

MEMORANDUM

TO: Javier Betancourt, AICP
Director, Economic Development Department, City of Coral Gables

FROM: Barry Abramson

SUBJECT: Evaluation of Stage II Proposals to Garages 1 & 4 RFP

DATE: January 18, 2017

This memorandum summarizes our evaluation of the proposals submitted in response to the City's Stage II RFP for the Garages 1 and 4 properties in the Coral Gables CBD which called for staged development of 1,000 public parking spaces and private development. Our evaluation focused on the real estate and financial implications of the proposals, integrating the input of the City's parking consultant (TimHass) and financial advisor (Public Finance Management, Inc.) and the appraisal firm (Waronker & Rosen), which estimated the properties' value in 2014, and, also, incorporates input provided by City staff. The evaluation is based on the proposal submittals and follow-up written clarifications provided in advance of the presentations, the proposers' in-person presentations, verbal responses to questions at the August 4th presentations, and written clarifications provided by one of the proposers thereafter. Research underlying the evaluation was done through spring and early summer of this year with the exception that estimated debt service for bond financing was updated to reflect current anticipation of future financial market conditions.

BACKGROUND

Proposals Evaluated

Five proposers submitted Stage I proposals. The City invited all five to make Stage II proposals. Two of the proposers submitted Stage II proposals:

- **Coral Gables City Center, LLC** – a special purpose entity 50:50 JV of **Allen Morris Company and Related Group** and their subsidiaries
- **TC Gables, LLC** – an affiliate of **Terranova Corporation in partnership with ZOM and Gibson Development**

Coral Gables City Center submitted three alternative proposal versions. The proposer's preferred versions – 2 and 3 differ from one another only in roof-top ornament and so are considered in the evaluation as effectively one proposal in addition to Version 1.

TC Gables Center submitted one proposal version for which information and proposed terms were submitted adequate for evaluation. The proposal also refers to the possibility of an

alternate proposal. However, the proposer stated in the presentation/interviews that this alternative was more of a concept rather than a reliable proposal and the terms proposed for their proposed version could not be inferred to apply to this alternative concept, nor were they prepared to make a financial proposal at that time. Accordingly, only the one proposal for which substantial submittal information and terms were provided was considered in the evaluation.

Request for Proposals

The RFP allowed three alternative options for development – each to result in the staged development of the Garage 1 and Garage 4 sites for a total of 1,000 public parking spaces plus private mixed-use development. These options are:

- **Proposal Option 1** – Acquire and develop both sites. The Garage 1 site would be developed first with no less than 700 and no more than 800 public parking spaces plus private ground floor commercial space, and, possibly, private air-rights development. Upon completion of the Garage 1 Public Parking Project, the Developer would be allowed to commence construction on the Garage 4 site, which would include the remainder of the required 1,000 public parking spaces plus private development.
- **Proposal Option 2** – Acquire and develop both sites with the number of public parking spaces to be provided in Garage 1 no less than 500 and no more than 800 and the number of public parking spaces to be provided in Garage 4 no less than 200 and no more than 500 (totaling 1,000) as well as private development.
- **Proposal Option 3** – Acquire and develop only one site which would contain 500 public parking spaces as well as private development.

Key requirements of the RFP considered particularly relevant to this evaluation are:

- The Developer must provide the above-specified minimum number of public parking spaces above and beyond any parking required by the zoning code for all other uses developed within the facilities included in each proposal.
- Staging of the projects so that the new public parking on one site must be completed before possession and construction may commence on the second site.
- Under the second or third options, strong preference that Garage 1 be the first site to be developed, given the substandard condition of that garage.
- Conformance to the requirements of the Coral Gables Mediterranean Level 2 Style Design bonus and consistency with the Comprehensive Plan and Zoning Code and, if proposing changes to the requirements of the existing Zoning Code or Comprehensive Plan, an alternative without the proposed changes should be proposed. Specific design guidelines included:

- Encroachment over the rear alley of no more than 10 feet and no more than five feet beyond the property line on the Andalusia Avenue frontage.
 - Proposals for height exceeding that allowed under the City's Comprehensive Plan and Zoning Code will not be considered.
 - Proposers are strongly encouraged to limit FAR to no more than that allowed under the City's Comprehensive Plan and Zoning Code, including increases allowed with transfer of development rights. If FAR in excess of that is proposed, proposals would be expected to provide significant public benefits, and an alternative proposal consistent with the maximum allowed FAR would be required.
- The City does not intend to provide capital gap subsidy or financing for the project.

Evaluation Criteria and Considerations

The RFP called for Stage II proposals to be evaluated based on the following criteria and weighting:

- **Capability of the Proposer and Development Team.** Based on the same criteria as in the first stage evaluation, which may be supplemented with additional information provided in this stage proposal from previously identified or new team members... Relative qualifications and capacity will be considered a comparative criteria weighed along with the other criteria. Developer qualifications shall be of primary importance in the evaluation of this criterion. 20%
- **Likelihood of Feasibility.** The likelihood of the proposed project being feasible in a reasonable timeframe, considering: (1) the thoroughness and convincing nature of the market, development/construction, financing, operating, and other elements of the proposer's analyses, assumptions, and strategies; (2) financing commitments, if any; (3) implementation schedule; and (4) conditions and contingencies for realizing the project such as financing, market/pre-leasing, and regulatory/approvals, and how likely these are to be achieved. 20%
- **Financial Return to City.** This would include the value of the proposed lease or sale terms, any subsidy requested from the City, and the value of the Public Parking Project to be provided by the Developer, as well as real estate taxes and any other direct or other clearly identifiable revenues to the City that would be generated by the project, and consideration of the timing and likelihood of receiving these revenues. Also considered will be the nature of the proposed transaction – whether long term lease or purchase of the Garage 4 site and any other transactional aspects of the proposal which the City considers to impact its interests. (It should be noted that, although revenue generated by the project is an important evaluation criterion, the City is not obligated to award a lease to or negotiate with the proposer who proposes the highest financial return to the City.) 15%

- **Enhancement of the Public Parking Supply in a Cost-Effective Manner.** This would include the number of spaces, operational efficiency, aesthetic quality, and amenity of the proposed public parking component. Also considered will be the timing and surety of replacement of the Garage 1 public parking facility. 25%
- **Contribute to the Vitality, Amenity, and Economic Activity of and in the CBD.** This would include consideration of the proposed project’s ability to generate patrons for business and other activity appropriate to a vibrant downtown, activate pedestrian areas, minimize traffic or other negative impacts, have a high quality architecture and aesthetic appeal, and the inclusion of green initiatives, providing green and sustainable components and initiatives beyond what is required and/or that are unique solutions. 20%

The RFP also stated that the City would evaluate the relative merits of proposals relative to each other as well as relative to alternate means of fulfilling its objectives such as the City funding and constructing a public parking facility on the Garage 1 site.

Notwithstanding the above-referenced and other requirements and guidelines in the RFP, the RFP made clear that “the City Commission retains the full and final discretion to select any proposal that it determines is in the best interests of the City, and the City Commission also retains full and final discretion to determine that no proposal will be selected”.

EVALUATION

The evaluation is summarized in the following section and in the exhibits that follow:

The exhibit “Summary of Estimated Financial Effect to City” presents various measures of financial return to the City and cost-effective enhancement of parking supply based on the transaction terms, including provision of parking, and real estate tax revenues, for the three proposals as well as for a base case scenario which assumes the City funds and constructs a public parking facility on the Garage 1 site.

Major elements of the proposed programs and transactions are summarized in the exhibits “Program Summary” and “Summary of Proposed Terms”.

The exhibit “Evaluation Criteria Summary” presents, in matrix form, a summary of the evaluation of the proposals based on the criteria specified in the RFP.

Exhibits presenting the detailed financial analyses and key assumptions underlying them are presented following that.

Coral Gables City Center Version 1

Generally, this proposal conforms to the RFP's physical and programmatic guidelines and requirements, though it calls for purchase of the Garage 4 site, which the RFP allows, rather than lease, for which the RFP states a strong preference. The proposal also secures construction of the major portion of the public parking (722 spaces) in the first phase, as per Option 1 of the RFP. There are no apparent reasons why the proposal would not be feasible in a reasonable timeframe.

However, the proposal is considered to require very substantial improvement in terms of its financial return to the City and enhancement of the public parking supply in a cost-effective manner, being far less financially beneficial to the City than the base case scenario or what the City could reasonably anticipate from a project resulting from the RFP process.

The proposal offers no lease or sale payments (save for nominal \$10 amounts) for the Garage 1 and 4 land and development rights and any TDRs required to support FAR in excess of the 3.5 as-of-right density which are proposed to be granted by the City from other City-owned properties and which the City might otherwise, if it were to so choose, be able to sell to other projects or use for its own purposes. A preliminary estimate of FAR based on estimates provided by the proposer and input of City staff indicates an FAR of 3.64. This would require 14,000 square feet of TDRs, worth approximately \$500,000, based on market pricing indicated by recent sales of TDRs.

The proposal claims \$56,800,000 of financial benefits to the City based on certain costs the developer would incur. Foremost among these is the \$40,500,000 allocated cost of the public parking to be financed by the proposer. From a financial perspective, it would be reasonable to claim the full (reasonable) allocated cost of the public parking as warranting full credit as a benefit to the City if it were being financed by the developer with the City to receive all revenues (net of attributable operating expenses). However, the proposal calls for the developer to retain the first \$2,000,000 of annual revenues (nearly all estimated revenues in the initial years of full operation of both of the new parking facilities) and share with the City 50% of the excess over that amount. While the City would benefit from the public parking being made available, it wouldn't make sense to credit as a financial benefit to the City the allocated development cost of the public parking under proposed terms which provide the developer with the lion's share of the revenues. Rather, the estimated revenues the City would receive from its participation would constitute the financial benefit to the City.

