

# Memorandum



**Date:** January 25, 2007

**To:** Honorable Chairman Bruno A. Barreiro and  
Members Board of County Commissioners

**From:** George M. Burgess  
County Manager 

**Subject:** Permanent Parking for the Carnival Center for the Performing Arts

Not on  
Agenda Item No. 14(B)1

The following is a report on the County's progress in negotiating a permanent parking solution for the Carnival Center for the Performing Arts ("CCPA"). Staff has spent the last two months:

- Continuing negotiations with Paul Murphy and Arva Jahn ("Murphy/Jahn") for the development of a 199 car garage on the site previously occupied by the construction trailers and owned by the County, and an additional 500 spaces on a lot owned by FDOT but under long term purchase option with Murphy/Jahn directly west of the County's land.
- Continuing the negotiations with Maefield Development ("Maefield") for the property east of the Boulevard Shops and north of the Knight Concert Hall, a two acre tract that can accommodate a 1,600 car garage.
- Continuing discussions and initiation of conceptual planning for two parking garages that would establish joint parking for the Miami-Dade School Board ("MDSB) and the CCPA and a "mall/plaza" suggested by the MDSB staff.
- Continuing discussions to purchase the Boymelgreen properties, located west of the Ziff Ballet/Opera House.
- Initiating discussions for the long term lease and/or redevelopment of the Omni garage along with a covered passageway from the garage to the CCPA.

## **BACKGROUND:**

County staff has been working to formulate a recommendation regarding the development of permanent garage facilities for the CCPA. After numerous discussions with the various public and private land owners in the area whose sites qualify from the aspect of both proximity to the CCPA and are of adequate size to be able to accommodate CCPA's needs, staff has considered the numerous variables of the five opportunities listed above. The results of this analysis clearly point to the following:

- The Murphy/Jahn proposal is an important option as it provides the CCPA with 699 spaces and yields a net capital surplus to the County after all construction of approximately \$6 million. The surplus is due to the sale of land on the west side of the County owned parcel for the construction of a residential tower.
- The Maefield proposal, while the most expensive alternative, is also the one which we can proceed with immediately and which can accommodate an adequate number of spaces to solve the immediate needs of the CCPA.
- The Miami-Dade School Board proposal is the most conceptual of the transactions, however, it is worth continuing this effort as the transaction may be the least expensive.
- Shaya Boymelgreen's agreement with the MDSB has been cancelled by the MDSB. Staff has determined that the possibility of the County purchasing all of Mr. Boymelgreen's holdings to the west of the Ziff Ballet/Opera House still exists on which the County could either build a parking garage for its own account or in conjunction with the MDSB. The balance of the properties would be available for a use to be determined ranging from affordable housing to sale.

- The Omni Parking Garage continues to be a shorter term alternative due to the owner not yet finalizing its plans for the whole complex.

The following is a brief description of each of the options (map attached) considered by staff:

- A. **Murphy/Jahn:** Staff believes this is an achievable transaction based on the following determining factors: The ability to have two separate garages in direct proximity to the entrances to the halls, one acting as the primary garage of approximately 1,500 spaces (Maefield) and another (Murphy/Jahn) providing approximately 500 - 700 spaces. The projected results from the Murphy/Jahn transaction include a capital surplus of approximately \$6 million which could be invested in the larger garage.

There are two groups of properties involved with the Murphy/Jahn transaction. The first group is made up of three parcels owned by Miami-Dade County totaling 59,386 square feet located directly south of the Ziff Ballet/Opera House. The second is a group of properties owned by the Florida Department of Transport ("FDOT"), on which Murphy/Jahn has a ten years purchase option, comprising approximately 54,401 square feet directly west of the County's land. The final determination of the northern boundary to FDOT's right of way for the expansion of I - 395, expected by May 2007, will be the determining factor in the size of Murphy/Jahn's development.

