

**CITY OF CORAL GABLES, FLORIDA**

**RESOLUTION NO. 2019-77**

A RESOLUTION CONTINUING THE PRESENTATION AND HEARING TO MARCH 26, 2019 AND EXTENDING NEGOTIATIONS FROM THE CURRENT MARCH 13, 2019 DEADLINE TO MARCH 27, 2019 IN ORDER FOR STAFF TO CONTINUE WORKING TOWARD REACHING AN AGREEMENT WITH CORAL GABLES CITY CENTER, LLC (CGCC) FOR THE REDEVELOPMENT OF CITY-OWNED MUNICIPAL PARKING GARAGES 1 AND 4 LOCATED AT 245 AND 385 ANDALUSIA AVE, CORAL GABLES, FLORIDA.

**WHEREAS**, in accordance with Resolution 2017-23, dated January 24, 2017, the City Commission authorized negotiation with Coral Gables City Center, LLC for a period of up to six (6) months, and providing the City Manager the authorization to extend for up to an additional six (6) months. The six (6) months negotiation period started on November 6, 2017 and was set to expire on May 5, 2018. Under the City Manager authorization, incremental extensions within the six months' time-frame were provided with the last one expiring on November 5, 2018; and

**WHEREAS**, in accordance with Resolution No. 2018-284 the City Commission extended negotiations through November 14, 2018; and

**WHEREAS**, in accordance with Resolution No. 2018-291 the City Commission continued the item until January 23, 2019; and Resolution No. 2018-290 extended negotiations through January 23, 2019; and

**WHEREAS**, in accordance with Resolution No. 2019-19 the City Commission continued the item until February 12, 2019, and Resolution No. 2019-20 extended negotiations through February 13, 2019; and

**WHEREAS**, in accordance with Resolution No. 2019-59 (As Amended) the City Commission continued the item until March 12, 2019 and extended negotiations through March 13, 2019;

**NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSION OF THE CITY OF CORAL GABLES, FLORIDA:**

**SECTION 1.** That the foregoing "Whereas" clauses are hereby ratified and confirmed as being true and correct and are hereby made a specific part of this Resolution upon the adoption hereof.

**SECTION 2.** That the City Commission does hereby continue the presentation and hearing to March 26, 2019 and approves extending negotiations from the current March 13, 2019 deadline to March 27, 2019 in order for staff to continue working toward reaching an agreement with Coral Gables City Center, LLC (CGCC) for the redevelopment of City-owned municipal parking Garages 1 and 4 located at 245 and 385 Andalusia Ave, Coral Gables, Florida.

**SECTION 3.** That this Resolution shall become effective upon the date of its passage and adoption herein.

PASSED AND ADOPTED THIS TWELFTH DAY OF MARCH, A.D., 2019.

(Moved: Valdes-Fauli / Seconded: Lago)

(Yeas: Keon, Mena, Quesada, Valdes-Fauli, Lago)

(Unanimous 5-0 Vote)

(Agenda Item: I-1)

APPROVED:



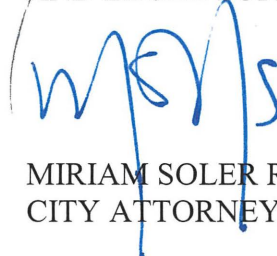
RAUL VALDES-FAULI  
MAYOR

ATTEST:



BILLY Y. URQUIA  
CITY CLERK

APPROVED AS TO FORM  
AND LEGAL SUFFICIENCY



MIRIAM SOLER RAMOS  
CITY ATTORNEY

### CGCC's Public Parking Construction Cost

	CGCC Cost 750 Spaces	City Built 750 Spaces
City-owned Parking (Hard & Soft Cost)	\$21,251,340	24,150,000
Smart Parking/Demo	642,000	642,000
<b>Direct City-owned Parking Cost</b>	<b>\$21,893,340</b>	<b>24,792,000</b>
<b>Direct Cost Per Space</b>	<b>\$29,191</b>	<b>\$33,056</b>
Financing Cost	1,272,882	2,397,000
<b>Total City-owned Parking Cost</b>	<b>\$23,166,222</b>	<b>27,189,000</b>
<b>Total Cost Per Space</b>	<b>\$30,888</b>	<b>\$36,252</b>

#### Size of the Project

##### Garage 1:

- FAR of 0.57
- Retail (ground floor) size 20,000 SF (ground floor)
- 750 public parking spaces (8 floors)
- Building height 97.4'

##### Garage 4:

- FAR of 6.38
- 245 Private residential units (9 floors)
- Retail 18,000 SF (ground floor)
- 400 private parking spaces (3 floors)
- Building height 141'

In accordance with CAO 2018-032, the two sites may be combined and developed as either a Planned Area Development (PAD) or Mixed-Use Project as they fit the definition of a "contiguous unified parcel" under the Zoning Code. CGCC is requesting the Mixed-Use option. By combining the non-adjacent sites for purpose of a site plan, CGCC's blended FAR is 4.12.

The City Attorney will be issuing an opinion on the allowance of a PAD or Mixed-Use Project with the City owning one lot and CGCC owning the other. All further details will be negotiated as part of the Development Agreement and the Declaration, if and when, the City Commission approves the general terms established within.

	Garage 1			Garage 4			Total		
	Land SF	Bldg SF	FAR	Land SF	Bldg SF	FAR	Land SF	Bldg SF	FAR
<b>Garages</b>	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 allows up to 3.5 Floor to Area Ratio (FAR) with Mediterranean bonus and 4.375 FAR with Transferrable Development Rights (TDR's). CGCC is requesting the City provide approximately 56,500 SF of City-owned TDR's towards this Project. The City can transfer TDR's at its discretion. Below is another view of the FAR broken out by Mediterranean bonus (3.5 FAR) and TDR's (4.12 FAR):

		FAR		Total
		Including Med Bonus	City TDR's	
City Land	Square Feet	3.5	upto .875	4.12
G1 Land	34,941	122,294	8,381	130,675
G4 Land	55,000	192,500	48,125	240,625
<b>Total CG Land</b>	<b>89,941</b>	<b>314,794</b>	<b>56,506</b>	<b>371,300</b>

**Ownership:**

CGCC proposes that the Project be structured as a fee simple interest so that the City may maintain ownership of the Garage 1 public municipal garage spaces (the "Public Component"), and CGCC will have the right to lease the 20,000 SF of ground floor retail at \$10.00 a month for 30 years and shall have a lease buyback option if the City decides to use the building for another purpose.

