineering/Permitting/Insurance etc.	468,191	468,191	-	
Capitalized RFP Costs	11,258,000	11,258,000	-	
GC Contract/Parking Costs	12,540,000	12,540,000	-	
GC Contract/All Other	77,451,373	79,656,373	2,205,000	Add residential units from addition of Lot 43 @ \$225 psf
Owner Controlled	1,865,000	1,865,000	-	
FF&E	950,000	950,000	-	
Total Hard Costs	92,806,373	95,011,373	(2,205,000)	
Professional fees	2,650,809	2,650,809	-	
Permits/ impact fees	4,559,914	1,213,431	(3,346,483)	Waiver of City fees plus County fees on the additional units from Lot 43
Project management	5,824,825	5,824,825	-	
RFP Pursuit Costs	500,000	500,000	-	
Reserves/Leasing Cost	5,876,061	5,997,017	120,956	Cost for additional units lease-up
Financing/closing costs	1,547,200	1,533,130	(14,070)	Based on changes above
Total Soft Costs	20,958,809	17,719,213	(3,239,597)	
Contingency	3,205,817	3,179,414	(26,403)	Based on changes above
Total Development Cost	128,229,000	127,168,000	(1,061,000)	

Le Juene / S.W. 42nd Avenue



Public Benefits



Coral Gables City Center Garage 1

PODIUM LEVEL

1" = 30'-0"

10/10/18

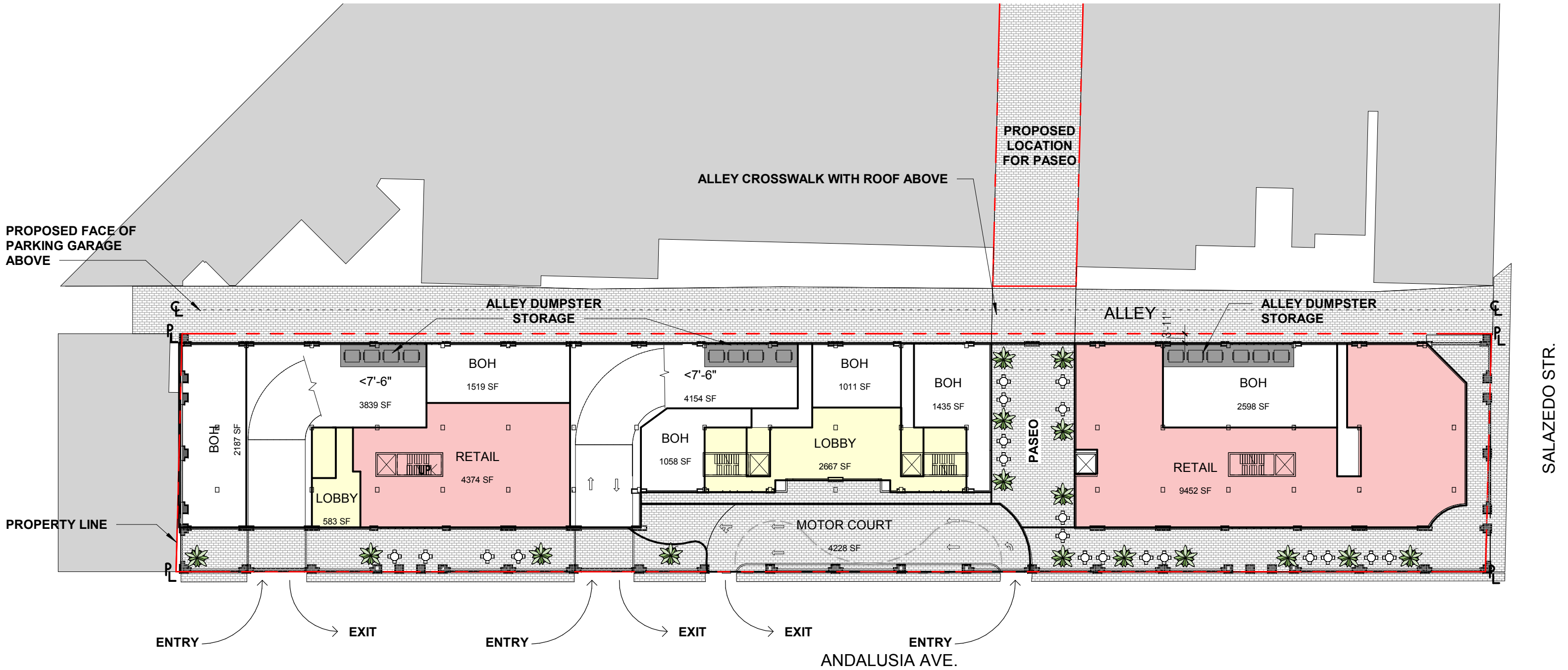
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SK-11



