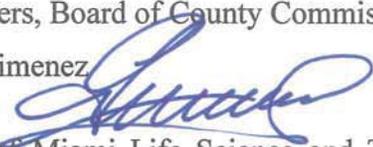


Memorandum



Date: August 26, 2015

To: Honorable Chairman Jean Monestime
and Members, Board of County Commissioners

From: Carlos A. Gimenez
Mayor 

Subject: University of Miami Life Science and Technology Park Building 2 Hotel and Innovation Center

This memorandum is in response to Resolution No. R-423-15 sponsored by Commissioner Daniella Levine Cava on May 5, 2015, which directed the County Mayor or County Mayor's designee to apply the criteria in the amended Administrative Rules as described in Section 2 of the resolution to all new applications received by the County for Project 124 funding and to report the findings to the Board when a new project is considered for an allocation from the Project 124 Fund.

The Project

The County received an application from Wexford Miami, LLC on July 31, 2015. The Application describes the project as:

- Development of the second phase of the University of Miami Life-Science and Technology Park (LSTP) with the ground-up construction of a 14-story, 244,000 square feet mixed-use hotel and innovation center that will provide the physical facilities, amenities and programming essential to build a world class innovation center in the heart of Miami-Dade County. The actual building program consists of 90,000 square feet of innovation event and workspace, 53,000 square feet of office space, and a 148-key hotel with amenities. Building Two will be connected to Building One through a 15,214 square feet glass atrium that will serve as public innovation space. Lastly, the second phase of the development will include a 646-car garage to service the two (2) buildings as well as the public innovation space.
- Renovation of the existing Phase I from its existing use to a technology hub by bringing in the Cambridge Innovation Center (CIC) as the anchor tenant; transforming the first floor into dedicated civic space serving as a magnet for entrepreneurial innovators; establishing the Miami District Hall on the ground floor of Building 1 under the auspices of CIC's Venture Café Foundation; and improving the third floor and building out the sixth floor to house CIC.

Staff believes that while some of the above public infrastructure improvements, such as utility and pedestrian improvements, may qualify as infrastructure for the purposes of Building Better Communities General Obligation Bond Program Project 124-Economic Development Fund (EDF). The element of the project that would qualify in totality is the garage. The applicant is seeking up to \$10 million in EDF Project 124 grant funds for this project and is stating that by the end of 2022 it will provide 476 Full Time Equivalent (FTE) jobs. The projected capital investment by the owner is estimated to be approximately \$112 million including furniture, fixtures and equipment costs for the hotel (Exhibit 1). The garage hard cost projection is approximately \$14,775,000 (Exhibit 2).

With specific regard to the Eligibility Requirements for Projects as per Board Resolution No. R-423-15:

1. *Does the project improve infrastructure for a greater area of impact that can advance economic development substantially beyond the project footprint?*

While no analysis has been done as to the required parking for the development itself, the public 646-car garage could provide much needed parking for the “medical district” of Jackson Memorial Hospital as the project sits on the eastern edge of the district.

2. *Is the project a target industry identified in the May 2012 One Community One Goal (OCOG) Strategic Report or identified by the Beacon Council from time to time?*

Three (3) of the seven (7) targeted industries of OCOG include hospitality and tourism, information technology and life-sciences, and healthcare.

3. *Does it advance green technology or energy green industry?*

The application states that “the business operations will be conducted in LEED gold certified buildings.”

4. *Does it enhance or advance transit oriented development (TOD)?*

The Florida TOD Guidebook prepared for the Florida Department of Transportation in December 2012 defines TOD as “compact areas of development, with moderate to high intensity and density, and comprise a mix of uses occurring within a half mile of a premium transit stop or station and are expressly designed to maximize pedestrian activity, increase access to transit and provide a “park once” environment that reduces the need for automobile circulation.” Nevertheless, this project is located within one (1) mile of the Culmer, Santa Clara and Hospital/Civic Center Metrorail Stations; there are two (2) trolley stops within the half mile radius of the Project that transports people to and from both the station and the Jackson Memorial Hospital campus. While “Transit Core” projects (the inner quarter mile radius from a station) are preferred, additional consideration is given to projects within the “Transit Neighborhood” (half mile from the Station) and the “Transit Supportive Area” (one (1) mile from the Station).