CGCC would maintain fee simple ownership of G4 (the "Private Component").

In accordance with Section 2-1092 of the Procurement Code, the City ordered two appraisal at the time the RFP was issued and has received an update in August, 2018.

Aug-18	G1	G4	Total
<b>Value of Development Rights Conveyed by City</b>			
Land Base @ 3.5 FAR	\$1,700,000	\$16,363,000	<b>\$18,063,000</b>
Land TDR's .875 TDRs to achieve 4.128 from Land base	-	6,352,000	<b>6,352,000</b>
<b>Value of sites being Conveyed</b>	<b>\$1,700,000</b>	<b>\$22,715,000</b>	<b>\$24,415,000</b>

**Financing:**

As mentioned above, CGCC's estimated cost for development of the Public Component is \$23.2 Million while the City's cost to build would be \$27.2 million. The value of the Garages at 4.12 FAR is \$24.4 Million (which includes \$6.4 Million of TDR's). CGCC is requesting the City portion of the impact fees be reimbursed and the City permit fees be waived for a total amount of \$3.36 million. Staff has projected the real estate taxes due to the City for the CGCC's private use of \$460,000 annually. CGCC is requesting an annual increment payment of \$250,000 due from the City as a result of building the Garage in exchange the development rights. An analysis of the total value being conveyed to CGCC vs. what is being received is as follows:

	G1	G4	Total
<b>Value of Development Rights Conveyed by City</b>			
Land Base @ 3.5 FAR	\$1,700,000	\$16,363,000	\$18,063,000
Land TDR's .875 TDRs to achieve 4.128 from Land base	-	6,352,000	6,352,000
<b>Value of sites being Conveyed</b>	<b>\$1,700,000</b>	<b>\$22,715,000</b>	<b>\$24,415,000</b>
<b>City Impact Fee Reimb. &amp; Permit Waiver</b>	<b>181,000</b>	<b>3,179,000</b>	<b>3,360,000</b>
<b>Total Value after Impact/Permit fees</b>	<b>\$1,881,000</b>	<b>\$25,894,000</b>	<b>\$27,775,000</b>
NPV of City's Increment Payment	4,279,000	-	4,279,000
<b>Total Value being provided to CGCC</b>	<b>\$6,160,000</b>	<b>\$25,894,000</b>	<b>\$32,054,000</b>
<b>Cost to Construction</b>			
Demo/Design/Hard & Soft Cost	\$24,791,000	-	\$24,791,000
Smart Parking	-	-	0
Public Financings	2,397,000	-	2,397,000
<b>Total Value being provided by CGCC</b>	<b>\$27,188,000</b>	<b>\$0</b>	<b>\$27,188,000</b>

**Summary:**

The Parking Department has determined 750 public parking are sufficient to meet the City's parking demand. The City's cost to construct the public component on its own (\$27.2 Million) is less than the value being given to CGCC for the development rights, the impact fee reimbursement, permit fee waiver, and net present value of the payment CGCC is requiring from the City (\$32.1 Million). CGCC is requesting a mixed used residential tower and with a blended FAR of 4.12 within the allowed height (max is 190') be built in exchange for providing the City with 750 City-owned parking spaces with an annual payment of \$250,000 with 2% escalations from the City. Staff has reviewed the proposal and requests the City control the ground floor retail in the Public Component or CGCC waive the \$250,000 annual payment as part of its review of the deal terms presented in the attached Letter of Intent and authorize the City Manager and City Attorney to negotiate a Development Agreement that sets forth all the pertinent details including but not limited to control of the sites. The Development Agreement will then be brought to the City Commission for two reading and will require a super majority vote.

**LEGISLATIVE ACTION:**

Date	Resolution/Ordinance No.	Comments
May 28, 2013	Resolution No. 2013-91	Approved RFP Consultant
May 27, 2014	Resolution No. 2014-102	Authorized Issuance of RFP, Stage I
January 26, 2016	Resolution No. 2016-30	Invited Proposers to Participate in Stage II of RFP
January 26, 2016	Resolution No. 2016-32	Authorized Issuance of RFP, Stage II
January 24, 2017	Resolution No. 2017-23	Approved negotiations with CGCC
October 23, 2018	Resolution No. 2018-284	Approval of negotiation extension period
November 13, 2018	Resolution No. 2018-291	Approval of negotiation extension period
January 22, 2019	Resolution No. 2019-59	Approval of negotiation extension period

**ADVISORY BOARD/COMMITTEE RECOMMENDATION(S):**

Date	Board/Committee	Comments
08.04.16 & 12.01.16	Parking Garage RFP Evaluation Committee	Recommended approval of top ranked proposer, Coral Gables City Center, LLC

**ATTACHMENT(S):**

1. Draft Resolution
2. CGCC's proposed business terms
3. CAO Opinion October, 2018
4. Waronker & Rosen Appraisal: 8-13-18
5. CGCC's attorney, Greenberg Traurig, memo on vertical subdivision

**CITY OF CORAL GABLES, FLORIDA**

**RESOLUTION NO. 2019-**

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 AND CONTROL OF THE PUBLIC PARKING COMPONENT IN G1 AND ALLOW CGCC TO BUILD A RESIDENTIAL MIXED-USE PROJECT IN G4 COMPATIBLE WITH THE SURROUNDING NEIGHBORHOOD.