1624CGCC Coral Gables City Center - Garage 4

Ground Floor Plan

1" = 40'-0"

10/10/18

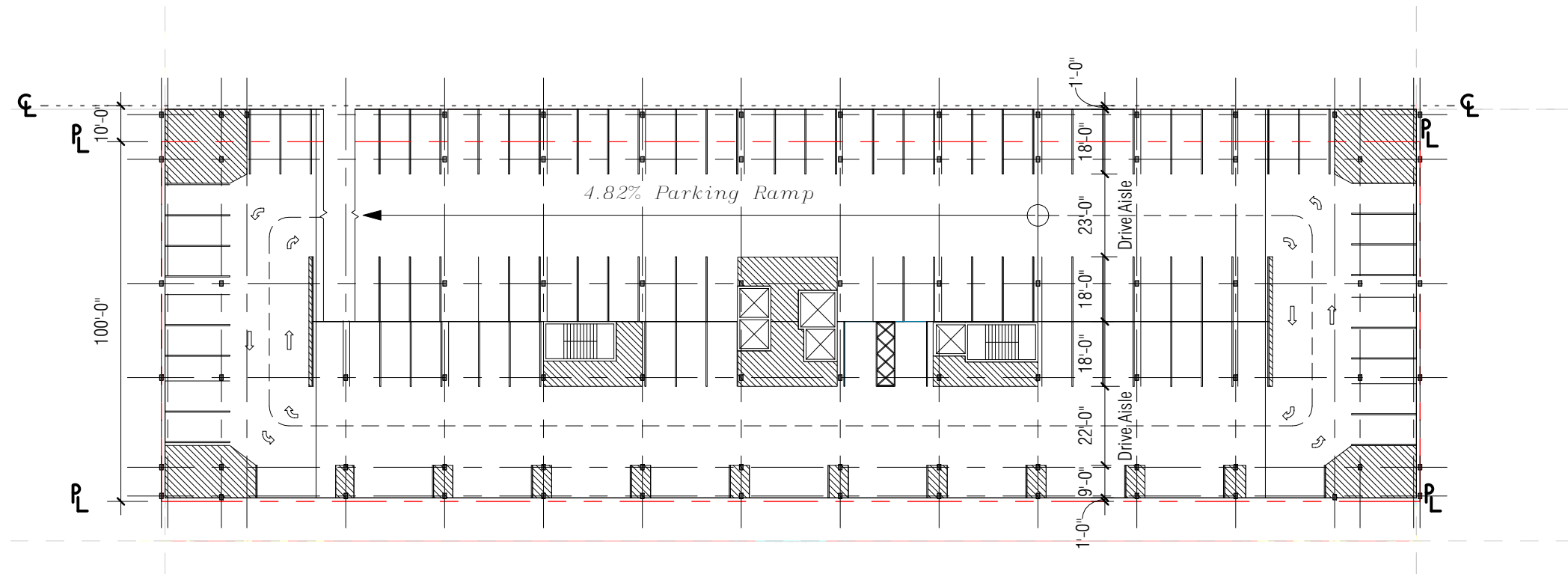
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AC-01