Murphy/Jahn has proposed to build, at its own cost, a two story, 199 space "VIP" garage for the exclusive use of the CCPA on the County's land with a public park on the roof. Immediately to the west of the garage/park will be a residential tower to be built on approximately 1/3 of the site starting at the eastern edge of NE 2<sup>nd</sup> Avenue and working east.

In addition, the proposal calls for the construction of a 1,000 space garage on the west side of NE 2<sup>nd</sup> Avenue, 500 spaces of which would be built for CCPA use. Depending on the zoning approvals for this site, Murphy/Jahn is proposing to build a 100 suite, boutique hotel on top of the garage. Enclosed, raised walkways will allow concert goers to move in an air conditioned, safe environment from their parked cars to the Ziff Ballet/Opera House.

Lastly, Murphy/Jahn would pay approximately \$20M to the County for the land for the proposed residential tower (based on 400,000 net saleable square feet X \$50 per square foot) from which the construction of the 500 CCPA garage spaces would be deducted (500 spaces X a maximum of \$25,000 per space = \$12.5M) leaving a balance owing the County of \$7.5M. Assuming that the County's share of the bridge cost is \$1.5 million, the remaining capital surplus would be \$6 million. Please note that the \$25,000 per space cost is an estimate and staff will do everything possible in negotiations to lower this amount.

- B. **Maefield:** The Maefield project is proposed on a slightly smaller than two acre tract of land (currently under option to Maefield and commonly known as a portion of the Miami Herald parking lots) directly north of the Knight Concert Hall. The plan calls for the construction of a 1,500 car garage for the use of the CCPA with an additional 100 spaces for the Boulevard Shops, a small, historic, retail building which will remain on the site. This garage site is clear and immediately available. Maefield represents that the parking garage would be available for use within a year of closing.

The key limiting factor for the Maefield proposal is the cost of \$144M to acquire the project including land and garage. This price is based on a combination of the high price Maefield must pay for the land, the entitlements they have received from the City of Miami through the MUSP process to build two 65 story towers on the site (approximately 850,000 sq. ft.) and the high cost of construction. Please note that by building the CCPA garage, Maefield will be giving up their right to build any of the 850,000 sq. ft. of building they have been permitted to build unless there is a transfer of development rights.

After analyzing the results of the manner in which Maefield proposed to finance this project, staff determined that the County would be in a better position in the long run by financing the land purchase and construction with a County revenue bond. Repayment for the bond would be a combination of revenues including parking fees and other non ad-valorem sources.

As would be required with all parcels, and as pointed out by the County Attorney's Office, the County requires two property appraisals confirming the \$104M land value and a construction plan analysis supporting the cost of the garage at \$40M. An additional legal question under review is the County's ability to allow for the payment to Maefield of the entire cost in advance, even if the payment is from the proceeds of a bond sale.

- C. **Miami-Dade Transit:** Directly north of the Maefield site is an approximately 50,000 square foot parcel owned by the County (Miami-Dade Transit) and presently being used as a bus terminal adjacent to the Omni Metromover Station. If we proceed with the Maefield transaction, we would propose to sell this site to Maefield for the same per square foot price being asked for Mayfield's land (\$1,210 per sq. ft.). Appraisals have been ordered for this site and others under consideration.

Staff believes that this site is too narrow to be considered for a parking garage on its own. However, in combination with the Maefield proposal, i.e. Maefield purchases this site for future development of a portion of the rights he received under the MUSP, this transaction may play an important role by providing an offsetting payment of \$60M. It should be noted that the bus terminal would have to be replaced. Land can be purchased near to the School Board Metromover station for an estimated \$8M with an anticipated additional \$4M terminal replacement cost resulting in a net capital surplus of \$48M.