In addition to funding development of the public parking, the proposer claims another \$16,300,000 of project costs as financial benefits to the City. The recognition of these costs as benefits to the City is also a matter of perspective. For example, "building architectural upgrade premiums" is the second largest element (after parking) – \$8,300,000 in Version 1. This is the cost of premium elements above and beyond what would be required to meet the Coral Gables Mediterranean standard, such as high level finishes and the arch in the

Garage 4 building. The value the City would ascribe to these elements (e.g. how much the City would be willing to pay for these premium architectural elements at these sites) is most appropriately considered as a qualitative element in the evaluation criteria that includes amenity (“quality architecture and aesthetic appeal”) rather than quantified in the “financial return to the City” criteria. Generally, City staff indicates that current Coral Gables Mediterranean design standards require a high level of architecture, design and finish.

Other elements of the proposer’s claimed benefits (e.g. demolition, an automated parking collection system, reimbursement of the City’s third party fees, securing long term dedicated use of paseos (in the case of Garage 1, if not connecting to the two existing paseos)) are either required by the RFP or inherent to the project, so are not considered as financial benefits to the City.

While the financial return and cost-effectiveness of providing the public parking under the proposed terms are considered to require very substantial improvement, there appears to be considerable opportunity to improve the proposal’s performance on these measures through negotiation in the form of potential cost savings which could enable the project to support payment for land and development rights and/or improvement of the City’s participation in parking revenues. Three areas are apparent.

If the City doesn’t consider some or all of the architectural premiums to be worth the cost, it could negotiate to scale these back.

The automated parking collection system might be reviewed to determine if what the proposer contemplates exceeds the City’s needs, given that the proposer’s estimated cost of \$1,300,000 is approximately \$500,000 more than that estimated by the City’s parking consultant.

The private parking could be reviewed to determine if the number of spaces can be reduced. This may be possible as City staff believes this version (which has the same number of spaces as Version 2,3) likely has a surplus of private parking relative to private demand.

Negotiation could also address whether the Garage 4 site is sold or leased.

Coral Gables City Center Version 2,3

As with Version 1, this proposal secures construction of the major portion of the public parking (722 spaces) in the first phase but has the disadvantage of purchase, rather than the preferred lease, of the Garage 4 site.

The addition of the 138,509 square foot office tower to Garage 1, which would likely add more than 500 office workers, and, to a lesser extent, the additional floor of residential on the Garage 4 site, would have the advantage of generating more vitality and economic activity in the CBD. The elevated roof-top park and café might add amenity and activity to

the project, though it's hard to foresee the extent to which this would be used by the general public as opposed to being primarily an amenity for the building's office tenants.

However, the program additions raise significant questions and concerns about density and parking sufficiency which impact the proposal's conformance with RFP requirements and preferences, and, possibly, lessen its likelihood of feasibility (specifically in terms of regulatory/approval).

A preliminary estimate of FAR based on estimates provided by the proposer and input of City staff indicates an FAR of 5.24. The FAR is above the maximum (with TDRs) of 4.375, but the RFP allows some latitude to exceed this maximum in return for significant public benefits. It would be a judgment call as to whether the public benefits offered by this proposal warrant the additional density.

City staff believes this proposal likely has a shortfall of private parking relative to private demand of as much as approximately 150 spaces. To the extent this shortfall is validated by further analysis, parking demand generated by the proposed project's private uses could use the project's public parking, effectively reducing the net public spaces available to the general public.

In terms of financial return to the City and cost-effectiveness of public parking, this proposal is better than Version 1 but, still, is considered to require very substantial improvement, being far less financially beneficial to the City than the base case scenario or what the City could reasonably anticipate from a project resulting from the RFP process.

As with Version 1, the proposal offers no lease or sale payments (save for nominal \$10 amounts) for the Garage 1 and 4 land and development rights and TDRs proposed to be granted from other City-owned properties to support FAR in excess of the 3.5 as-of-right density. At a 5.24 FAR, the project would require 177,000 square feet of TDRs, which the City might otherwise sell, if it were to so choose, for approximately \$6,200,000, based on market pricing indicated by recent sales of TDRs, or use for its own purposes.

The proposal claims \$80,000,000 of financial benefits to the City based on certain costs the developer would incur. Foremost among these is the \$43,400,000 allocated cost of the public parking proposed to be financed by the proposer.

As in the Version 1 proposal, the developer would retain the first \$2,000,000 of annual revenues from Garages 1 and 4 (nearly all estimated revenues in the initial year of full operation) and share with the City 50% of the excess over that amount. As discussed relative to Version 1, it wouldn't make sense to credit as a financial benefit to the City the allocated development cost of the public parking under these terms.

Additionally, in this version, the developer proposes to manage and share in revenue increases or cost savings relative to current levels in City Garages 2 and 6, which properties

were not part of the RFP. The City's parking consultant and City staff see little or no value or efficacy in the developer managing municipal parking facilities outside the scope of this RFP.

In addition to funding development of the public parking, the proposer claims the costs of another \$37,000,000 as financial benefits to the City in Version 2,3.

\$5,100,000 of this amount is the estimated cost of 20,000 square feet of shell office space in the Garage 1 tower that would be provided to the City. This, clearly, would constitute a form of compensation to the City, enhancing the City's financial return.

As is the case for Version 1, recognition of the remaining costs (approximately \$31,900,000) as benefits to the City is a matter of perspective. "Building architectural upgrade premiums" for elements above and beyond what would be required to meet the Coral Gables Mediterranean standard, such as high level finishes and the arch in the Garage 4 building) account for \$13,600,000 in this version. The value the City would ascribe to these elements (e.g. how much the City would be willing to pay for premium architecture at these sites) is most appropriately considered as a qualitative element in the evaluation criteria that includes amenity ("quality architecture and aesthetic appeal") rather than quantified in the "financial return to the City" criteria. Generally, City staff indicates that current Coral Gables Mediterranean design standards require a high level of architecture, design and finish.

Other elements of the proposer's claimed benefits are either required by the RFP or inherent to the project (e.g. demolition, an automated parking collection system, reimbursement of the City's third party fees, securing long term dedicated use of paseos (in the case of Garage 1, if not connecting to the two existing paseos)) or items the City has not asked for and may not value fully or at all as constituting financial return. The latter would include the enhancement of the PARC system "with improved technology" and its installation in Garages 2 and 6, the elevated City park and cafe, and a \$5,000,000 cash payment for simultaneous construction on the two sites, and are not considered in financial return.

With regard to the \$5,000,000 cash payment if the city allows simultaneous construction, this does not conform to the RFP directive requiring staged development to avoid the garages being taken out of service at the same time.

Increased real estate taxes that would be generated by the larger program combined with the provision of shell office space to the City result in this version providing better financial return to the City and cost-effective provision of public parking than Version 1. However, the proposal is still considered deficient in this regard.

There appears to be significant opportunity to improve this proposal's financial return and cost-effectiveness of providing the public parking through negotiation in the form of potential cost savings which could enable the project to support payment for land and development rights and/or improvement of the City's participation in parking revenues. Two areas are apparent.

If the City doesn't consider some or all of the architectural premiums to be worth the cost, it could negotiate to scale these back. The on-site PARC system could be reviewed to determine if what the proposer contemplates exceeds the City's needs in light of the proposer's estimated cost being significantly higher than that estimated by the City's parking consultant, and the off-site system could be eliminated. Modifications to the PARC system could yield cost savings of the vast majority of the \$4,600,000 estimated by the proposer.

Negotiation could also address whether the Garage 4 site is sold or leased and, if the City is willing to consider providing advantageous public financing for the public parking, the ability of such lower cost financing supporting greater financial compensation to the City.

Unlike in Version 1, there would not appear to be opportunity for cost savings from reduced parking. If anything, a parking deficiency could result in a reduction of program, reducing the proposer's ability to increase compensation to the City.

Negotiation could also address whether the Garage 4 site is sold or leased.

TC Gables, LLC

This proposal includes a 16-story tower on property at 220 Miracle Mile at the corner of Ponce DeLeon, which would be connected to the Garage 1 project, together constituting the first phase. As per the RFP's Option 2, half the required public spaces are provided at the Garage 1 site in the initial phase to be followed by the remainder at the Garage 4 site. The two levels of retail at the base of the tower on Miracle Mile, in addition to the ground floor commercial space on the two garage sites, would provide a strong addition to retailing in the CBD.

FAR, as estimated by the proposer, is 4.04, within the maximum including TDRs, which are proposed to be transferred from other of the proposer's properties. However, there are a number of conformance issues relative to RFP requirements and approval/regulatory aspects which could significantly lessen this proposal's acceptability to the City and likelihood of being feasible (in terms of prospects for approval).

The proposed tower on the 220 Miracle Mile property does not conform to the City's zoning code which allows only 7-stories at that location and the RFP prohibited proposals from exceeding zoning code height limits. City staff considers a tower of this height at this location to be inadvisable as it is not compatible with the scale of the Miracle Mile.

The proposal has a 12-foot encroachment on the Andalusia frontage versus the five-foot maximum set in the RFP. City staff considers such a significant encroachment to negatively impact neighboring properties and disrupt the street wall from an urban design perspective. This encroachment could be scaled back but it would make the garages less efficient,

lowering the number of parking spaces and/or increasing cost which could result in the proposer needing to reduce its proposed program and/or lease terms.

The RFP stated that "if proposing changes to the requirements of the existing Zoning Code or Comprehensive Plan, an alternative without the proposed changes should be proposed" but no alternate proposal was presented. The proposal does include a statement "To develop an alternate program, we would...shift the additional residential development to Garage 4 in a manner that is consistent with zoning code... The City's economics up-front would be comparable, however public benefit from the impact of redevelopment of the Miracle Building would be foregone and enhancement to the public realm and the enhanced paseo would not be realized." As the proposal did not include information adequate to evaluate this as a proposal and the proposer stated at the presentation this was more a preliminary concept rather than a reliable proposal, it has not been considered and the proposal is not in conformance with the RFP requirement to provide an alternate proposal conforming with the Zoning Code or Comprehensive Plan.