Coral Gables City Center Garage 1

TYPICAL PARKING LEVEL

1" = 40'-0"

10/10/18

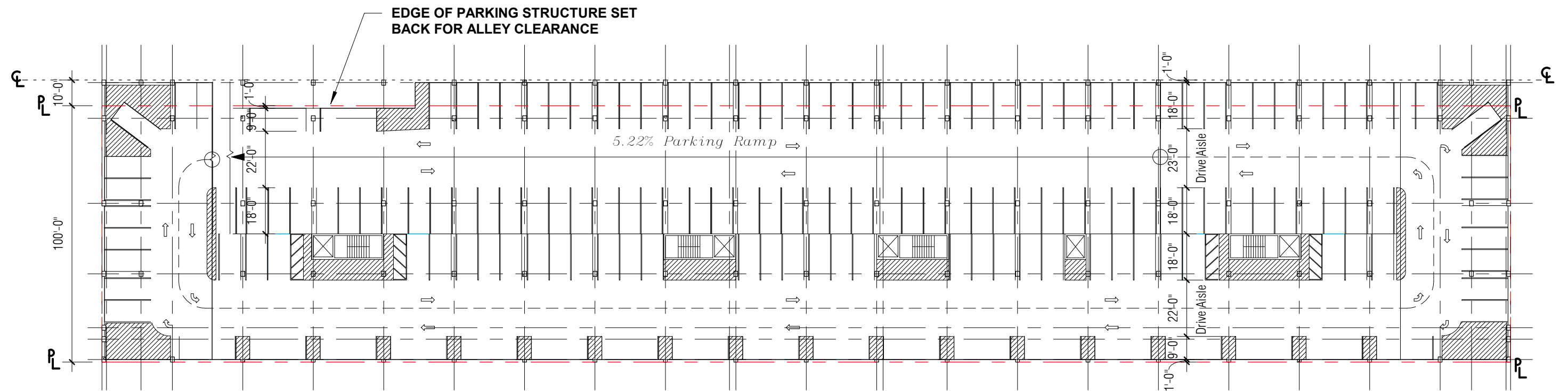
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1624CGCC Coral Gables City Center - Garage 4

Version 1.5

LV 4 PARKING DECK

1" = 40'-0"