**WHEREAS**, for several years, the City of Coral Gables has been interested in pursuing the redevelopment of Municipal Parking Garages 1 and 4, with a focus on the following key objectives: Replace what are currently two obsolete parking garages that have operational deficiencies, with new state-of-the-art parking garages (above and beyond recent cosmetic improvements); provide public parking spaces to meet the future needs of Downtown businesses; introduce appropriately scaled mixed uses that would include a variety of retail and residential units onto Andalusia to support the City's goals for a vibrant, walkable Downtown, and; pursue a holistic approach to these objectives that balances parking, planning, design, economic development, community and financial considerations; and

**WHEREAS**, the City Commission approved Resolution No. 2013-91, dated May 28, 2013 authorizing a Request for Proposal (RFP) for the redevelopment of Municipal Parking Garages 1 and 4 (the "Garages"). On May 27, 2014, through Resolution No. 2014-102, the City Commission authorized staff to issue Phase I of a request for proposal (RFP). On January 26, 2016, the City Commission approved Resolution No. 2016-30 inviting all five proposers to submit more detailed proposals in response to Stage II of the RFP as approved by Resolution No. 2016-32; and

**WHEREAS**, the City Commission did not approve any of the proposals submitted under the RFP, however, in accordance with Resolution 2017-23, dated January 24, 2017, the City Commission authorized negotiation with Coral Gables City Center, LLC up to six (6) months, and provided the City Manager the authorization to extend for up to an additional six (6) months. If the negotiations fail, Staff is authorized to negotiate with the second ranked firm, TC Gables, LLC, for an additional period of up to six (6) months and the City also reaffirmed its right to pursue alternate courses of action, including a City-build option; and

**WHEREAS**, the six (6) months negotiation period for CGCC and Staff to reach agreed upon terms started on November 6, 2017; the first six (6) months expired on May 5, 2018 for the public private partnership of the Garages redevelopment (the "P3"). Staff provided an update to Commission on February 27, 2018 and three public workshops followed (June 4, August 27, and

September 18, 2018) to provide the City Commission with an update on the status of negotiations. In addition, Staff presented a workshop to the City Commission discussing the demand and supply of public parking in the Central Business District on September 11, 2018, and Sunshine meetings on September 21, 2018; November 9, 2018; December 13, 2018; January 14, 2019; and March 6, 2019 to further understand the details of the project. Staff also had several negotiation sessions with the CGCC; these various communications resulted in the City Manager granting incremental extensions up to November 5, 2018 under the City Manager's authority and bring forth an agreement for City Commission approval; then on October 23, 2018, the City Commission authorized a 9 day extension, on November 13, 2018 the City Commission adopted Resolution 2018-291 to extend negotiations until January 23, 2019, and on January 22, 2019 the City Commission authorized Resolution 2019-59 to allow Staff time to finalize negotiations; and

**WHEREAS**, the approval will take into consideration the following main project attributes: number of public parking spaces, the size of the project, ownership structure (e.g. City to own public parking), and the project financing (e.g. City obligation to pay debt service); and

**WHEREAS**, in accordance with the proposal, CGCC will build 750 City-owned public parking spaces in G1; and 400 developer-owned private parking spaces (exclusive for developer's use) in G4 as part of the public-provide partnership. The City-owned Garage will be managed by the City and the developer owned spaces will be managed by CGCC in a manner and practice consistent with, and typical of, Class A office, residential and retail space; and

**WHEREAS**, in accordance with the proposal, G4 shall provide a mixed use residential tower with 245 residential units and 18,000 SF of ground floor retail with a building height of 141' and 13 floors at a 6.38 FAR; G1 shall provide 750 public spaces in 8 floors of parking and 20,000 SF of ground floor retail at a height of 97.4 and 9 floors at a .57 FAR; and the blended FAR will be 4.12 FAR not exceeding the maximum of 4.375 allowed by the City; and

**WHEREAS**, in accordance with CAO 2018-032, the two sites may be combined and developed as either a Planned Area Development (PAD) or Mixed-Use Project as they fit the definition of a "contiguous unified parcel" under the Zoning Code; CGCC will pursue the latter option if approved by the City Commission; and

**WHEREAS**, the City allows development projects to build up to 3.5 FAR with certain Mediterranean bonuses and up to 4.375 with historic Transfer Development Rights (TDRs) and CGCC is requesting the City provide TDRs to be used towards the Project; and

**WHEREAS**, in accordance with the proposal, the G1 will be owned by the City and the ground floor retail will be controlled by CGCC for 30 years providing the City a lease buyback option if the City decides to pursue an alternate use of G1 (the "Public Component"); and

**WHEREAS**, CGCC will have fee simple ownership in G4 (the "Private Component"); and

**WHEREAS**, the City's the financial analysis has determined CGCC's estimated cost for development of the Public Component is less than the value of the being conveyed to CGCC; CGCC is requesting the impact fees be reimbursed and the City permit fees be waived (excluding an required payments to third parties); a \$250,000 annual payment with 2% annual



escalations for 30 years be paid to CGCC; the City generate real estate taxes from the Private Component; and CGCC be allowed to build the Private Component in exchange for the Public Component.

NOW THEREFORE, BE IT RESOLVED BY THE COMMISSION OF THE CITY OF CORAL GABLES, FLORIDA:

**SECTION 1.** That the foregoing “Whereas” clauses are hereby ratified and confirmed as being true and correct and are hereby made a specific part of this Resolution upon the adoption hereof.

**SECTION 2.** That the City Commission does hereby approve the general terms, as specified in the whereas clauses, and authorizes the City Manager and City Attorney to negotiate a development agreement with CGCC for the redevelopment of Municipal Parking Garages 1 and 4 in which CGCC proposes a public-private partnership to provide an improved parking structure where the City will retain ownership and/or control of the public parking component and CGCC will build a residential mixed-use on G4 and City-owned public parking garage on G1 within the allowed size under the City’s zoning code.

**SECTION 3.** In accordance with Section 2-1097 of the City Code, this resolution requires a 4/5<sup>th</sup> vote because of the estimated value is greater than \$1,000,000. If an agreement is reached with CGCC, an Ordinance will be presented to City Commission for two readings and will also require a super-majority vote for adoption.

**SECTION 4.** To the extent the City cannot agree to terms, the City reaffirms its right to pursue other alternatives, including a City-build alternative.

**SECTION 5.** That this Resolution shall become effective upon the date of its adoption herein.

PASSED AND ADOPTED THIS TWENTY-SECOND OF MARCH 12, A.D., 2019.

