

Memorandum



Date: January 25, 2007

To: Honorable Chairman Bruno A. Barreiro
And Members, Board of County Commissioners

From: George M. Burgess
County Manager

Subject: Purchase of a parking garage located at theoretical NW 24th Avenue and NW 25th and 75th Street, Miami-Dade County, Florida on land owned by the Miami-Dade Empowerment Trust known as Poinciana Industrial Center

Supplement to
Agenda Item No. 8(F)1E

This supplement is to clarify the wording of two default provisions under the agreement; clarify the wording of the Personal Guaranty; to allow for choosing the escrow agent at a later date; add clarification language regarding projected completion dates of the garage and office buildings provided by the developer; describe the ownership position of the Empowerment Zone Trust in greater detail; provide additional information regarding the cost of building this and other parking garages; and make scrivener error corrections to the Purchase and Sale Agreement and Personal Guaranty.

A proposed construction schedule (ATTACHMENT C) has been added to clarify the dates by which each building of Phase I of the Biopharmaceutical Park is to be completed. The following wording has been added to the Manager's Memo, "The garage is scheduled for completion [see ATTACHMENT C] in February 2008, Building 6A in November 2007 and Building 6B in November 2008. A 59-unit apartment complex to serve as a housing component for employees and community residents is scheduled to be completed in May 2008. This schedule indicates that the office building containing the JMH clinic and offices, one of the main "public purpose" users for the garage, is scheduled to be completed two to three months prior to the garage."

Analysis of garage construction (ATTACHMENT D) and an article from the November 2006 National Parking Association's, PARKING magazine (ATTACHMENT E) have been added to provide more information regarding the current cost of garage construction. The following wording has been added to the Manager's Memo, "County staff has determined by a recent cost analysis of garage construction by the developer of Overtown Transit Village [see ATTACHMENT D] that the general cost (including all hard and soft costs) of constructing comparable, multi-level, pre-cast concrete parking structures is estimated to be approximately \$16,000 per space. By way of further comparison, the County recently purchased the 586 spaces of the Overtown I building for approximately \$12,000 per space based on a transaction negotiated in 2003. A November 2006 article from the National Parking Association's publication, PARKING [see ATTACHMENT E], cited the annual survey done by the national parking consulting firm, Carl Walker Inc., in March 2006, which put the national median price per parking space at \$13,588 per space or \$40.71 per square foot (334 sq. ft. per space) not including any soft costs (architect's fees, financing etc.). Engineering News Record, in their latest estimate of construction cost inflation nationally, reports an increase of 2.6% from last year at this time. Multiplying this rate by the National Parking Association median cost indicates a present construction coat of \$13,941. It should finally be pointed out that the projected final cost of the Poinciana garage will be somewhere between the maximum of \$23,542,114 (\$14,872 per space) and \$19,973,830 (\$12,618 per space) depending on the final date of purchase and the final cost of environmental remediation described below under PURCHASE PRICE."

It was initially believed that the Miami-Dade Empowerment Trust had purchased its 5% interest in the Poinciana Partners LLLP for a \$3,000,000 loan to advance the construction of the garage. This has been corrected to indicate that the \$3 million loan has no connection to the loan. The following wording has been changed in the Manager's Memo, "The Developer must repay in full, based on the terms of its agreement with MDET, the \$3 million loan MDET has given to the Developer as an advance for the construction of the garage from the proceeds of the construction loan with Citibank."

The definition of the purchase price has been restated to better describe the variables which could effect to total amount paid by the County for the Garage. The following wording has been added to the Manager's Memo, "The final purchase price, however, will not exceed \$23,542,114 which represents the purchase price of \$19,973,830 plus the maximum interest which could be paid (\$1,693,284 for 24 months at 7.75%) plus the maximum cost to mitigate the Contaminated Soils (\$1,875,000) for a maximum total amount of \$23,542,114. The final amount will be determined when the County determines the Closing Date and reviews the final Contaminated Soil mitigation charges."

As to the AGREEMENT OF PURCHASE AND SALE:

- On handwritten page 16, article D. ESCROW previously read, "The parties hereby agree that the financial institution providing the construction loan for the garage shall from the time of Closing act as an escrow agent for the parties..." The sentence now reads, "The parties hereby agree that the financial institution **acceptable to both Seller and the County** shall from the time of Closing act as an escrow agent for the parties..."
- On handwritten page 23, article 14. Default (G) previously read, "An event of default under this Agreement shall be considered and event of default under the Lease and under the sublease,..." The sentence now reads, "An event of default under this Agreement shall be considered and event of default under the Lease of the **Land** and under the Sublease of the **Land**,..."
- On handwritten page 24, article 14. Default (H) previously read, "The parties agree, notwithstanding anything else in this Agreement that should construction of the garage not be completed within twenty-four (24) months,..." The sentence now reads, "The parties agree that should construction of the garage not be completed within twenty-four (24) months,..."
- On handwritten page 136 second to last paragraph was changed to satisfy the construction lender. The Personal Guaranty previously read, " The Personal Guaranty shall become effective, without re-execution, upon the closing date of the conveyance of the commercial parking garage structure and the land, as described in the Agreement, including the payment by the County of the purchase price as described and anticipated in the Agreement." The paragraph now reads, "Notwithstanding anything herein or in any other agreement to the contrary, this Personal Guaranty shall be of no force or effect and shall not become effective until the closing of the conveyance of the commercial parking garage structure and the land, as described in the Agreement, including the payment by the County of the purchase price as described and anticipated in this Agreement. Upon such closing, this Personal Guaranty shall become effective automatically, without the need for this Personal Guaranty to be re-executed."



Roger M. Carlton
Assistant County Manager