

Memorandum



Date: May 8, 2007

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

From: George M. Burgess
County Manager

Subject: Authorization to Complete Negotiations for Permanent Parking for the Carnival Center
for the Performing Arts

Amended
Agenda Item No. 8(F)(1)(B)

R#554-07

This item was amended during the May 8, 2007 Board meeting to authorize staff to continue negotiations exploring the first option, second option and third option and to bring the item back to the proper committee as determined by the Chairman and to the Board with a complete analysis of all the options.

RECOMMENDATION:

It is recommended that the Board authorize staff to complete negotiations with Murphy/Baklot LLC (Paul Murphy and Arva Jahn) ("Murphy/Jahn") for the development of a 199 car garage on the site previously occupied by the construction trailers South of the Ziff Ballet Opera House and owned by the County (Site A), and an additional 500 spaces on a lot owned by Florida Department of Transportation ("FDOT") but under long term purchase option with Murphy/Jahn directly west of the County's land (Site B); complete negotiations under certain defined parameters with Maefield Holdings ("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 (Site C); and, complete negotiations with the FDOT for the use of its several lots adjacent to the Carnival Center for the Performing Arts (CCPA) for approximately 405 temporary parking spaces (Site D).

SCOPE:

The permanent parking sites presently being negotiated by staff are all in Commission District 3. Nevertheless, given the impact the Carnival Center for the Performing Arts has on the entire County, the proposed parking solution(s) will have a County-wide impact.

FISCAL IMPACT/FUNDING SOURCE:

Various alternatives are being discussed with the different proposers. The fiscal impact and funding sources for these facilities will be fully detailed if staff is able to bring closure to the negotiations as further defined below.

TRACK RECORD/MONITOR:

Murphy / Baklot LLC
Downtown Miami Hotel LLC
Maefield Holdings
Florida Department of Transportation

The above mentioned entities are not included on the March 27, 2007 list of the Department of Business Development's History of Violations.

The staff monitor for this transaction is Leland Salomon, Chief, GSA Real Estate Development

BACKGROUND:

Since last reporting at the end of January on the County's progress in negotiating a permanent parking solution for the CCPA, staff has:

- Continued to negotiate with Murphy/Jahn and is developing a Development Agreement for 699 spaces. Staff expects to complete these negotiations no later than April 30, 2007.
- Continued to negotiate with Maefield for 1,500 spaces and has set certain baseline parameters for continuing negotiations which have not yet been met. If we are unable to conclude the terms of a transaction by May 30, 2007 these negotiations will come to an end.
- Initiated discussions with the Florida Department of Transportation for the temporary (approximately 5 years) use of sites owned by FDOT immediately surrounding the CCPA which should accommodate 405 spaces.
- Completed the required MAI appraisals on the Murphy/Jahn site (1230 NE 2nd Ave.); Miami-Dade County (240 NE 13th St.); Maefield (1410 N Bayshore Dr.) sites.
- Ceased discussions 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 (Site E). County staff concluded that the School Board's main parking facilities are too far from the CCPA and that there is little likelihood of near term completion of a transaction.
- Ceased discussions to purchase the Boymelgreen properties, located west of the Ziff Ballet Opera House (Site F). Although located in close proximity to the Ziff Ballet Opera House, Mr. Boymelgreen's proposed development is dependent on his coming to terms with both the School Board and with the owner(s) of two smaller parcels. Indications from the School Board staff are that no proposal has been made which would settle the issues.
- Ceased discussions for the long term lease and/or redevelopment of the Omni garage along with a covered passageway from the garage to the CCPA. In our last discussion with Argent (Omni's Owner) they quoted a purchase price to the County of approximately \$80,000 per space with the County owning the spaces under a condominium regime. That would make the purchase of the 1,500 spaces we need approximately \$120 million. This is in excess of what staff can recommend. In addition, the enclosed, air conditioned, passageway with moving sidewalk from the garage to the Knight Concert Hall would add an estimated \$30 million making the total projected cost approximately \$150 million.
- In a recent letter to Mayor Alvarez, Argent requested that the County commence a bid process "whereby competing proposals may be submitted and reviewed through a public process by County staff..." We believe that negotiations have been ongoing with all properties in proximity to the CCPA and that a competitive process would only prolong the ability to provide parking to the CCPA patrons.
- In addition, Argent has proposed on March 26, 2007, to become the exclusive parking garage for self-parking for the CCPA. The offer includes a proposal for 1,200 parking spaces at \$4,000 per space, per year "net lease" to reserve the spaces and an offer to help finance an enclosed air bridge to the Knight Concert Hall at an 11 percent return on investment. While we appreciate this offer, it does not change our minds to close off these negotiations.
- In the meantime, the Performing Arts Center Trust has a 7 year agreement with Downtown Miami Hotel, LLC (Omni garage) for 1,000 spaces with a fixed \$15 for 6 hours fee until August 2007 and a \$25 valet parking fee. There is a provision for "market rate" adjustments for subsequent years.