5. *Would the project be vulnerable to sea level rise that would require adaptation strategies, and if so, would it contribute to any overall sea level rise adaptation goals established by the County?*

Neither the project’s vulnerability to sea level rise nor adaptation to County sea level rise goals were discussed in the application or accompanying materials for this project. For informational purposes, the project is located on the County’s Flood Zone Maps in Flood Zone “X” and not considered susceptible to flooding. The County has yet to establish Adaptation Action Areas with regard to sea level rise, but the grantee has advised that they would be willing to work with the County if any specific adaptation actions would be required for the property in the future.

Honorable Chairman Jean Monestime
and Members, Board of County Commissioners
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Pursuant to Ordinance 14-65, this item will be placed on the next available Board of County Commissioners meeting agenda.

Should you have any questions concerning the above, please contact Leland Salomon, Deputy Director, Regulatory and Economic Resources, at (305) 375-4421.

Attachments

c: R.A. Cuevas, County Attorney
Office of the Mayor Senior Staff
Leland Salomon, Deputy Director, Regulatory and Economic Resources Department
Charles Anderson, Commission Auditor
Eugene Love, Director, Office of Agenda Coordination

UM LSTP Building 2 Project Sources and Uses

SOURCES

Wexford Equity	\$ 17,120,445
Hotel Investor	\$ 32,598,488
Garage Investor	\$ 18,375,093
EDF 124 Funds	\$ 10,000,000
Federal NMTC Net Benefit	\$ 5,000,000
Construction Debt	\$ 28,983,774
TOTAL PROJECT SOURCES	\$ 112,077,800