(Moved:            / Seconded:        )  
(Yeas:            / Nays:                )  
(Vote:                )  
(Agenda Item:        )

APPROVED:

RAUL VALDES-FAULI  
MAYOR

ATTEST:

APPROVED AS TO FORM  
AND LEGAL SUFFICIENCY

WALTER J. FOEMAN  
CITY CLERK

MIRIAM SOLER RAMOS  
CITY ATTORNEY



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

February 25, 2019

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

The City requested CGCC to provide this Term Sheet detailing its updated proposal, by the deadline of February 25, 2019 (the "Letter"). This Letter sets forth the general terms and conditions of the 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 Avenue, Coral Gables, Florida 33134) ("**G1**"); (ii) Folio: 03-4117-005-0150 (commonly 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: 03-4117-005-0470 (street address 281 Andalusia Ave, Coral Gables, Florida 33134 ("**Lot 43**") (collectively, G1, G4 and Lot 43 shall be defined 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 ground floor retail use
- G4 private parking garage
- G4 private ground floor retail use
- G4 private residential building use

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. Importantly, the Property is also 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 and Project is also by Code Section 4-201 permitted to be a Mixed-Use District (MXD). 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 a MXD or PAD with its current land use and zoning. Thus, **the Project DOES NOT require the City to increase the underlying land use or zoning designations.**

**Project Description:**

The Project is described as follows<sup>1</sup>:

**Project FAR: 4.017**

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

<b>Site Area:</b>	<b><u>92,441 SF</u></b>	<b><u>Total</u></b>
	55,000 SF	G4
	34,941 SF	G1
	2,500 SF	Lot 43 (G1)

<b>Project Floor Area:</b>	<b><u>371,300 SF</u></b>	<b><u>Total</u></b>
	351,300 SF	G4
	20,000 SF	G1

***Garage 4:***

- Retail (ground floor)
  - o 1 floor
  - o 18,000 SF retail floor area
- Parking
  - o 4 floors
  - o 500 private spaces
- Residential Use
  - o 9 floors
  - o 245 units
    - 1,260 SF average unit size
  - o 333,300 SF residential floor area
- Occupiable Height<sup>2</sup>
  - o 150'
- Encroachments
  - o A 10' encroachment into the public alley is included at podium levels beginning at Level 2.
  - o No encroachment in Andalusia Ave. is required nor included.

***Garage 1:***

- Retail (ground floor)
  - o 1 floor
  - o 20,000 SF retail floor area
- Parking
- 750 public spaces via precast garage over retail; architecture will meet minimum standard for Mediterranean Bonus.
- Encroachments
  - o A 10' encroachment into the public alley is included at podium levels beginning at Level 2.
  - o No encroachment in Andalusia Ave. is required nor included.

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

**Parking:**

The total number of parking spaces for the Project shall be 1,250 (750 in G1 and 500 in G4).

The public will have access to 750 spaces, all located in Garage 1; these spaces shall be owned by the City. CGCC shall pay 100% of the construction costs of 750 spaces. The City will manage the G1 garage in accordance with its system preferences at City cost.

All spaces in Garage 4 will be for private use. Garage 4 is fully parked to code – both the residential and retail required spaces are accounted for within the 500 total private space pool.

**Benefits to City:**

**Property Tax Revenues**

Benefit to City - Ranges are being vetted with staff, but estimates are in excess of \$20,000,000 over 30 years due specifically to the City of Coral Gables.

**Parking Revenues**

The City shall retain ALL NET PARKING INCOME as follows:

The City shall retain all parking net income for its 750 City owned parking spaces. The City's consultant Tim Haahs estimates each full time parking space generates approximately \$1,866 per space per year in net operating income according to its study dated August 24, 2018 for a total of \$1.4M in its first year of operation.

**City Improvements**

CGCC shall construct 750 parking stalls to be owned by the City. These stalls shall be constructed at zero cost to the City. Full costs to be borne by CGCC include: allocable share of demolition of existing garage structures and site work, allocable financing costs, allocable design/engineering/insurance, and parking system allowance. CGCC will not charge a developer fee.

**Ownership:**

The City shall retain fee- simple ownership of G1. The City shall enter into a 30-year lease for the G1 retail space to CGCC at a lease rate of \$10 / month. CGCC shall have unlimited renewal rights in 10-year terms, except in such case that the City wishes to redevelop the G1 site at their option after the 30-year initial lease term. Mutually agreeable terms for

termination of lease for redevelopment will be finalized in the Development Agreement.

CGCC shall be provided with fee-simple title to G4.

**City Increment/Waiver:**

Due to the extraordinary scope, risks and costs associated with the development of the City's improvements, in order to complete the same, the City must contribute a portion of the City's increment of additional revenues generated from the Project.

The required City increment from the increased net income created by the Project is \$350,000 per year<sup>3</sup>

This increment factors the requirement of the City waiving permit, impact, art, and other development fees associated with the project, payable to the City. CGCC will pay Miami-Dade county fees as required.

**Construction Sequencing:**

CGCC shall proceed with G4 first, and upon completion of the parking garage component, will open a portion of this garage for public use.

Upon opening of the G4 garage to the public CGCC shall commence with the demolition and construction of the G1.

**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, a large portion of which is going directly to construct a public parking garage for the City,

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<sup>3</sup> Increment shall be paid monthly and escalate at 2% per year and the guaranteed payments shall terminate after 30-years.

CGCC requests expediting of all Project related City regulatory review and approval. In particular, the Parties must commit to completion of development agreement within ninety (90) days of the Effective Date. During this 90 day period, the parties will also commit to an expedited schedule for all other required approvals and permitting for the Project to commence construction of the first garage.

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.