In addition to the proposal's non-conformance on the above design elements, the proposal assumes the City would finance and retain revenues (net of operating expenses) from the two public parking facilities in order to take advantage of the City's ability to access favorable public financing. This was not contemplated in the RFP (though it could be an approach the City would be willing to consider, and does underlie the base case alternative relative to Garage 1).

Proposed lease terms for the two garage sites (starting at \$205,000 for Garage 1 and \$370,000 for Garage 4), combined with the City's financing and retaining net revenues from the public parking components, provide a stronger financial return than the two Coral Gables City Center proposals (though still considerably less advantageous to the City than the base case). However, based on the factors summarized above, it is considered appropriate to attach an asterisk to this proposal's financial return to the City and cost-effectiveness of public parking as modifying the project to conform with RFP requirements and preferences could significantly impact the project's ability to support the proposed terms.

The proposal also included the option of retail parking contributions of approximately \$1,100,000 and \$2,500,000 if the project were not required to provide parking for its retail components in Garages 1 and 4, respectively. These would need to be further assessed to determine if considered appropriate in terms of parking sufficiency.

The proposer also offered an optional payment exceeding that proposed by Coral Gables City Center if it could develop both sites simultaneously. Given this offer was made after Coral Gables City Center's presentation and does not conform with the RFP, it has not been considered.

Base Case Scenario

The base case scenario assumes the City would finance, build, own, and operate a parking facility on the Garage 1 site accommodating 750 spaces, and then lease the Garage 4 site along with unused development rights from the Garage 1 site for private development which would include the remaining 250 public spaces, to be financed, built, owned, and operated by the developer. The base case is presented for comparative purposes, providing a benchmark for understanding the financial effect to the City presented by the proposals. It should be noted that it benefits from advantageous public financing (which was not presented as an option in the RFP) and entails effort, risk, as well as the City being responsible for financing the project. Effort and risk could, in large part, be limited by engagement of a capable third party program manager, which is assumed in this scenario. City finance staff indicated that the City financing a parking facility with revenue bonds would not be anticipated to have any significant impact on the City's bonding capacity or bond rating to the extent revenues generated by the project would cover debt service and current parking system-wide expense allocations attributed to the garages, which is estimated to be the case in the base case scenario.

Financial Effect to City of Proposals

Financial return to the City and enhancement of the public parking supply in a cost-effective manner are intertwined and so treated in the financial analysis. The exhibit on the following page summarizes the financial implications of the proposals as well as the base case scenario. The detailed cash flow analyses upon which the summary is based are presented later in this transmittal.

The summary presents various measures of financial performance – each considered to be useful. These include totals through the first 30 and 50 years of operation and annual figures for initial years and selected later years as well as net present values. NPV analysis has the advantage of capturing in a single number the full stream of revenues along with the time value of money adjusted for risk based on assigning discount rates to various income streams to account for their differing potential for variability and risk of realization. It is emphasized that the NPVs and any estimates of cash flows, values, or potential land or TDR sales or lease payments are preliminary and do not constitute appraised values. An appraisal will be performed for the selected proposal following negotiation (assuming a proposer is selected and a deal negotiated).

Garage 1 & 4 - Estimated Financial Effect to City - Summary

| Proposal | Total thru 1st 30 Yrs | Total thru 1st 50 Yrs | NPV 1st 50 Yrs | Total thru Year 5 | Year 6 | Year 11 | Year 16 | Year 32 |
|--|--------------------------|--------------------------|-------------------|----------------------|------------------|------------------|------------------|------------------|
| Coral Gables Center City - Version 1 | | | | | | | | |
| City Share of Parking Revenue | 14,100,000 | 48,400,000 | 1,900,000 | 76,000 | 297,000 | 346,000 | 638,000 | 1,143,000 |
| Less Est. Market Value of TDRs from Other City Properties Granted to Project | (500,000) | (500,000) | (500,000) | (500,000) | - | - | - | - |
| Total Transaction Revenues less Costs to City | 13,600,000 | 47,900,000 | 1,400,000 | (424,000) | 297,000 | 346,000 | 638,000 | 1,143,000 |
| City Share RE Taxes | 18,300,000 | 39,400,000 | 7,600,000 | 1,894,000 | 540,000 | 596,000 | 658,000 | 904,000 |
| Total Transaction Revenues/Costs & RE Taxes | 31,900,000 | 87,300,000 | 9,000,000 | 1,470,000 | 837,000 | 942,000 | 1,296,000 | 2,047,000 |
| Less City parking system-wide expense allocation | (10,800,000) | (25,500,000) | (5,800,000) | (1,527,000) | (272,000) | (312,000) | (362,000) | (581,000) |
| Net Direct Financial Benefit to City | 21,100,000 | 61,800,000 | 3,200,000 | (57,000) | 565,000 | 630,000 | 934,000 | 1,466,000 |
| Coral Gables Center City - Version 2, 3 | | | | | | | | |
| City Share of Parking Revenue | 14,100,000 | 48,400,000 | 1,900,000 | 76,000 | 297,000 | 346,000 | 638,000 | 1,143,000 |
| Value of City Shell Office @ proposer cost estimate | 5,100,000 | 5,100,000 | 4,400,000 | 5,100,000 | - | - | - | - |
| Less Est. Market Value of TDRs from Other City Properties Granted to Project | (6,200,000) | (6,200,000) | (5,600,000) | (6,200,000) | - | - | - | - |
| Total Transaction Revenues Less Costs to City | 13,000,000 | 47,300,000 | 700,000 | (1,024,000) | 297,000 | 346,000 | 638,000 | 1,143,000 |
| City Share RE Taxes | 26,700,000 | 57,500,000 | 11,600,000 | 2,876,000 | 785,000 | 867,000 | 957,000 | 1,314,000 |
| Total Transaction Revenues/Costs & RE Taxes | 39,700,000 | 104,800,000 | 12,300,000 | 1,852,000 | 1,082,000 | 1,213,000 | 1,595,000 | 2,457,000 |
| Less City parking system-wide expense allocation | (10,800,000) | (25,500,000) | (5,800,000) | (1,527,000) | (272,000) | (312,000) | (362,000) | (581,000) |
| Net Direct Financial Benefit to City | 28,900,000 | 79,300,000 | 6,500,000 | 325,000 | 810,000 | 901,000 | 1,233,000 | 1,876,000 |
| TC Gables | | | | | | | | |
| Net Cash Flow After Debt Service from City Parking | (5,100,000) | 72,000,000 | (1,300,000) | (2,342,000) | (459,000) | (438,000) | 30,000 | 3,095,000 |
| Land Lease Revenues | 18,000,000 | 33,800,000 | 9,900,000 | 2,735,000 | 575,000 | 596,000 | 633,000 | 721,000 |
| Total Transaction Revenues Less Costs to City | 12,900,000 | 105,800,000 | 8,600,000 | 393,000 | 116,000 | 158,000 | 663,000 | 3,816,000 |
| City Share RE Taxes | 21,280,000 | 45,330,000 | 9,930,000 | 2,568,000 | 615,000 | 679,000 | 750,000 | 1,029,000 |
| Total Transaction Revenues/Costs & RE Taxes | 34,180,000 | 151,130,000 | 18,530,000 | 2,961,000 | 731,000 | 837,000 | 1,413,000 | 4,845,000 |
| Less City parking system-wide expense allocation | (10,700,000) | (25,400,000) | (5,700,000) | (1,392,000) | (272,000) | (312,000) | (362,000) | (581,000) |
| Net Direct Financial Benefit to City | 23,480,000 | 125,730,000 | 12,830,000 | 1,569,000 | 459,000 | 525,000 | 1,051,000 | 4,264,000 |
| Base Case City Build | | | | | | | | |
| Garage 1 Net Cash Flow After Debt Service | 17,200,000 | 107,900,000 | 4,700,000 | 876,000 | 220,000 | 303,000 | 772,000 | 3,582,000 |
| Lease of Garage 4 Land + Garage 1 TDRs | 29,100,000 | 63,100,000 | 14,400,000 | 2,516,000 | 872,000 | 963,000 | 1,063,000 | 1,460,000 |
| Total Transaction Revenues Less Costs to City | 46,300,000 | 171,000,000 | 19,100,000 | 3,392,000 | 1,092,000 | 1,266,000 | 1,835,000 | 5,042,000 |
| City Share RE Taxes | 18,300,000 | 39,400,000 | 7,600,000 | 1,894,000 | 540,000 | 596,000 | 658,000 | 904,000 |
| Total Transaction Revenues/Costs & RE Taxes | 64,600,000 | 210,400,000 | 26,700,000 | 5,286,000 | 1,632,000 | 1,862,000 | 2,493,000 | 5,946,000 |
| Less City parking system-wide expense allocation | (10,700,000) | (25,400,000) | (5,700,000) | (1,392,000) | (272,000) | (312,000) | (362,000) | (581,000) |
| Net Direct Financial Benefit to City | 53,900,000 | 185,000,000 | 21,000,000 | 3,894,000 | 1,360,000 | 1,550,000 | 2,131,000 | 5,365,000 |

Note: All estimated land and TDR values, potential sale or lease payments and NPVs are preliminary and subject to negotiation and appraisal. Years refer to years of operation (Year 1 = 2019); NPVs as of start of 2018.