- D. **Miami-Dade School Board/Boymelgreen:** Staff has also met with Shaya Boymelgreen and separately with the Miami-Dade School Board staff to review their willingness to negotiate with the County on land they each own directly west of the Ziff Ballet/Opera House. Although there was an agreement by both parties to work together in the past, there appears to be no desire by the MDSB to continue to complete this transaction. In fact, the MDSB has cancelled the transaction with Mr. Boymelgreen. In a follow up conversation, Mr. Boymelgreen's representative stated that they would be willing to sell their entire holdings immediately west of the Ziff Ballet/Opera House (approximately 114,075 square feet) for \$525 per square foot (\$60 million total). It should be noted that the cost per square foot requested by Mr. Boymelgreen is significantly more than their acquisition price paid in 2004 and 2005.

A meeting with the MDSB staff led to a serious discussion of how the County and MDSB could jointly develop land and parking facilities already owned by the MDSB. By

possibly combining the MDSB, 511 car parking lot on 1.7 acres of land at the north-east quadrant of NE 1<sup>st</sup> Ct. and NE 15<sup>th</sup> Street with the 1.6 acre lot (not built) at the north-west quadrant of the same intersection, at least 1,000 cars could be accommodated, but very possibly more depending on the zoning and garage design. Also discussed was a "mall/plaza" type passageway south on NE 1<sup>st</sup> Ct. to the 1.1 acre lot owned by the MDSB which could be designed as a collection point/plaza directly across the street from the Ziff Ballet/Opera House from which patrons would cross in some type of enclosed environment from the plaza to the Ballet/Opera House and then to the Knight Concert Hall, assuming the walkway over Biscayne Boulevard was also enclosed. Although no specific details were discussed at this first exploratory meeting, the County was urged by the MDSB staff to explore the possibility of such a development. The obvious advantage to this type of joint development would be a shared parking facility which the MDSB could use during the day and the CCPA at night resulting in a minimal cost to the County for the land.

**E. Omni Parking Garage:**

The last option being reviewed by staff is the long term lease of a portion of the Omni garage. Recently, the owner of the Omni completed a clean-up of the garage and improved operational procedures for the opening of the CCPA and reworked the entrances/exits to provide for a better flow of traffic at peak performance times. The garage worked extremely well for the opening of the CCPA and may, although its future is somewhat in doubt depending on the development plans of the owners, provide an attractive economic alternative for the County. In addition, staff is investigating the practicality and cost of an enclosed conveying system from the Omni to the CCPA.