10/10/18

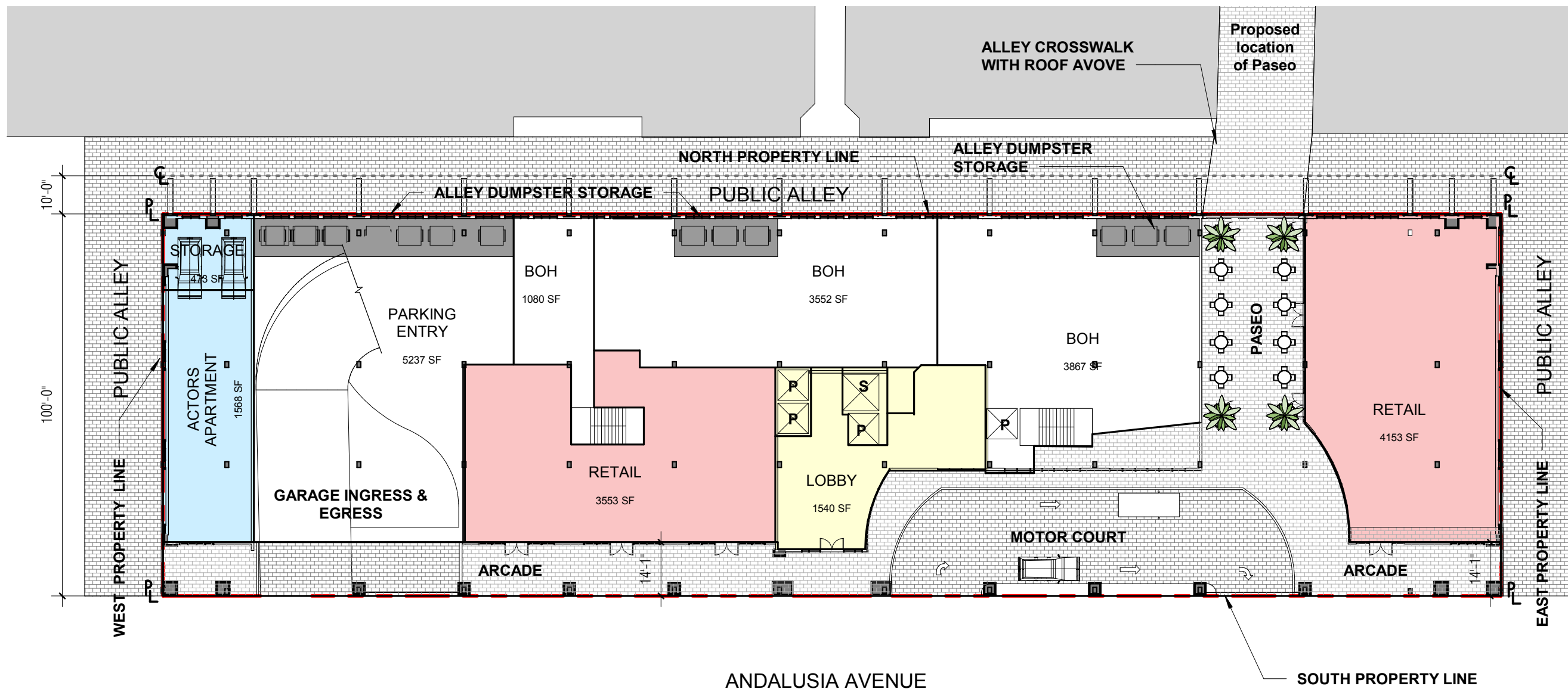
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SK-07



Coral Gables City Center Garage 1

GROUND FLOOR

1" = 30'-0"

10/10/18

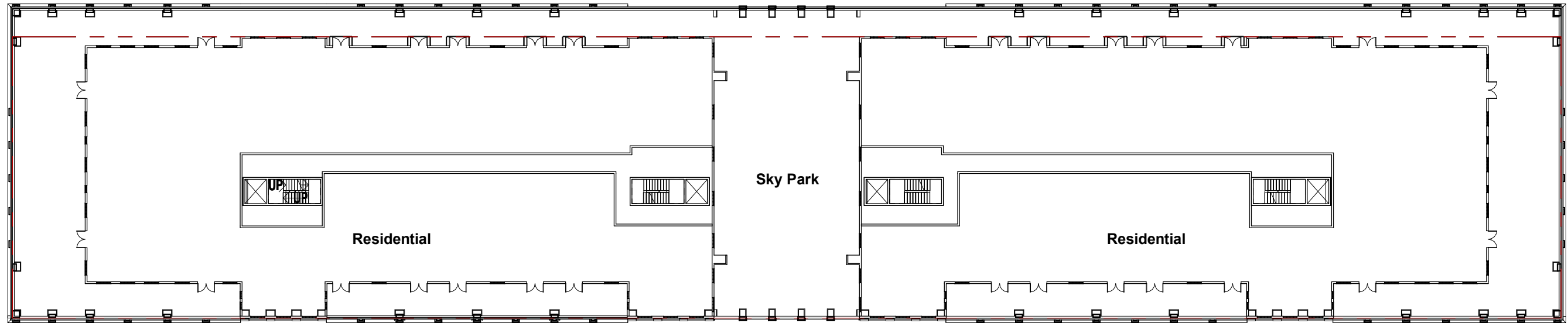
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SK-04



1624CGCC Coral Gables City Center - Garage 4

PODIUM LEVEL

1" = 40'-0"

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AC-03