**Garages 1 & 4 RFP Stage 2 Proposals
Summary of Program**

| Developer | Coral Gables City Center, LLC Allen Morris, Related | | | | | | TC Gables, LLC Terranova Corporation in partnership with ZOM and | | | | |
|---|--|----------|---------|-------------------------------------|----------|---------|---|---------------|-----------------------|----------|---------|
| Architect | Zyscovich | | | | | | Arquitectonica, Khoury-Vogt Associates | | | | |
| Propoal Option | Version 1 | | | Version 2 & 3 | | | 2 | | | | |
| Proposal for Garage(s) | 1 1 & 4 | | | 1 1 & 4 | | | 1 & 4 | | | | |
| First Site Developed | 1 | | | 1 (alternate option-both same time) | | | 1 | | | | |
| Other Property | letter of interest for paseos | | | letter of interest for paseos | | | 220 Miracle Mile (controlled by Terranova and partner) | | | | |
| Program | Garage 1 | Garage 4 | Total | Garage 1 | Garage 4 | Total | Garage 1 | Miracle Tower | Comb Gar 1, Mir Tower | Garage 4 | Total |
| Parking | | | | | | | | | | | |
| Public Spaces | 722 | 280 | 1,002 | 722 | 280 | 1,002 | 500 | - | 500 | 523 | 1,023 |
| Private Spaces (incl retail, city office) | 48 | 519 | 567 | | | - | 452 | - | 452 | 400 | 852 |
| Total | 770 | 799 | 1,569 | 770 | 799 | 1,569 | 952 | - | 952 | 923 | 1,875 |
| Residential Rental Apartments | | | | | | | | | | | |
| # units | | 244 | 244 | | 270 | 270 | | 187 | 187 | 148 | 335 |
| GSF | | 358,025 | 358,025 | | 396,056 | 396,056 | 4,000 | 182,114 | 186,114 | 176,608 | 362,722 |
| NSF | | 305,466 | 305,466 | | 343,502 | 343,502 | | 152,922 | 152,922 | 136,282 | 289,204 |
| Studios | | 48 | 48 | | 54 | 54 | | 28 | 28 | 100 | 128 |
| 1-Bed | | 48 | 48 | | 54 | 54 | | 82 | 82 | 39 | 121 |
| 2-Bed | | 100 | 100 | | 108 | 108 | | 77 | 77 | 9 | 86 |
| 3-Bed | | 48 | 48 | | 54 | 54 | | - | - | - | - |
| Commercial | | | | | | | | | | | |
| Ground, 2nd Flr Comcl | 11,871 | 16,878 | 28,749 | 11,871 | 16,878 | 28,749 | 17,695 | 38,000 | 55,695 | 33,790 | 89,485 |
| Upper Level Office | - | - | - | 138,509 | - | 138,509 | 19,400 | - | 19,400 | - | 19,400 |
| Total Commercial | 11,871 | 16,878 | 28,749 | 150,380 | 16,878 | 167,258 | 37,095 | 38,000 | 75,095 | 33,790 | 108,885 |
| FAR SF | 15,892 | 349,045 | 364,937 | 144,350 | 383,446 | 527,796 | 44,755 | 222,646 | 267,401 | 192,500 | 459,901 |
| Site Area | 34,941 | 55,000 | 89,941 | 34,941 | 55,000 | 89,941 | 34,941 | 23,948 | 58,889 | 55,000 | 113,889 |
| FAR | 0.45 | 6.35 | 4.06 | 4.13 | 6.97 | 5.87 | 1.28 | 9.30 | 4.54 | 3.50 | 4.04 |
| FAR including paseo site & building areas | | | 3.64 | | | 5.24 | | | | | |
| Public Parking Floors | 2 - 9 | 2 - 3 | | 2 - 9 | 2 - 3 | | 2 - 6 | | | 2 - 4 | |
| Private Parking Floors | 9 | 2 - 6 | | | 3 - 6 | | 6 - 9 | | | 4 - 6 | |
| Residential Floors | | 7 - 16 | | | | | | | | | |
| Office Floors | | | | 10 - 16 | 7 - 17 | | | | | | |
| Total Floors, Height | 9 | 16 | | 16 | 17 | | 10 | 16 | | 16 | |
| Roof Height Occupiable | 109.5 | 186.5 | | 190.5 | 190.5 | | 122' | 184' | | 174' | |
| Highest Spire Height | 126.5 | 207.8 | | 215.0 | 212.8 | | | | | | |
| Highest Spire Height Version 3 | | | | 264.0 | 212.8 | | | | | | |
| | Only difference Ver 2 & 3 is Gar 1 roof ornament | | | | | | | | | | |
| Cantilever Street | 5' | 5' | | 5' | 5' | | 12' | | | 12' | |
| Cantilever Alley | 10' | 10' | | 10' | 10' | | 10' | | | 10' | |
| Cantilever Clear Ht | 22' | 22' | | 22' | 22' | | 20' | | | 20' | |

**Garages 1 & 4 RFP Stage 2 Proposals
Preliminary Summary of Proposal Terms**

| Developer | Coral Gables City Center, LLC Version 1 | | | Coral Gables City Center, LLC Version 2 & 3 | | | TC Gables, LLC | | | | |
|--|---|-----------|-----------|---|-----------|------------|--|-----------|-----------|-----------------------|-------|
| | Garage 1 | Garage 4 | Total | Garage 1 | Garage 4 | Total | Garage 1 | Mir Tower | Mir Tower | Garage 4 | Total |
| Lease or Fee Ownership TDR SF proposed granted by City | lease | fee | 14,000 | lease | fee | 177,000 | lease | | | lease | |
| Rents | | | | | | | | | | | |
| Pre-Possession, Construction | \$10/mo | \$10/mo | | \$10/mo | \$10/mo | | None | | | None | |
| Post-Completion | \$10/yr | N/A | | \$10/yr | N/A | | \$16,667/mo | | | \$16,667/mo | |
| | | | | | | | \$205,000/yr | | | \$370,000/yr | |
| | | | | | | | escalating 10% every 10 yrs | | | escl 10% every 10 yrs | |
| Public Parking Responsibility for financing parking construction | Developer | Developer | | Developer | Developer | | City | | | City | |
| | | | | | | | For purposes of capital efficiency, proposing City finance and own public portion of garage (4), & collect net income | | | | |
| | | | | | | | Open to exploring alternatives | | | | |
| Parking Operation, Revenues | Developer keeps 1st \$2MM gross revs; Shares 50% over that with City Developer responsible for operations | | | Same as Ver 1 for Garages 1 & 4; Includes Garages 2 & 6 in smart parking system - Developer keeps 50% of any revenue or expense savings above historic average (past 3 yrs) | | | Private operator manage garages under oversight of TC Gables pshp according to standards agreed to with City (best solution an affiliate of the development entity) | | | | |
| 20,000 SF City Office in Garage 1 budgeted @ | - | | - | Developer will provide shell space 5,100,000 | | | Will build City office space with compensation by City If City would prefer to not lease the 20,000 SF office (plus 1,000 SF lobby), dev rights can be transferred to Garage 4 site and improve value of City's interest by approx \$1MM based on 20 addtl units - either one-time up-front payment or lease @ \$2,000/unit/yr. It would also result in a net parking reduction of 68 spaces in Garage 1 | | | | |
| & Elevated City Park & café @ | - | | - | 1,800,000 | | | | | | | |
| Paseo Acquisition, Alley upgrades | Paseo acquisition and alley improvement in budget | | | Paseo acquisition and alley improvement in budget | | | Permanent easement thru paseo thru 220 Mir Mile building from Garage 1; not apparent in Garage 4 | | | | |
| Budget | 1,950,000 | 1,950,000 | 3,900,000 | 1,950,000 | 1,950,000 | 3,900,000 | | | | | |
| Other | | | | | | | | | | | |
| City Improvements cited by Proposer | | | | | | | Propose retail parking contribution if not required to supply retail parking = \$1,123,000 in Gar 1 + \$2,539,458 in Gar 4 (note = \$16,000 - \$19,000/space vs. allocated cost of City spaces = 2 x that) | | | | |
| PARCS/Smart Parking System | - | | 1,300,000 | | | 4,600,000 | | | | | |
| Buildg Architectural Upgrades | | | 8,300,000 | | | 13,600,000 | | | | | |
| Reimburse City Legal Costs | | | 500,000 | | | 500,000 | | | | | |
| Project Management | | | 400,000 | | | 400,000 | | | | | |
| Demo | 2,000,000 | 2,000,000 | 4,000,000 | 2,000,000 | 2,000,000 | 4,000,000 | PARC system | | | | |
| Proj Mgt & Contingency | | | | | | | | | | | |
| Addtl payment if both projects constructed same time | - | | | - | 5,000,000 | 5,000,000 | Optional payment proposed after Coral Gables City Center's presentation | | | | |

Parking Garage 1 & 4 RFP – Evaluation Criteria Summary

| Criteria | Weight | CG City Center Version 1 | CG City Center Version 2, 3 | TC Gables |
|--|--------|--------------------------|--|--|
| Capability of the Proposer and Development Team | 20% | Strong | Strong | Strong |
| Likelihood of Feasibility in a reasonable timeframe, considering: | 20% | Reasonable | FAR significantly above maximum may pose regulatory/approval challenge | Excessive height on Miracle Mile and encroachment on Andalusia may pose significant regulatory/approval challenges |
| Thoroughness and convincing nature of the market, development/construction, financing, operating, and other elements of proposer’s analyses, assumptions, and strategies | | Reasonable | Reasonable | Reasonable though modifying project to conform with RFP requirements and preferences could impact financial feasibility |
| Financing commitments | | Reasonable | Reasonable | Reasonable |
| Implementation schedule | | Reasonable | Reasonable | Reasonable |
| Conditions and contingencies for realizing the project such as financing, market/pre-leasing, and regulatory/approvals, and how likely these are to be achieved | | Reasonable | Est. 5.24 FAR above 4.375 maximum allowed with TDRs | Non-conforming – height on Miracle Mile (16-stories vs. 7-story maximum) 12’ encroachment on Andalusia (vs. 5’ RFP limit) |