**CITY:**

**CITY OF CORAL GABLES, FLORIDA**

By: \_\_\_\_\_  
Name: Peter J. Iglesias  
It's: City Manager

Attest:

By: \_\_\_\_\_  
Name: Walter Foeman  
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: \_\_\_\_\_



## Combined Development Pro Forma

CGCC Garage 1 & G4 | January 11, 2019 vs February 26, 2019

<b>Net Operating Income</b>	<b>Jan 19</b>	<b>Feb 19</b>	<b>Delta</b>	<b>Notes</b>
G1 Private NOI	5,589,087	740,000	(4,849,087)	<i>Only 20,000 sqft of ground floor retail remains</i>
G4 Private NOI	8,007,888	8,251,948	244,060	<i>Same as before, plus approximately 49 additional residential parking spaces to be leased out to tenants and an additional 5,200 sqft of ground floor retail</i>
<b>Total Private NOI</b>	<b>13,596,975</b>	<b>8,991,948</b>	<b>(4,605,027)</b>	
<b>Total City Increment</b>	<b>0</b>	<b>350,000</b>	<b>350,000</b>	
<b>Total Private NOI + City Increment</b>	<b>13,596,975</b>	<b>9,341,948</b>	<b>(4,255,027)</b>	
<b>Total Development Cost</b>				
G1	84,716,000	29,968,000	(54,748,000)	
G4	127,168,000	119,450,000	(7,718,000)	
<b>Total Development Cost</b>	<b>211,884,000</b>	<b>149,418,000</b>	<b>(62,466,000)</b>	
<b>Yield on Cost</b>	<b>6.42%</b>	<b>6.25%</b>	<b>-0.16%</b>	<b>Bare minimum to finance residential development</b>

**CORAL GABLES CITY CENTER - G1 BUDGET VARIANCE**

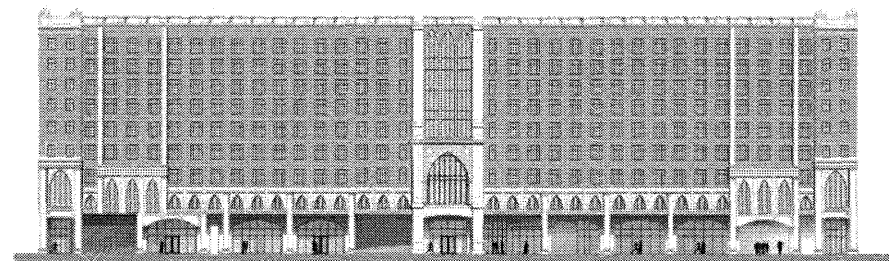
CGCC Garage 1 & G4 | January 11, 2019 vs February 26, 2019

DEVELOPMENT SOURCES	G1 Budgets		Delta	Notes
	G1 - Jan 2019	G1 - Feb 2019	Feb vs Jan	
Construction Loan	55,065,351	19,479,000	(35,586,351)	
Project Equity	29,650,649	10,489,000	(19,161,649)	
<b>Total Development Financing</b>	<b>84,716,000</b>	<b>29,968,000</b>	<b>(54,748,000)</b>	Deletion of office; transferring all public spaces to G1
<b>DEVELOPMENT USES</b>				
Full Time Public Parking	14,379,200	20,625,000	6,245,800	750 full time dedicated public parking spaces
Nights/Weekends Public Parking	4,280,000	-	(4,280,000)	No office spaces to share with public as office is deleted
Smart Parking Allowance	150,000	-	(150,000)	Not included
Garage Demo + Site Work	253,000	253,000	-	
Paseo Acquisition Costs	2,400,000	-	(2,400,000)	Not included
Paseo Renovation	1,600,000	-	(1,600,000)	Not included
Actor's Playhouse Lodging	-	-	-	Not included
Alley Improvements	250,000	-	(250,000)	Not included
Capitalized Public Pkg Financing Costs	800,949	1,272,882	471,933	
Design/Engineering/Insurance etc.	1,053,851	626,340	(427,511)	Office deleted
<b>Capitalized RFP Costs</b>	<b>25,167,000</b>	<b>22,777,222</b>	<b>(2,389,778)</b>	
GC Contract/Parking Costs	6,420,632	-	(6,420,632)	Office deleted, retail to park in public garage
GC Contract/All Other	25,852,089	3,000,000	(22,852,089)	20,000 sqft of retail to be owned by City, leased back to CGCC long term basis at \$10 per month
Owner Controlled	8,954,476	2,000,000	(6,954,476)	TA on 20,000 sqft of retail
FF&E	--	--	-	
<b>Total Hard Costs</b>	<b>41,227,197</b>	<b>5,000,000</b>	<b>36,227,197</b>	
Professional fees	3,723,615	250,000	(3,473,615)	Deletion of office
Permits/ impact fees	729,400	261,000	(468,400)	Only county fees on retail portion of development
Project management	1,835,641	150,000	(1,685,641)	Reduced scope to manage
RFP Pursuit Costs	500,000	-	(500,000)	Moved to G4
Reserves/Leasing Cost	5,782,015	510,000	(5,272,015)	Deletion of office
Financing/closing costs	3,441,517	201,811	(3,239,706)	Deletion of office
<b>Total Soft Costs</b>	<b>16,012,188</b>	<b>1,372,811</b>	<b>(14,639,377)</b>	
<b>Contingency</b>	<b>2,309,615</b>	<b>817,967</b>	<b>(1,491,648)</b>	
<b>Total Development Cost</b>	<b>84,716,000</b>	<b>29,968,000</b>	<b>(54,748,000)</b>	

**CORAL GABLES CITY CENTER - G4 BUDGET VARIANCE**

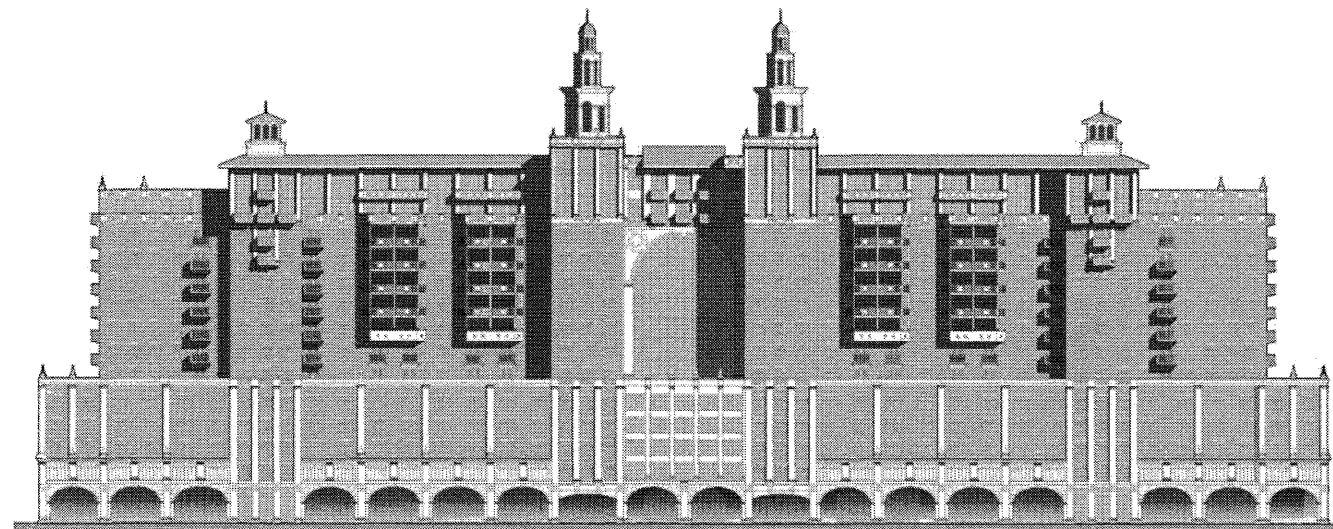
CGCC Garage 1 & G4 | January 11, 2019 vs February 26, 2019