The following is a brief description of each proposed solution to the parking needs of the CCPA:

- A. **Murphy/Jahn:** (Sites A and B) This is an achievable transaction for resolution of parking primarily for the Ziff Ballet Opera House. The results from the Murphy/Jahn transaction include 699 spaces, a park across from the entrance to the Ziff Ballet Opera House, an air-bridge to the building over NE 2nd Avenue and an estimated \$6 million surplus from a land sale which could be used to fund the enclosure and air conditioning of the existing pedestrian bridge between the Ziff Ballet Opera House and the Knight Concert Hall as well as other needs.

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 Transportation ("FDOT"), on which Murphy /Jahn has a ten year purchase option, comprising approximately 54,401 square feet directly west of the County's land across NE 2nd Avenue. 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 garage, primarily for valet parking, for the exclusive use of the CCPA on the County's land with a public park on the roof. Directly adjacent and west of the garage will be the pedestal portion of the residential tower. The tower itself will have floors of approximately 10,000 square feet.

To minimize visual and shadow impacts on the Ziff Ballet Opera House, the proposal calls for the construction of a 1,000 space garage on the west side of NE 2nd Avenue, 500 spaces of which would be built for CCPA use. It should be noted that this proposal was discussed by the Performing Arts Center Trust Board which did not reach a definitive conclusion on the benefits of the residential tower. The County would purchase these 500 spaces from Murphy/Jahn and enter into a condominium agreement to cover operating issues such as maintenance, insurance and other joint use issues. 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 environment from the parked cars to the Ziff Ballet Opera House.

Murphy/Jahn would pay approximately \$20 million to the County for the land for the proposed residential tower (Site A-1) (based on 400,000 net saleable square feet X \$50 per square foot = \$20 million) from which the construction of the 500 CCPA garage spaces would be deducted (500 spaces X a maximum of \$25,000 per space = \$12.5 million) leaving a balance for the County of \$7.5 million. 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. Based on the projection that our cost of construction is covered by the proceeds of the sale outlined above, a significant annual surplus from the operation of these 699 spaces is projected.

- B. Maefield:** (Site C) The Maefield project is proposed on an approximately two acre parcel (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 south-west boundary of 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 \$144 million (\$104 million for the land and \$40 million for the garage). This price is based on a combination of the price Maefield has agreed to for acquisition of 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.

While we want to express our appreciation to Mr. Mark Siffin of Maefield for his many hours of negotiating and preparation of alternative proposals, we cannot recommend a garage of this cost. To try to resolve this, staff suggested to Mr. Siffin that an acceptable solution could be achieved through the County leasing the garage from Maefield with a fixed annual payment and has asked Mayfield to provide the County with two lease proposals: first for a 30 year lease rate wherein Maefield would retain ownership after the thirty year term; and, second a thirty year rental rate where the County would own the garage at the end of the thirty years. Mayfield's response requires the issuance of COPS/CABS by a non-profit entity as well as an estimated annual lease payment rather than a fixed amount. We have responded that Maefield must provide the financing as well as a defined annual rental rate for the two options described above. We will continue to work with Maefield until May 30, 2007 and then cease negotiation.

- C. FDOT:** Staff has begun discussions with FDOT for converting their nine sites immediately surrounding the CCPA to parking lots. We have proposed a year to year lease, with renewal at the County's option until FDOT requires these areas for the construction of the expansion of I-395. Staff has proposed that the only expense to the County would be the capital cost of preparing the land for parking and any maintenance during the lease term. Funding could come from the surplus generated in the Murphy/Jahn transaction. The land area under consideration is approximately 135,690 square feet which should yield approximately 405 parking spaces.

CONCLUSION:

Staff is very much aware of the critical need to secure permanent parking facilities for the CCPA. The convenience of accessible, covered parking will significantly improve the access, security and comfort of the patrons i.e. the "experience" of attending performances at the CCPA. This should lead to increased ticket sales which in turn will result in increased revenues from CCPA operations. Approving the strategy embodied in this memorandum and providing any additional direction to the negotiations will put staff in the position of being able to finalize negotiations and bring agreements to the Recreation and Cultural Affairs Committee by June and to the full Board of County Commissioners for its consideration at its scheduled meeting in July.



Director
General Services Administration

5



MEMORANDUM
(Revised)

TO: Honorable Chairman Bruno A. Barreiro
and Members, Board of County Commissioners

DATE: May 8, 2007

FROM: Murray A. Greenberg
County Attorney

SUBJECT: Amended
Agenda Item No. 8(F)(1)(B)

Please note any items checked.