| Criteria | Weight | CG City Center Version 1 | CG City Center Version 2, 3 | TC Gables |
|--|---------------|--|--|--|
| Financial Return to City including consideration of timing and likelihood of receiving revenues: | 15% | Requires very substantial improvement (See Estimated Financial Effect to City – Summary exhibit) Potential cost savings appear to provide significant opportunity to improve financial return and cost-effectiveness of providing public parking | Requires very substantial improvement (See Estimated Financial Effect to City – Summary exhibit) Potential cost savings appear to provide significant opportunity to improve financial return and cost-effectiveness of providing public parking | Requires improvement (See Estimated Financial Effect to City – Summary exhibit) Public parking proposed to be financed by City. Results in stronger financial return than Coral Gables City Center proposals (though still considerably less advantageous than base case). However, an asterisk to financial return to City and cost-effectiveness of public parking as modifying project to conform with RFP requirements and preferences could significantly impact ability to support proposed terms; Optional retail parking contributions of \$1.1 & \$2.5MM |
| Value of proposed lease or sale terms | | See Estimated Financial Effect to City – Summary exhibit | See Estimated Financial Effect to City – Summary exhibit | See Estimated Financial Effect to City – Summary exhibit |
| Value of Public Parking Project to be provided by Developer | | Developer proposes to finance and retain first \$2MM annual revenues + 50% over \$2MM from public parking | Developer proposes to finance and retain first \$2MM annual revenues + 50% over \$2MM from public parking + 50% over current from Garages 2, 6 | Developer proposes City finances and retains net revenues from public parking |
| Real estate taxes (est. annual stabilized \$2016) | | \$460,000 | \$670,000 | \$520,000 (net of current 220 Mir Mile) |
| Any other direct or other clearly identifiable revenues to City | | NA | NA | NA |
| Nature of proposed transaction – long term lease or purchase of Gar 4 site | | Purchase | Purchase | Lease |
| Any other transactional aspects of proposal which the City considers to impact its interests | | Developer to acquire paseos for Gar 1 & 4 | Developer to acquire paseos for Gar 1 & 4, provide 20,000 SF shell City office space, Gar 1 rooftop park/café | Developer provides access to current Gar 1 paseos |

| Criteria | Weight | CG City Center Version 1 | CG City Center Version 2, 3 | TC Gables |
|---|--------|--|--|--|
| Enhancement of the Public Parking Supply in a Cost-Effective Manner | 25% | Requires very substantial improvement (See Estimated Financial Effect to City – Summary exhibit) Potential cost savings appear to provide significant opportunity to improve financial return and cost-effectiveness of providing public parking | Requires very substantial improvement (See Estimated Financial Effect to City – Summary exhibit) Potential cost savings appear to provide significant opportunity to improve financial return and cost-effectiveness of providing public parking. City staff sees little or no value or efficacy in proposal for developer to be involved in managing parking facilities (Garages 2 & 6) outside scope of RFP | Requires improvement (See Estimated Financial Effect to City – Summary exhibit) Public parking proposed to be financed by City. Results in stronger financial return than Coral Gables City Center proposals (though still considerably less advantageous than base case). However, an asterisk to financial return to City and cost-effectiveness of public parking as modifying project to conform with RFP requirements and preferences could significantly impact ability to support proposed terms; Optional retail parking contributions of \$1.1 & \$2.5MM |
| Number of spaces, operational efficiency, aesthetic quality, and amenity of proposed public parking component | | Public space requirement is met and distribution is good | Parking requirements projected by proposer indicate less than 1,000 spaces available for public between 8 AM and 6 PM M – F – only 843 spaces available public weekday peak | 1,023 public parking spaces; 500 at the Garage 1 site and 523 at the Garage 4 site. Distribution is acceptable |
| Timing and surety of replacement of Garage 1 public parking facility | | Proposer expressed a strong desire to construct both sites at same time. Not allowed by RFP and is not advisable; Assuming phased, 722 public spaces in Phase 1 is advantageous | Proposer expressed a strong desire to construct both sites at same time. Not allowed by RFP and is not advisable; Assuming phased, 722 public spaces in Phase 1 is advantageous | |
| Cost effectiveness | | See Estimated Financial Effect to City – Summary exhibit | See Estimated Financial Effect to City – Summary exhibit | See Estimated Financial Effect to City – Summary exhibit |

| Criteria | Weight | CG City Center Version 1 | CG City Center Version 2, 3 | TC Gables |
|--|---------------|---|---|---|
| Contribute to Vitality, Amenity, and Economic Activity of and in CBD including consideration of the proposed project's ability to: | 20% | Reasonable | Strong – Office component adds activity | Strong – Large retail component anchored by two-story retail on Miracle Mile |
| Generate patrons for business and other activity appropriate to a vibrant downtown | | Reasonable – Includes residential units on Garage 4 site | Strong – Includes residential units on Garage 4 site; Office would inject 500+ employees into CBD; Rooftop “park” and café in Garage 1 might add to vitality to extent used by general public | Strong – Includes residential units at 220 Miracle Mile site and Garage 4 site; Large retail component, anchor space at Miracle Mile |
| Activate pedestrian areas | | Strong – Acquisition of paseos budgeted for both garages to be connected to retail arcades | Strong – Acquisition of paseos budgeted for both garages to be connected to retail arcades | Strong – Connection thru 220 Miracle retail to Garage 1; Garage 1 connection to paseo with permanent easement but not specified for Garage 4 |
| Minimize traffic or other negative impacts | | Traffic – Reasonable. Driveway entrances located on Andalusia Right of way encroachment/ impacts on adjacent properties – reasonable | Traffic – Reasonable. Driveway entrances located on Andalusia Right of way encroachment/ impacts on adjacent properties – reasonable | Traffic - Strong. Best location of parking garage entrances to reduce vehicular/ pedestrian conflicts. Right of way encroachment / impacts on adjacent properties – weak. 12' encroachment on Andalusia negative impact on adjacent properties and urban design |
| Have high quality architecture and aesthetic appeal | | Requires further review and refinement; Architectural premium upgrades may not necessarily add value beyond what is required by CG Med standard | Requires further review and refinement; Architectural premium upgrades may not necessarily add value beyond what is required by CG Med standard | Requires further review and refinement; Height above maximum on Miracle Mile inadvisable as it is not compatible with the scale of Miracle Mile |
| Inclusion of green initiatives, beyond what is required and/or that are unique solutions | | Not included in submittal | Not included in submittal | Not included in submittal |

Garage 1 & 4 - Estimated Financial Effect to City of Proposed Coral Gables Center City - Version 1

Developer Finances, Operates Public Parking in Both Garages; Developer Leases of Garage 1 Site and Gets Fee Simple of Garage 4 Site Plus 1st \$2MM of Public Parking Revenues; Splits

| | | operating year (1st phase garage): | | | | | | | | | | | | | |
|--|---|------------------------------------|------------------------------|----------------------|-----------------------|------------------|------------------|----------------|----------------|----------------|----------------|----------------|----------------|------------------|------------------|
| | | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2029 | 2034 | 2050 | | | | |
| | | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 11 | 16 | 32 | | | | |
| Garage 1 | 722 spaces | | | | | | | | | | | | | | |
| Revenues | <i>Parking revenues as per TimHaahs estimates</i> | - | 1,536,103 | 1,539,787 | 1,543,489 | 1,547,210 | 1,550,950 | 1,967,605 | 2,038,183 | 2,490,032 | 3,263,118 | | | | |
| Garage 4 | 280 spaces | | | | | | | | | | | | | | |
| Revenues | <i>Parking revenues as per TimHaahs estimates</i> | - | - | - | 502,530 | 503,612 | 504,700 | 626,525 | 654,436 | 786,498 | 1,023,657 | | | | |
| Combined Garage 1 & 4 Public Parking | | | | | | | | | | | | | | | |
| Revenues | | - | 1,536,103 | 1,539,787 | 2,046,019 | 2,050,822 | 2,055,649 | 2,594,130 | 2,692,619 | 3,276,530 | 4,286,774 | | | | |
| Revenues over | 2,000,000 | <u>Total thru 1st 30 Yrs</u> | <u>Total thru 1st 50 Yrs</u> | <u>Discount Rate</u> | <u>NPV 1st 50 Yrs</u> | - | - | - | 46,019 | 50,822 | 55,649 | 594,130 | 692,619 | 1,276,530 | 2,286,774 |
| City Share of Parking Revenue | 50% | 14,100,000 | 48,400,000 | 12.6% | 1,900,000 | - | - | - | 23,009 | 25,411 | 27,825 | 297,065 | 346,310 | 638,265 | 1,143,387 |
| Less Est. Market Value of TDRs from Other City Properties Granted to Project | | (500,000) | (500,000) | 10.0% | (500,000) | (500,000) | - | - | - | - | - | - | - | - | - |
| Net City Share Parking Revenue less Est. Market Value of Granted TDRs | | 13,600,000 | 47,900,000 | | 1,400,000 | (500,000) | - | - | 23,009 | 25,411 | 27,825 | 297,065 | 346,310 | 638,265 | 1,143,387 |
| City Share RE Taxes | escalation @ 2.0% | | | | | | | | | | | | | | |
| Garage 1 | | 900,000 | 1,900,000 | 6.0% | 500,000 | - | 23,000 | 24,000 | 24,000 | 25,000 | 26,000 | 28,000 | 31,000 | 43,000 | |
| Garage 4 | | <u>17,400,000</u> | <u>37,500,000</u> | 7.2% | <u>7,100,000</u> | - | <u>47,000</u> | <u>243,000</u> | <u>485,000</u> | <u>494,000</u> | <u>504,000</u> | <u>514,000</u> | <u>568,000</u> | <u>627,000</u> | <u>861,000</u> |
| Total | | 18,300,000 | 39,400,000 | | 7,600,000 | - | 70,000 | 267,000 | 509,000 | 519,000 | 529,000 | 540,000 | 596,000 | 658,000 | 904,000 |
| Total City Share of Parking Revenue less Market Value of Granted TDRs Plus RE Taxes | | 31,900,000 | 87,300,000 | | 9,000,000 | (500,000) | 70,000 | 267,000 | 532,009 | 544,411 | 556,825 | 837,065 | 942,310 | 1,296,265 | 2,047,387 |
| Less City system-wide expenses currently allocated to Garage 1 & 4 | | (10,800,000) | (25,500,000) | 6.0% | (5,800,000) | (243,939) | (247,598) | (251,312) | (256,338) | (261,465) | (266,694) | (272,028) | (312,293) | (362,033) | (580,957) |
| Net City Share Parking Revenue less Est. Market Value of Granted TDRs & RE Taxes less Unallocated System Expenses | | 21,100,000 | 61,800,000 | | 3,200,000 | (743,939) | (177,598) | 15,688 | 275,671 | 282,946 | 290,131 | 565,037 | 630,016 | 934,232 | 1,466,430 |