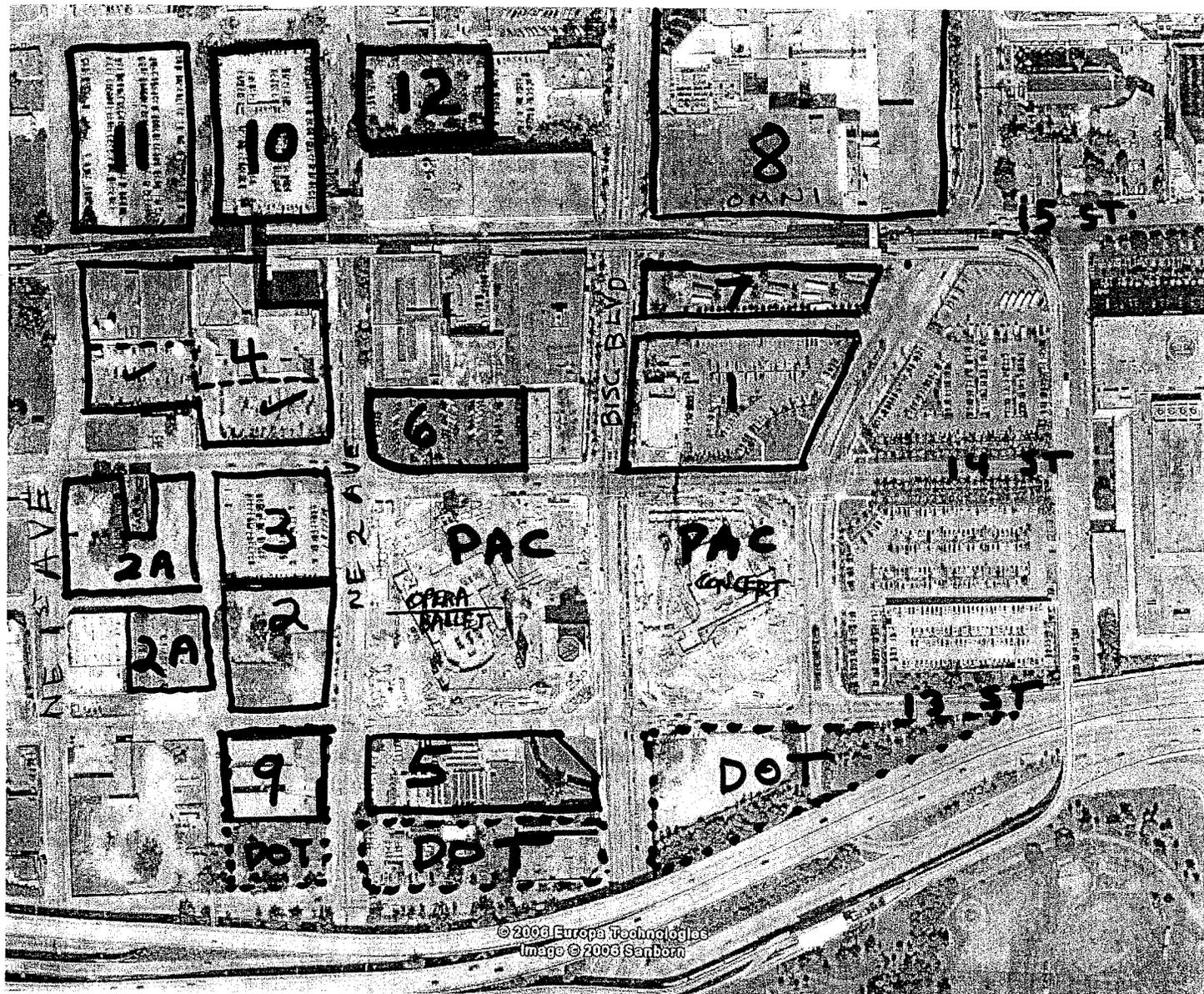
Staff remains ever mindful of the time required for the completion of a permanent parking facility available to the CCPA and the impact on patrons. Although providing permanent parking facilities at the earliest possible date is essential, they must also be both practical and economical while fulfilling a promise to CCPA patrons.

**CONCLUSION:**

This item was scheduled to be heard by Intergovernmental, Recreation and Cultural Affairs Committee (IRCA) on January 17, 2007, however, the IRCA Committee meeting was cancelled. Staff continues to meet with all the various land holders in the area to determine the best location, at the most reasonable price with the most expeditious prospect of providing permanent parking facilities for CCPA patrons. The Maefield site has the advantages of location and time of completion and the high cost of land is a factor which could be partially offset by the sale of the MDT property. The Murphy/Jahn site has the advantages of location and the County receiving a capital surplus but it will take some time to complete this project. The Miami-Dade School Board sites have the advantages of time of completion and virtually no land cost due to shared parking arrangements but distance is a factor. The Omni project is available immediately (possibly not for the long term) but distance is a factor. Staff will continue to report to the designated Board Committee on a monthly basis and will develop a priority list for negotiation at the end of February.



Roger M. Carlton  
Assistant County Manager



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| 1. Macfield – 85,478 s.f.                   | 7. MDTransit - 50,000(approx)          |
| 2. Boymelgreen – 49,610 s.f.                | 8. Omni Garage – N/A                   |
| 2a. Boymelgreen additional – 64,465 s.f.    | 9. FDOT/Murphy Hotel -30,174 s.f.      |
| 3. MDSchoolBoard “A” – 42,780 s.f           | 10. MD School Garage -74,052 s.f. land |
| 4. MDSchool Board “B” – 40,000 s.f.(approx) | 11. MD School Board – 69,400 s.f       |
| 5. MD County– 59,386 s.f.                   | 12. MD School Board – 40,680 s.f       |
| 6. Anderson Opera – 43,312 s.f.             |  |