	G4 Budgets		Delta	Notes
	G4 - Jan 2019	G4 - Feb 2019	Feb vs Jan	
<b>DEVELOPMENT SOURCES</b>				
Construction Loan	82,659,000	77,642,000	(5,017,000)	
Project Equity	44,509,000	41,808,000	(2,701,000)	
<b>Total Development Financing</b>	<b>127,168,000</b>	<b>119,450,000</b>	<b>(7,718,000)</b>	
<b>DEVELOPMENT USES</b>				
Full Time Public Parking	6,353,600	-	(6,353,600)	No public parking in G4
Nights/Weekends Public Parking	-	-	-	
Smart Parking Allowance	150,000	-	(150,000)	Not included
Garage Demo + Site Work	758,000	758,000	-	
Paseo Acquisition Costs	2,400,000	-	(2,400,000)	Not included
Paseo Renovation	600,000	-	(600,000)	Not included
Actor's Playhouse Lodging	-	-	-	Not included
Alley Improvements	250,000	-	(250,000)	Not included
Capitalized Public Pkg Financing Costs	278,209	-	(278,209)	
Design/Engineering/Insurance etc.	468,191	-	(468,191)	
<b>Capitalized RFP Costs</b>	<b>11,258,000</b>	<b>758,000</b>	<b>(10,500,000)</b>	
GC Contract/Parking Costs	12,540,000	15,000,000	2,460,000	Increased private parking count to 500
GC Contract/All Other	79,656,373	78,486,373	(1,170,000)	Net change from removal of arch structure, redundant vertical transportation, addition of glass arch detail and addition of 5200 sqft of ground floor retail.
Owner Controlled	1,865,000	2,385,000	520,000	Addition of 5,200 sqft of ground floor retail TA (Now 18,000 SF total)
FF&E	950,000	950,000	-	
<b>Total Hard Costs</b>	<b>95,011,373</b>	<b>96,821,373</b>	<b>(1,810,000)</b>	
Professional fees	2,650,809	2,650,809	-	
Permits/ impact fees	1,213,431	1,213,431	-	
Project management	5,824,825	5,824,825	-	
RFP Pursuit Costs	500,000	1,500,000	1,000,000	Deletion of office, shift total cost to residential which has grown to \$1.5MM from \$1MM total due to multiple design iterations and legal costs
Reserves/Leasing Cost	5,997,017	6,121,817	124,800	
Financing/closing costs	1,533,130	1,573,593	40,463	
<b>Total Soft Costs</b>	<b>17,719,213</b>	<b>18,884,476</b>	<b>1,165,263</b>	
<b>Contingency</b>	<b>3,179,414</b>	<b>2,986,151</b>	<b>(193,263)</b>	
<b>Total Development Cost</b>	<b>127,168,000</b>	<b>119,450,000</b>	<b>(7,718,000)</b>	



T.O GARAGE  
+97'-4

G1 - 9 LEVEL PODIUM WITH 8 LEVELS OF PARKING



T.O ROOF  
EL: + 150'-6"

G4 - 5 LEVEL PODIUM WITH 4 LEVELS OF PARKING

**Coral Gables City Center:**

Coral Gables, Florida

ELEVATION / SECTION  
STUDY

SCALE: NTS

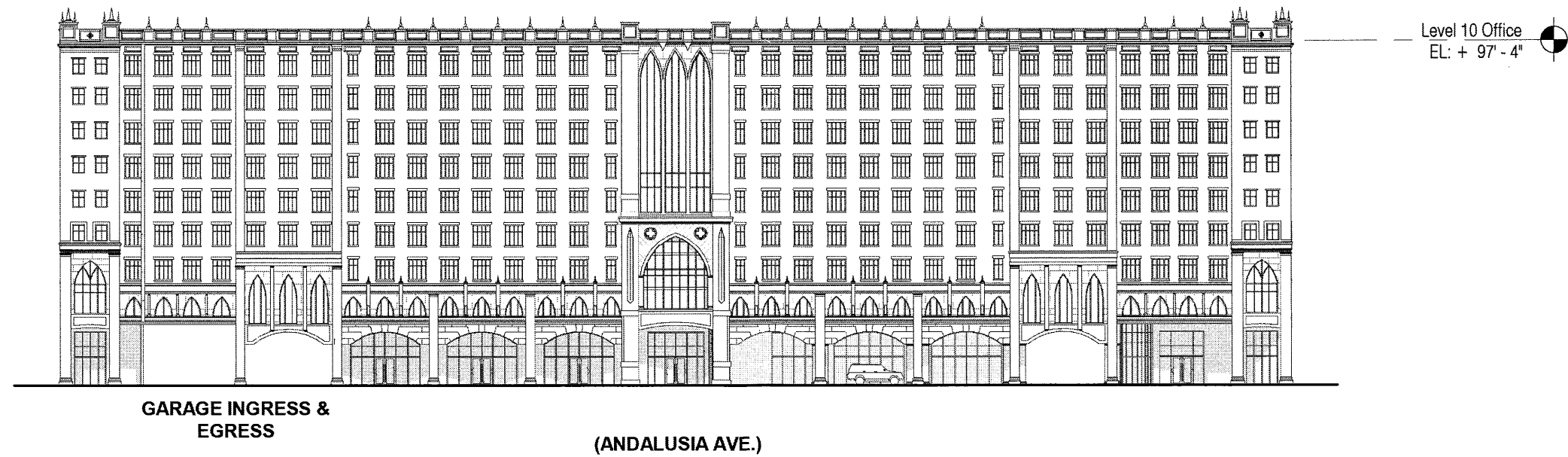
02.26.19

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## Coral Gables City Center Garage 1