Note: All estimated land and TDR values, potential sale or lease payments and NPVs are preliminary and subject to negotiation and appraisal

Garage 1 & 4 - Estimated Financial Effect to City of Proposed Coral Gables Center City - Version 2, 3

Site and Gets Fee Simple of Garage 4 Site Plus 1st \$2MM of Public Parking Revenues; Splits Revs Above \$2MM 50:50 With City;

Developer Provides Shell Office Space to City (plus roof-top park, cafe)

| | | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2029 | 2034 | 2050 | | | | |
|---|---|-------------------|-------------------|-------------|-------------------|-------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | operating year (1st phase garage): | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 11 | 16 | 32 | | | | |
| Garage 1 | 722 spaces | | | | | | | | | | | | | | |
| Revenues | <i>Parking revenues as per TimHaahs estimates</i> | - | 1,536,103 | 1,539,787 | 1,543,489 | 1,547,210 | 1,550,950 | 1,967,605 | 2,038,183 | 2,490,032 | 3,263,118 | | | | |
| Garage 4 | 280 spaces | | | | | | | | | | | | | | |
| Revenues | <i>Parking revenues as per TimHaahs estimates</i> | - | - | - | 502,530 | 503,612 | 504,700 | 626,525 | 654,436 | 786,498 | 1,023,657 | | | | |
| Combined Garage 1 & 4 Public Parking | | | | | | | | | | | | | | | |
| Revenues | | - | 1,536,103 | 1,539,787 | 2,046,019 | 2,050,822 | 2,055,649 | 2,594,130 | 2,692,619 | 3,276,530 | 4,286,774 | | | | |
| Revenues over | 2,000,000 | Total thru | Total thru | Discount | NPV | | | | | | | | | | |
| City Share of Parking Revenue | 50% | <u>1st 30 Yrs</u> | <u>1st 50 Yrs</u> | <u>Rate</u> | <u>1st 50 Yrs</u> | - | - | - | - | - | - | | | | |
| | | 14,100,000 | 48,400,000 | 12.6% | 1,900,000 | - | - | - | - | - | - | | | | |
| Value of City Shell Office @ proposer cost estimate | | 5,100,000 | 5,100,000 | 5.0% | 4,400,000 | - | - | - | - | - | - | | | | |
| Less Est. Market Value of TDRs from Other City Properties Granted to Project | | (6,200,000) | (6,200,000) | 10.0% | (5,600,000) | (6,200,000) | - | - | - | - | - | | | | |
| Net City Share Parking Revenue & Office Shell Value & Est. Market Value of Granted TDRs | | 13,000,000 | 47,300,000 | | 700,000 | (6,200,000) | - | 5,100,000 | 23,009 | 25,411 | 27,825 | 297,065 | 346,310 | 638,265 | 1,143,387 |
| City Share RE Taxes | escalation @ 2.0% | | | | | | | | | | | | | | |
| Garage 1 | | 7,300,000 | 15,600,000 | 6.0% | 3,700,000 | - | 98,000 | 195,000 | 199,000 | 203,000 | 207,000 | 211,000 | 233,000 | 257,000 | 353,000 |
| Garage 4 | | 19,400,000 | 41,900,000 | 7.2% | 7,900,000 | - | 47,000 | 271,000 | 541,000 | 552,000 | 563,000 | 574,000 | 634,000 | 700,000 | 961,000 |
| Total | | 26,700,000 | 57,500,000 | | 11,600,000 | - | 145,000 | 466,000 | 740,000 | 755,000 | 770,000 | 785,000 | 867,000 | 957,000 | 1,314,000 |
| Total City Share Parking Revenue & Office Shell Value less Est. Market Value of Granted TDRs & RE Taxes | | 39,700,000 | 104,800,000 | | 12,300,000 | (6,200,000) | 145,000 | 5,566,000 | 763,009 | 780,411 | 797,825 | 1,082,065 | 1,213,310 | 1,595,265 | 2,457,387 |
| Less City system-wide expenses currently allocated to Garage 1 & 4 | | (10,800,000) | (25,500,000) | 6.0% | (5,800,000) | (243,939) | (247,598) | (251,312) | (256,338) | (261,465) | (266,694) | (272,028) | (312,293) | (362,033) | (580,957) |
| Net City Share Parking Revenue & Office Shell Value less Est. Market Value of Granted TDRs & RE Taxes less Unallocated System Expenses | | 28,900,000 | 79,300,000 | | 6,500,000 | (6,443,939) | (102,598) | 5,314,688 | 506,671 | 518,946 | 531,131 | 810,037 | 901,016 | 1,233,232 | 1,876,430 |

Note: All estimated land and TDR values, potential sale or lease payments and NPVs are preliminary and subject to negotiation and appraisal

Garage 1 & 4 - Estimated Financial Effect to City of Proposed TC Gables

City Finances, "Collects Net Revenue" from Public Parking in Both Garages; Developer Builds and Oversees Private Operator Managing

| | | | | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2029 | 2034 | 2050 | | |
|--|--------------|----------------------------------|--|----------|--------------------|----------------|------------------|----------------|------------------|------------------|------------------|----------------|----------------|------------------|------------------|
| | | | | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 11 | 16 | 32 | | |
| Garage 1 | 500 spaces | | operating year (1st phase garage): | | | | | | | | | | | | |
| Revenues | | | | - | 1,063,783 | 1,066,334 | 1,068,898 | 1,071,475 | 1,074,065 | 1,362,607 | 1,411,484 | 1,724,399 | 2,259,777 | | |
| Expenses & Reserves | | | based on proposer's est. per space cost for public/private garage (pro rata) | - | (214,350) | (220,781) | (227,404) | (234,226) | (241,253) | (248,491) | (288,069) | (333,951) | (535,893) | | |
| NOI | | | | - | 849,433 | 845,554 | 841,494 | 837,249 | 832,812 | 1,114,116 | 1,123,415 | 1,390,448 | 1,723,884 | | |
| Development Cost | | Constr Yr 0 \$ | | | | | | | | | | | | | |
| Parking | | 17,721,600 | proposer estimate | | | | | | | | | | | | |
| Paseo, Alley | | - | included in proposer cost | | | | | | | | | | | | |
| TDC Including Financing Costs | | 19,440,000 | includes Cap I (constr & 1st yr) & other COI | | | | | | | | | | | | |
| Debt Service (average) | | | | - | - | (1,182,591) | (1,182,591) | (1,182,591) | (1,182,591) | (1,182,591) | (1,182,591) | (1,182,591) | (1,182,591) | | |
| Net Cash Flow After Debt Service | | | | - | 849,433 | (337,037) | (341,097) | (345,342) | (349,779) | (68,474) | (59,176) | 207,857 | 1,723,884 | | |
| Land Lease Revenues | | escalates every 10th year by 10% | | 200,004 | 205,000 | 205,000 | 205,000 | 205,000 | 205,000 | 205,000 | 225,500 | 225,500 | 272,855 | | |
| Total Parking Net Cflow After DS & Lease Revenues | | | | 200,004 | 1,054,433 | (132,037) | (136,097) | (140,342) | (144,779) | 136,526 | 166,324 | 433,357 | 1,996,739 | | |
| Garage 4 | 523 spaces | | | | | | | | | | | | | | |
| Revenues | | | | - | - | - | 938,654 | 940,675 | 942,707 | 1,170,259 | 1,222,393 | 1,469,066 | 1,912,044 | | |
| Expenses & Reserves | | | based on proposer's est. per space cost for public/private garage (pro rata) | - | - | - | (229,422) | (236,305) | (243,394) | (250,696) | (290,626) | (336,915) | (540,649) | | |
| NOI | | | | - | - | - | 709,231 | 704,370 | 699,313 | 919,563 | 931,768 | 1,132,151 | 1,371,395 | | |
| Development Cost | | Constr Yr 1 \$ | | | | | | | | | | | | | |
| Parking | | 17,638,175 | proposer estimate | | | | | | | | | | | | |
| Paseo, Alley | | 2,000,000 | not included in proposer cost | | | | | | | | | | | | |
| TDC Including Financing Costs | | 21,540,000 | includes Cap I (2 yrs constr) & other COI | | | | | | | | | | | | |
| Debt Service (average) | | | | - | - | - | (1,310,340) | (1,310,340) | (1,310,340) | (1,310,340) | (1,310,340) | (1,310,340) | (1,310,340) | | |
| Net Cash Flow after Debt Service | | | | - | - | - | (601,109) | (605,970) | (611,027) | (390,777) | (378,572) | (178,189) | 1,371,395 | | |
| Land Lease Revenues | | escalates every 10th year by 10% | | - | 200,004 | 200,004 | 370,000 | 370,000 | 370,000 | 370,000 | 370,000 | 407,000 | 447,700 | | |
| Total Parking Net Cflow After DS & Lease Revenues | | | | - | 200,004 | 200,004 | (231,109) | (235,970) | (241,027) | (20,777) | (8,572) | 228,811 | 1,819,095 | | |
| Combined Garage 1 & 4 | 1,023 spaces | | | | | | | | | | | | | | |
| Revenues | | | | - | 1,063,783 | 1,066,334 | 2,007,552 | 2,012,150 | 2,016,772 | 2,532,866 | 2,633,877 | 3,193,465 | 4,171,821 | | |
| Expenses & Reserves | | | | - | (214,350) | (220,781) | (456,827) | (470,532) | (484,647) | (499,187) | (578,694) | (670,865) | (1,076,542) | | |
| NOI | | | | - | 849,433 | 845,554 | 1,550,725 | 1,541,619 | 1,532,124 | 2,033,680 | 2,055,183 | 2,522,599 | 3,095,279 | | |
| Debt Service | | | | - | - | (1,182,591) | (2,492,931) | (2,492,931) | (2,492,931) | (2,492,931) | (2,492,931) | (2,492,931) | - | | |
| | | Total thru | Total thru | | | | | | | | | | | | |
| | | 1st 30 Yrs | 1st 50 Yrs | Discount | NPV | | | | | | | | | | |
| | | | | Rate | 1st 50 Yrs | | | | | | | | | | |
| Net Cash Flow After Debt Service from City Parking | | | | | | | | | | | | | | | |
| Garage 1 | | 2,600,000 | 46,200,000 | 10.5% | 700,000 | - | 849,433 | (337,037) | (341,097) | (345,342) | (349,779) | (68,474) | (59,176) | 207,857 | 1,723,884 |
| Garage 4 | | (7,700,000) | 25,800,000 | 12.6% | (2,000,000) | - | - | (601,109) | (605,970) | (611,027) | (390,777) | (378,572) | (178,189) | 1,371,395 | |
| Total | | (5,100,000) | 72,000,000 | | (1,300,000) | - | 849,433 | (337,037) | (942,205) | (951,312) | (960,807) | (459,251) | (437,748) | 29,669 | 3,095,279 |
| Land Lease Revenues | | | | | | | | | | | | | | | |
| Garage 1 | | 6,700,000 | 12,400,000 | 5.0% | 4,200,000 | 200,004 | 205,000 | 205,000 | 205,000 | 205,000 | 205,000 | 225,500 | 225,500 | 272,855 | |
| Garage 4 | | 11,300,000 | 21,400,000 | 6.0% | 5,700,000 | - | 200,004 | 370,000 | 370,000 | 370,000 | 370,000 | 407,000 | 447,700 | | |
| Total | | 18,000,000 | 33,800,000 | | 9,900,000 | 200,004 | 405,004 | 575,000 | 575,000 | 575,000 | 575,000 | 595,500 | 632,500 | 720,555 | |
| Net Cash Flow & Land Lease Revenue | | 12,900,000 | 105,800,000 | | 8,600,000 | 200,004 | 1,254,437 | 67,967 | (367,205) | (376,312) | (385,807) | 115,749 | 157,752 | 662,169 | 3,815,834 |
| City Share RE Taxes | | escalation @ 2.0% | | | | | | | | | | | | | |
| Garage 1 | | 11,530,000 | 24,360,000 | 6.0% | 5,960,000 | 152,000 | 155,000 | 303,000 | 309,000 | 315,000 | 322,000 | 328,000 | 362,000 | 400,000 | 549,000 |
| Garage 4 | | 9,750,000 | 20,970,000 | 7.2% | 3,970,000 | - | 47,000 | 138,000 | 270,000 | 276,000 | 281,000 | 287,000 | 317,000 | 350,000 | 480,000 |
| Total | | 21,280,000 | 45,330,000 | | 9,930,000 | 152,000 | 202,000 | 441,000 | 579,000 | 591,000 | 603,000 | 615,000 | 679,000 | 750,000 | 1,029,000 |
| Total Net Cash Flow & Land Lease Revenue & RE Taxes | | 34,180,000 | 151,130,000 | | 18,530,000 | 352,004 | 1,456,437 | 508,967 | 211,795 | 214,688 | 217,193 | 730,749 | 836,752 | 1,412,169 | 4,844,834 |
| Less City system-wide expenses currently allocated to Garage 1 & 4 | | (10,700,000) | (25,400,000) | 6.0% | (5,700,000) | (108,162) | (247,598) | (251,312) | (256,338) | (261,465) | (266,694) | (272,028) | (312,293) | (362,033) | (580,957) |
| Total Net Cash Flow & Land Lease Revenues & RE Taxes less Unallocated System Expenses | | 23,480,000 | 125,730,000 | | 12,830,000 | 243,842 | 1,208,839 | 257,655 | (44,543) | (46,777) | (49,501) | 458,721 | 524,459 | 1,050,135 | 4,263,876 |