- "4-Day Rule" ("3-Day Rule" for committees) applicable if raised
- 6 weeks required between first reading and public hearing
- 4 weeks notification to municipal officials required prior to public hearing
- Decreases revenues or increases expenditures without balancing budget
- Budget required
- Statement of fiscal impact required
- Bid waiver requiring County Manager's written recommendation
- Ordinance creating a new board requires detailed County Manager's report for public hearing
- Housekeeping item (no policy decision required)
- No committee review

Approved _____ Mayor

Amended

Veto _____

Agenda Item No. 8(F)(1)(B)

Override _____

5-8-07

RESOLUTION NO. 554-07

RESOLUTION AUTHORIZING STAFF TO CONTINUE NEGOTIATIONS EXPLORING THE FIRST OPTION, SECOND OPTION AND THIRD OPTION, THAT IS: TO COMPLETE NEGOTIATIONS WITH MURPHY/BAKLOT LLC (PAUL MURPHY AND ARVA JAHN) ("MURPHY/JAHN") FOR THE DEVELOPMENT OF A 199 CAR GARAGE ON THE SITE PREVIOUSLY OCCUPIED BY THE CONSTRUCTION TRAILERS SOUTH OF THE ZIFF BALLET OPERA HOUSE AND OWNED BY THE COUNTY, AND AN ADDITIONAL APPROXIMATELY 500 SPACES ON A LOT OWNED BY FLORIDA DEPARTMENT OF TRANSPORTATION ("FDOT") BUT UNDER LONG TERM PURCHASE OPTION WITH MURPHY/JAHN DIRECTLY WEST OF THE COUNTY'S LAND; COMPLETE NEGOTIATIONS UNDER CERTAIN DEFINED PARAMETERS WITH MAEFIELD HOLDINGS ("MAEFIELD") FOR THE PROPERTY EAST OF THE BOULEVARD SHOPS AND NORTH OF THE KNIGHT CONCERT HALL, A TWO ACRE TRACT THAT CAN ACCOMMODATE AN APPROXIMATELY 1,600 SPACES; AND, COMPLETE NEGOTIATIONS WITH THE FDOT FOR THE USE OF SEVERAL LOTS ADJACENT TO THE CCPA FOR APPROXIMATELY 405 TEMPORARY PARKING SPACES; AND TO BRING THE ITEM BACK TO THE PROPER COMMITTEE AS DETERMINED BY THE CHAIRMAN AND TO THE BOARD WITH A COMPLETE ANALYSIS OF ALL THE OPTIONS

WHEREAS, this Board desires to accomplish the purposes outlined in the accompanying memorandum, a copy of which is incorporated herein by reference,

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that this Board hereby authorizes staff to continue negotiations exploring the first option, second option and third option, that is: to complete negotiations with Murphy / Baklot LLC (Paul Murphy and Arva Jahn) ("Murphy/Jahn") for the development of a 199 car garage on the site previously occupied by the construction trailers South of the Ziff Ballet Opera House and owned by the County, and an additional approximately 500 spaces

on a lot owned by Florida Department of Transportation ("FDOT") but under long term purchase option with Murphy/Jahn directly west of the County's land; complete negotiations under certain defined parameters with Maefield Holdings ("Maefield") for the property east of the Boulevard Shops and north of the Knight Concert Hall, a two acre tract that can accommodate an approximately 1,600 spaces by May 30, 2007 or terminate those negotiations; complete negotiations with the FDOT for the use of its several lots adjacent to the CCPA for approximately 405 temporary parking spaces; and to bring the item back to the proper Committee as determined by the Chairman and to the Board with a complete analysis of all the options.

The foregoing resolution was offered by Commissioner _____, who moved its adoption. The motion was seconded by Commissioner _____ and upon being put to a vote, the vote was as follows:

Bruno A. Barreiro, Chairman	
Barbara J. Jordan, Vice-Chairwoman	
Jose "Pepe" Diaz	Audrey M. Edmonson
Carlos A. Gimenez	Sally A. Heyman
Joe A. Martinez	Dennis C. Moss
Dorin D. Rolle	Natacha Seijas
Katy Sorenson	Rebeca Sosa
Sen. Javier D. Souto	

The Chairperson thereupon declared the resolution duly passed and adopted this 8th day of May, 2007. This resolution shall become effective ten (10) days after the date of its adoption unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.

MIAMI-DADE COUNTY, FLORIDA
BY ITS BOARD OF
COUNTY COMMISSIONERS

HARVEY RUVIN, CLERK

By: _____
Deputy Clerk

Approved by County Attorney as
to form and legal sufficiency.

Thomas Goldstein





9