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SOUTH ELEVATION

1" = 40'-0"

02.26.2019

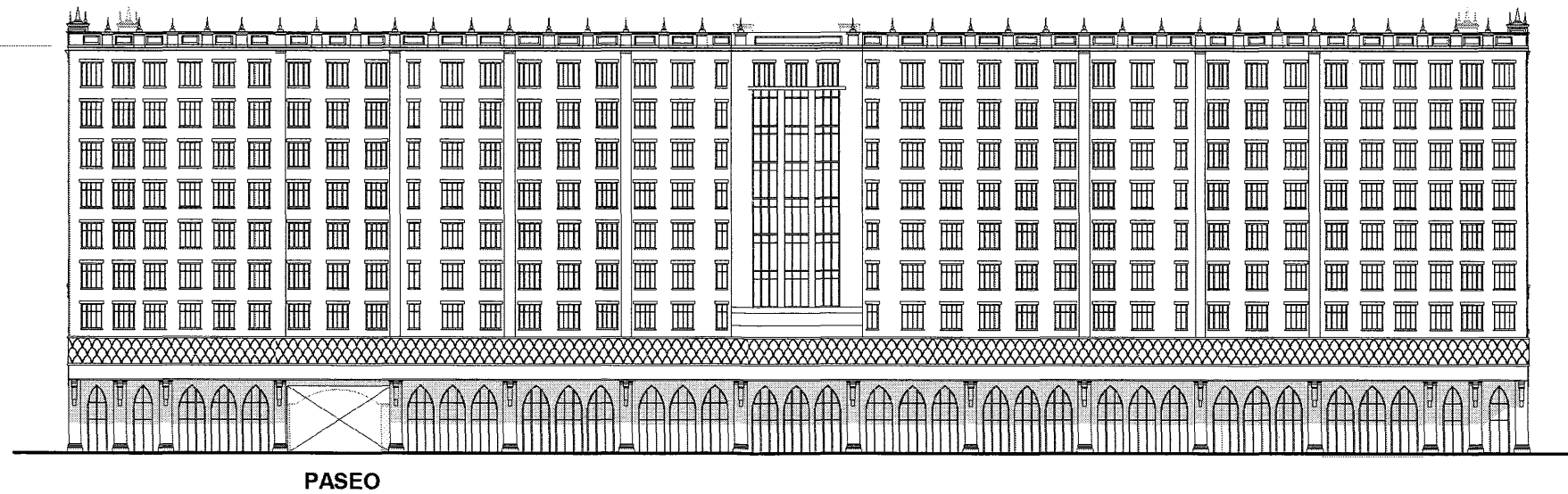
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SK-01

Level 10 Office  
EL: + 97' - 4"



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## Coral Gables City Center Garage 1

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NORTH ELEVATION

1" = 40'-0"

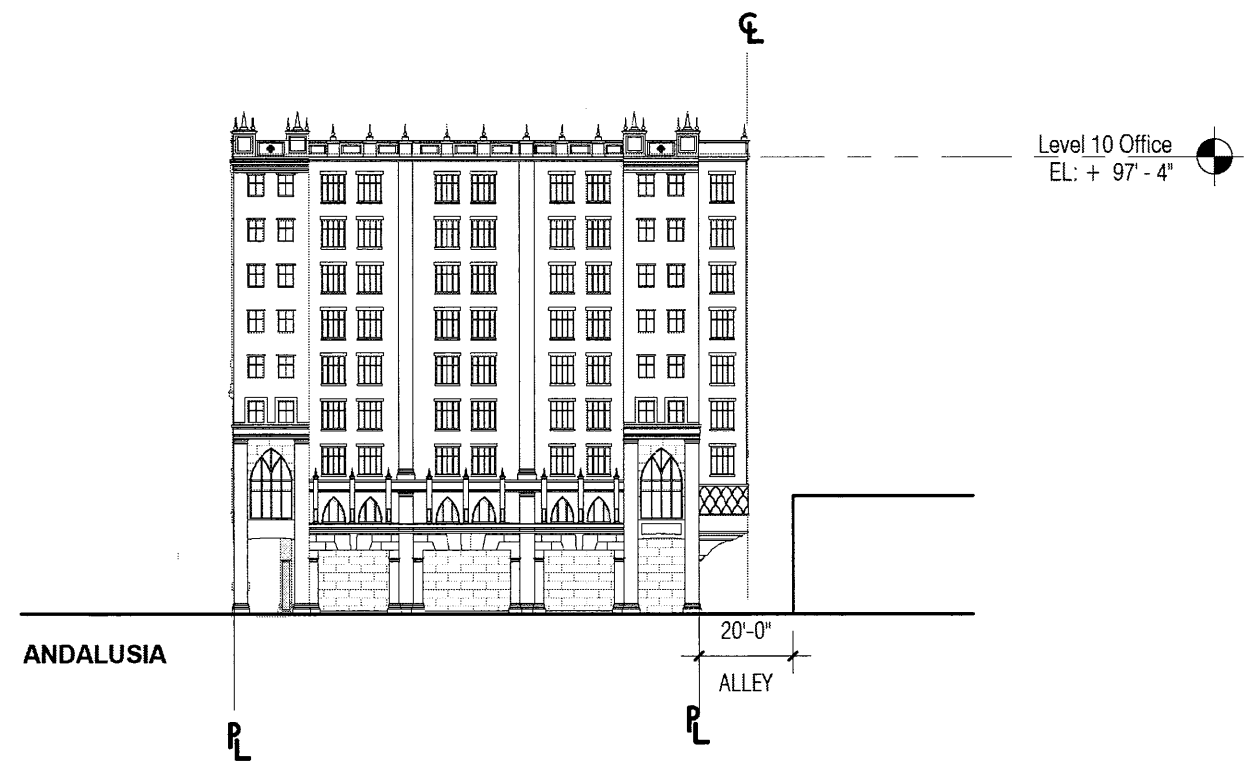
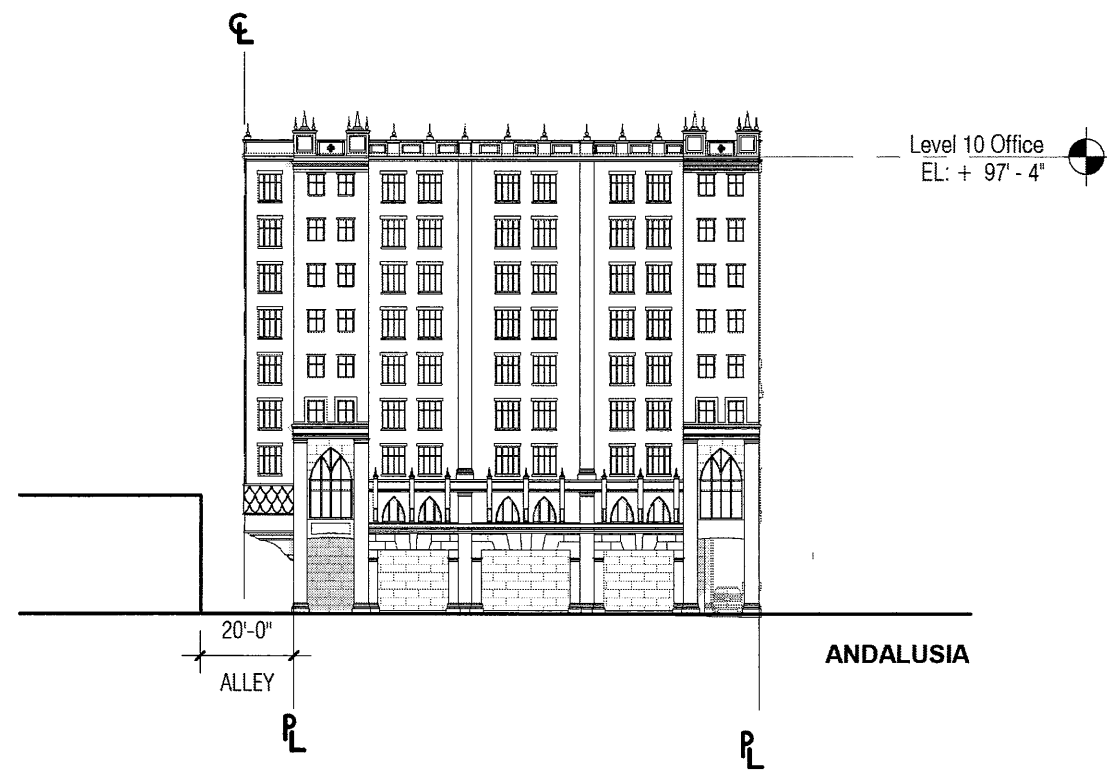
02.26.2019