Note: All estimated land and TDR values, potential sale or lease payments and NPVs are preliminary and subject to negotiation and appraisal

Garage 1 & 4 - Estimated Financial Effect to City of Base Case City Build

City Finances, Operates Garage 1; Garage 4 Public Parking Privately
Financed, Operated with Sale or Lease of Garage 4 Land & Unused

| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2029 | 2034 | 2050 | | | | |
|---|-------------------|--------------------|------------------|-------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| operating year (1st phase garage): | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 11 | 16 | 32 | | | | |
| Garage 1 Parking 750 spaces | | | | | | | | | | | | | | |
| Revenues | | 1,595,675 | 1,599,501 | 1,603,347 | 1,607,213 | 1,611,097 | 2,043,911 | 2,117,226 | 2,586,598 | 3,389,665 | | | | |
| Expenses & Reserves (Not including allocation of system-wide expenses) | | <u>(327,695)</u> | <u>(332,610)</u> | <u>(339,262)</u> | <u>(346,048)</u> | <u>(352,969)</u> | <u>(360,028)</u> | <u>(413,319)</u> | <u>(479,150)</u> | <u>(768,895)</u> | | | | |
| NOI (Not including allocation of system-wide expenses) | | 1,267,980 | 1,266,891 | 1,264,085 | 1,261,165 | 1,258,129 | 1,683,883 | 1,703,907 | 2,107,449 | 2,620,770 | | | | |
| Commercial NOI | | <u>510,000</u> | <u>520,200</u> | <u>530,604</u> | <u>541,216</u> | <u>552,040</u> | <u>563,081</u> | <u>621,687</u> | <u>686,393</u> | <u>960,837</u> | | | | |
| Total NOI (Not including allocation of system-wide expenses) | | <u>1,777,980</u> | <u>1,787,091</u> | <u>1,794,689</u> | <u>1,802,381</u> | <u>1,810,169</u> | <u>2,246,964</u> | <u>2,325,594</u> | <u>2,793,842</u> | <u>3,581,607</u> | | | | |
| Development Cost | | | | | | | | | | | | | | |
| Hard & Soft Bef Financing Costs Constr Yr 0 \$ | | | | | | | | | | | | | | |
| Parking | | 23,483,250 | | | | | | | | | | | | |
| Commercial | | 4,250,000 | | | | | | | | | | | | |
| Demo | | 600,000 | | | | | | | | | | | | |
| Paseo, Alley | | <u>2,000,000</u> | | | | | | | | | | | | |
| Total | | 30,333,250 | | | | | | | | | | | | |
| Cap I (constr & 1st yr) & other COI | | <u>2,940,295</u> | | | | | | | | | | | | |
| TDC Including Financing Costs | | 33,273,545 | | | | | | | | | | | | |
| Debt Service | | - | (2,022,750) | (2,022,000) | (2,025,000) | (2,026,500) | (2,026,500) | (2,023,000) | (2,021,750) | | | | | |
| | Total thru | Total thru | Discount | NPV | | | | | | | | | | |
| | 1st 30 Yrs | 1st 50 Yrs | Rate | 1st 50 Yrs | | | | | | | | | | |
| Garage 1 Net Cash Flow After Debt Service | 17,200,000 | 107,900,000 | 10.5% | 4,700,000 | - | 1,777,980 | (235,659) | (227,311) | (222,619) | (216,331) | 220,464 | 302,594 | 772,092 | 3,581,607 |
| Lease of Garage 4 Land + Garage 1 TDRs | 29,100,000 | 63,100,000 | 6.0% | 14,400,000 | - | - | - | 822,000 | 838,440 | 855,209 | 872,313 | 963,104 | 1,063,345 | 1,459,744 |
| 13,700,000 x 6.00% | | | | | | | | | | | | | | |
| with annual escalation rate @ 2.0% | | | | | | | | | | | | | | |
| Total Gar 1 Net Cash Flow & Land/TDR Lease | 46,200,000 | 171,000,000 | | 19,100,000 | - | 1,777,980 | (235,659) | 594,689 | 615,821 | 638,878 | 1,092,777 | 1,265,698 | 1,835,436 | 5,041,351 |
| City Share RE Taxes escalation @ 2.0% | | | | | | | | | | | | | | |
| Garage 1 | 900,000 | 1,900,000 | 6.0% | 500,000 | - | 23,000 | 24,000 | 24,000 | 25,000 | 25,000 | 26,000 | 28,000 | 31,000 | 43,000 |
| Garage 4 | <u>17,400,000</u> | <u>37,500,000</u> | <u>7.2%</u> | <u>7,100,000</u> | - | <u>47,000</u> | <u>243,000</u> | <u>485,000</u> | <u>494,000</u> | <u>504,000</u> | <u>514,000</u> | <u>568,000</u> | <u>627,000</u> | <u>861,000</u> |
| Total | 18,300,000 | 39,400,000 | | 7,600,000 | - | 70,000 | 267,000 | 509,000 | 519,000 | 529,000 | 540,000 | 596,000 | 658,000 | 904,000 |
| (RE Taxes assume same private development program as Coral Gables City Center Version 1) | | | | | | | | | | | | | | |
| Total Garage 1 Net Cash Flow & Land/TDR Lease Revenue | 64,500,000 | 210,500,000 | | 26,700,000 | - | 1,847,980 | 31,341 | 1,103,689 | 1,134,821 | 1,167,878 | 1,632,777 | 1,861,698 | 2,493,436 | 5,945,351 |
| Less City system-wide expenses currently allocated to Garage 1 & 4 | (10,700,000) | (25,400,000) | 6.0% | (5,700,000) | (108,162) | (247,598) | (251,312) | (256,338) | (261,465) | (266,694) | (272,028) | (312,293) | (362,033) | (580,957) |
| Total Gar 1 Net Cash Flow & Land/TDR Lease & RE Taxes Less Unallocated System Expenses | 53,800,000 | 185,100,000 | | 21,000,000 | (108,162) | 1,600,382 | (219,970) | 847,351 | 873,356 | 901,184 | 1,360,749 | 1,549,405 | 2,131,403 | 5,364,394 |

Note: All estimated land and TDR values, potential sale or lease payments and NPVs are preliminary and subject to negotiation and appraisal