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SK-02



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## Coral Gables City Center Garage 1

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EAST & WEST ELEVATIONS

1" = 40'-0"

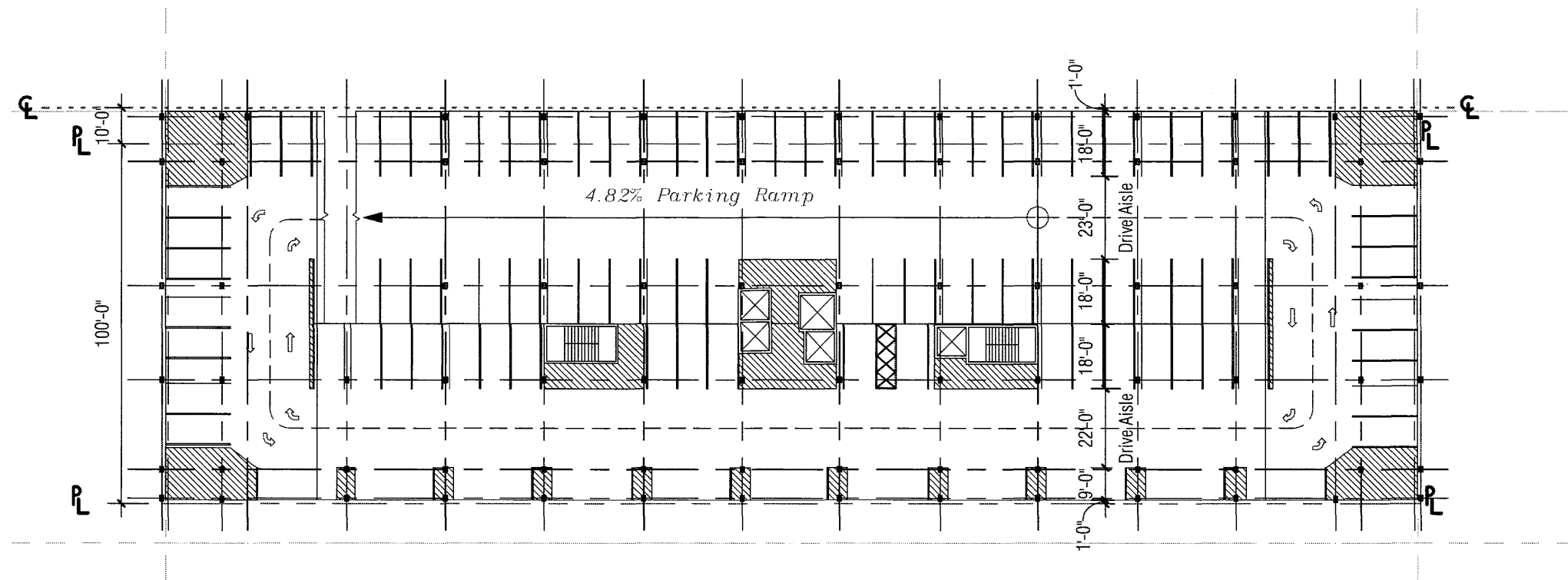
02.26.2019

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SK-03



**Coral Gables City Center Garage 1**

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TYPICAL PARKING LEVEL

1" = 40'-0"

02.26.2019

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