Financial Effect to City of Proposals, Base Case

Technical Notes

In the interest of simplicity, construction periods are estimated in whole years; Years refer to years of operation of 1st phase/Garage 1

Garage 1 public parking project is estimated to take 1 year (including Coral Gables City Center Version 2,3 in which it assumed to be completed prior to the office tower)

Garage 4 Public Parking project is estimated to start upon completion of Garage 1 public parking project and to take 2 years to complete

NPVs as of start of 2018; discount rates assume phase 1 project guaranteed to start construction; Discount rates for phase 2 projects increased by a factor of 20% over what they would be for comparable risk if in phase 1

Hard and soft cost estimates for Base Case based on TimHaas estimation (including 5% escalation) applied pro rata for Garage 1 construction starting in year 0 (2018); Garage 4 costs escalated by 3% for 1 year

Public parking revenues based on TimHaas estimates for all scenarios (with prorating, as necessary)

TimHaas estimates for first 30 years - assume conservative 3% annual operating cost inflation; for following years, revenues and expenses estimated to increase at 2% annually

Base Case Development Cost - Hard & Soft Costs

| | | | |
|--|-----------|-----------------------|---|
| Parking | 31,311 | per space | prior to financing costs; based on TimHaas estimate with long span construction, 110' width, development/program manager on fee basis |
| Ground Floor Commercial | 250 | per SF | prior to financing costs; based on TimHaas estimate of \$100/SF shell plus 20% soft and 5% escalation plus additional for tenant improvements |
| Paseo, Alley Improvement costs estimated at | 2,000,000 | per site | |
| Demo of existing garages estimated at | | | say |
| Garage 1 | 5.00 /sf | 104,160 SF = | 520,800 600,000 |
| Garage 4 | 5.00 /sf | 130,000 SF (approx) = | 650,000 700,000 |
| Parking TC Gables | 35,511 | per space | |
| based on Base Case Cost + short span premium @ | 3,500 x | 120% | Consistent with TC Gables estimate of \$33,500 - \$36,000 per space |
| Estimates for proposals do not account for City fee for removal of on-street spaces | | | |
| Base Case assumes Garage 1 without street-fronting encroachment; All other scenarios assume 5 foot front cantilever/arcade; If this requires removal of on-street parking, would need to be waived or negotiated | | | |
| Fee per space @ | 48,000 x | 30 spaces | = 1,440,000 for the two sites |

TC Gables Development Cost

Based on Proposer's cost as per memo dated 6/27/16 page 4 @

| | | |
|----------|--------|-----------|
| Garage 1 | 35,443 | per space |
| Garage 4 | 33,725 | per space |

In line with TimHaas estimate with short span construction premium

Financing costs and debt service based on interest rate, ratios in PFM bond analyses applied pro rata to hard & soft costs for above scenarios in which City responsible for financing

Public Financing Cost

Base Case bond financing costs and debt service as per PFM 11/18/16 analysis anticipating 2018 construction

| | |
|---|------------|
| Project Fund (hard & soft before financ | 30,333,250 |
| Total Financing | 33,273,545 |
| True Interest Cost | 4.22% |

Financing costs and debt service based on interest rate, ratios in PFM bond analyses applied pro rata to hard & soft costs for above scenarios in which City responsible for financing

Coral Gables City Center Proposal FAR Calculation

| | Version 1 | Version 2,3 |
|--|---------------|---------------|
| Garage 1 & 4 site areas | 89,941 | 89,941 |
| Paseo Properties site areas | <u>12,000</u> | <u>12,000</u> |
| Total Site Area for FAR calc | 101,941 | 101,941 |
| Building SF in proposal | 393,492 | 569,094 |
| Adjusted Garage 1 & 4 Project Building SF* | 364,937 | 527,796 |
| Paseo Properties SF | <u>6,000</u> | <u>6,000</u> |
| Total Building FAR SF | 370,937 | 533,796 |
| PRELIMINARY ESTIMATED Indicated FAR | 3.64 | 5.24 |
| Building FAR SF within as-of-right FAR @ | 3.5 | 356,794 |
| TDR SF Required (rounded) | 14,000 | 177,000 |
| Potential Sale Price of Required TDRs (rounded) @ pricing/TDR SF = | \$35 | 500,000 |
| | | 6,200,000 |

* Adjusted Garage 1 & 4 Project Building SF for Version 2,3 from Allen Morris Oct 13 letter plus includes City Office SF
Adjusted Garage 1 & 4 Project Building SF for Version 1 based on same % of gross building area for FAR calculation as in Version 2,3 = 92.7%

Preliminary Potential Sale Revenues for Garage 4 Land & Garage 1 Unused Development Rights

| Value Gar 4 Land | | <u>\$/Land SF</u> | <u>\$/Bldg SF</u> |
|---------------------------|-------------------|-------------------|-------------------|
| Appraised Value May, 2014 | 15,100,000 | 275 | 78 |

Preliminary Est. Sale Revenues from Unused Dev Rights from Garage 1

| | | | |
|---------------------------|------------------|---------|---|
| Garage 1 Land SF | | 34,941 | |
| Buildable SF @ FAR = | 3.5 | 122,294 | |
| Less Commercial SF | | 17,000 | CGCC Garage 1 FAR SF; assumed for Base Case |
| FAR SF Unused in Garage 1 | | 105,294 | |
| Prelim Est. Sale of TDRs | 3,685,273 | | @ price/SF= \$35.00 |

Preliminary Est. Sale Revenues from Garage 4 Land & Unused Garage 1 Dev Rights

| | | | |
|--|--------------------|--|--------------------------|
| Total TDRs + Gar 4 2014 apprais value | 18,785,273 | | |
| less Est. Demo Cost | (700,000) | | |
| less Allowance for Paseo, Alley Imprmt | (2,000,000) | | |
| Net | 16,085,273 | | |
| Negative Value of Req'd Pub Parking | (2,359,575) | | based on 6% required ROI |
| Net | 13,725,697 | | |
| Rounded | 13,700,000 | | |

Base Case Garage 4 - Preliminary Analysis of Credit for Parking Requirement if Developer builds and owns public parking

| # Spaces | <u>\$/space</u> | <u>250</u> | spaces | |
|---|--------------------|---------------------|-----------|---|
| Garage 4 Public Parking Hard & Soft bef Financing | 35,091 | 8,772,750 | | TimHaahs estimate of hard (assuming short span construction @ 115' width) & soft costs @ 20% & escalation @ 5% |
| Financing Costs | <u>1,755</u> | 5% | | |
| TDC Including Financing Costs | 36,846 | 9,211,388 | | |
| Revenues | 1,791 | 447,726 | | TimHaahs estimate |
| Expenses & Reserves based on marginal expenses | <u>(146)</u> | <u>(36,617)</u> | | TimHaahs estimate assume Garage 1 expenses per space excluding payroll & benefits and insurance allocations, assumes no on-site cashier |
| Garage 4 NOI | 1,644 | 411,109 | | |
| Value of NOI to developer if cap rate= | 6.00% [▼] | 27,407 [▼] | 6,851,812 | higher cap if no assurance re. rate/revenue growth; developer assessment of risk/appropriate return/cap rate variable |
| Net Value (Negative Value) to Developer | (9,438) | (2,359,575) | | indicates credit required for public parking |

Unallocated City system-wide parking expenses = amount of system-wide expenses currently allocated to Garages 1 & 4 which are not accounted for in operating cashflows of City-owned parking in TC Gables and Base Case

Operating expenses for TC Gables set at VPNE estimated expenses per space in proposal

| | | | | | | |
|----------|---------|--------|-----|-----------------------|-----|-----------|
| Garage 1 | 408,123 | div by | 952 | total garage spaces = | 429 | per space |
| Garage 4 | 404,889 | div by | 923 | total garage spaces = | 439 | per space |

Real Estate Taxes

Assessed Value

| | | |
|-------------------------|-----|---------|
| Retail | 350 | /Net SF |
| Office | 250 | /Net SF |
| Residential-Large Units | 250 | /Net SF |

Taxes due by April 1 of following year but anticipated to be paid in assessment year as that results in discount

Payment by November 30 of year results in discount on tax bill of 4.0%

Millage (fiscal 2016)

| | |
|--|----------|
| Total RE Tax | \$19.459 |
| Net City Share (less early payment discount) | \$18.681 |
| City share of RE Taxes | \$5.559 |
| Net City Share (less early payment discount) | \$5.337 |

Construction Period RE Taxes

AV 1st year of construction based on land value as per assessor for both garages except in CGCC Version 1 and Base Case Garage 1 initial AV set at zero

| | |
|----------|-----------|
| Garage 1 | 5,380,914 |
| Garage 4 | 8,800,000 |

For Phase 2 Garage 4 development, 2nd year construction estimated at completed AV x 50%

RE taxes are net of current taxes on 220 Miracle Mile property for TC Gables and paseo properties for Coral Gables City Center

ASSUMPTIONS AND LIMITING CONDITIONS

- Information provided by others for use in this analysis is believed to be reliable, but in no sense is guaranteed. All information concerning physical, market or cost data is from sources deemed reliable. No warranty or representation is made regarding the accuracy thereof, and is subject to errors, omissions, changes in price, rental, or other conditions.
- The Consultant assumes no responsibility for legal matters nor for any hidden or unapparent conditions of the property, subsoils, structure or other matters which would materially affect the marketability, developability or value property.
- The analysis assumes a continuation of current economic and real estate market conditions, without any substantial improvement or degradation of such economic or market conditions except as otherwise noted in the report.
- Any forecasts of the effective demand for space are based upon the best available data concerning the market, but are projected under conditions of uncertainty.
- Since any projected mathematical models are based on estimates and assumptions, which are inherently subject to uncertainty and variation depending upon evolving events, The Consultant does not represent them as results that will actually be achieved.
- The report and analyses contained therein should not be regarded as constituting an appraisal or estimate of market value. Any values discussed in this analysis are provided for illustrative purposes.
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