USES

Hard Costs	Public Innovation				Disbursements		
	Building	Space	Garage	Total	2017	2018	
General Contractor							
Trade Costs							
Sitework	\$ 1,300,970	\$ 624,841	\$ 596,758	\$ 2,522,569	\$ 1,891,927	\$ 630,642	
Concrete	\$ 9,376,887	\$ 302,526	\$ 6,305,777	\$ 15,985,189	\$ 11,988,892	\$ 3,996,297	
Masonry	\$ 1,331,399	\$ 153,760	\$ 20,000	\$ 1,505,149	\$ 1,128,862	\$ 376,287	
Metals	\$ 847,650	\$ 1,811,900	\$ 132,000	\$ 2,591,550	\$ 1,943,663	\$ 647,888	
Woods & Plastics	\$ 316,621	\$ 10,000	\$ 21,704	\$ 348,325	\$ 261,244	\$ 87,081	
Thermal & Moisture Protection	\$ 527,693	\$ 963,940	\$ 6,500	\$ 1,498,133	\$ 1,123,600	\$ 374,533	
Doors & Windows	\$ 5,857,396	\$ 1,193,000	\$ 55,000	\$ 7,105,396	\$ 5,329,047	\$ 1,776,349	
Finishes	\$ 5,026,547	\$ 655,280	\$ 476,230	\$ 6,158,057	\$ 4,618,543	\$ 1,539,514	
Hotel Restaurant/1st Floor Fit Out	\$ 269,000			\$ 269,000	\$ 201,750	\$ 67,250	
Specialties	\$ 178,140	\$ 20,000	\$ 42,000	\$ 240,140	\$ 180,105	\$ 60,035	
Equipment	\$ -	\$ -	\$ 100,000	\$ 100,000	\$ 75,000	\$ 25,000	
Furnishings	\$ 230,520	\$ -	\$ -	\$ 230,520	\$ 172,890	\$ 57,630	
Special Construction	\$ 940,622	\$ 70,000	\$ -	\$ 1,010,622	\$ 757,967	\$ 252,656	
Conveying Systems	\$ 1,631,980	\$ -	\$ 265,000	\$ 1,896,980	\$ 1,422,735	\$ 474,245	
Mechanical	\$ 7,981,116	\$ 878,030	\$ 862,678	\$ 9,721,824	\$ 7,291,368	\$ 2,430,456	
Electrical	\$ 3,999,179	\$ 394,868	\$ 481,632	\$ 4,875,679	\$ 3,656,759	\$ 1,218,920	
Subtotal	\$ 39,615,720	\$ 7,078,134	\$ 9,365,279	\$ 56,059,133	\$ 42,044,350	\$ 14,014,783	
Overhead and Alt Adds							
General Conditions and Requirements	\$ 2,500,000	\$ 520,243	\$ 425,000	\$ 3,445,243	\$ 2,583,932.25	\$ 861,310.75	
Fee	\$ 2,124,738	\$ 361,073	\$ 457,284	\$ 2,943,095	\$ 2,207,321.25	\$ 735,773.75	
Builder Risk Insurance	\$ 316,882	\$ 59,424	\$ 74,121	\$ 450,427	\$ 337,820.25	\$ 112,606.75	
General Liability Insurance	\$ 379,041	\$ 71,571	\$ 90,641	\$ 541,253	\$ 405,939.75	\$ 135,313.25	
Construction Contingency	\$ 1,980,786	\$ 353,907	\$ 280,958	\$ 2,615,651	\$ 1,961,738.25	\$ 653,912.75	
Design Contingency	\$ 1,980,786	\$ 353,907	\$ 280,958	\$ 2,615,651	\$ 1,961,738.25	\$ 653,912.75	
Fair Wage Premium		\$ 439,913	\$ 750,000	\$ 1,189,913	\$ 892,434.71	\$ 297,478.24	
Green Design Features, Garage			\$ 3,050,000	\$ 3,060,000	\$ 2,287,500.00	\$ 762,500.00	
Subtotal	\$ 9,282,233	\$ 2,160,038	\$ 5,408,962	\$ 16,851,233	\$ 12,638,425	\$ 4,212,808	
GC Total	\$ 48,897,953	\$ 9,238,172	\$ 14,774,241	\$ 72,910,366	\$ 54,682,774	\$ 18,227,591	
Other Hard Costs							
Office Tenant Improvements	\$ 3,766,210			\$ 3,766,210		\$ 3,766,210	
CIC Improvements	\$ 10,994,310			\$ 10,994,310		\$ 10,994,310	
Hotel FF&E	\$ 3,256,000			\$ 3,256,000		\$ 3,256,000	
Subtotal	\$ 18,016,520	\$ -	\$ -	\$ 18,016,520		\$ 18,016,520	
Total Hard Costs	\$ 66,914,473	\$ 9,238,172	\$ 14,774,241	\$ 90,926,886	\$ 54,682,774	\$ 36,244,111	
Soft Costs							
A&E	6%	\$ 2,933,877	\$ 554,290	\$ 886,454	\$ 4,374,622	\$ 3,280,966	\$ 1,093,655
Organizational/Professional	2%	\$ 977,959	\$ 184,763	\$ 295,485	\$ 1,458,207	\$ 1,093,655	\$ 364,552
Marketing	2%	\$ 977,959	\$ 184,763	\$ 295,485	\$ 1,458,207	\$ 1,093,655	\$ 364,552
Financing & Settlement	1%	\$ 488,980	\$ 92,382	\$ 147,742	\$ 729,104	\$ 546,828	\$ 182,276
Carrying Costs	4%	\$ 1,955,918	\$ 369,527	\$ 590,970	\$ 2,916,415	\$ 2,187,311	\$ 729,104
Development Fees	3%	\$ 1,686,979	\$ 318,717	\$ 509,711	\$ 2,515,408	\$ 1,886,556	\$ 628,852
Contingency	5%	\$ 2,895,981	\$ 547,131	\$ 875,004	\$ 4,318,116	\$ 3,238,587	\$ 1,079,529
Tenant Start-up Costs							
CIC		\$ 254,835		\$ 254,835	\$ 191,126	\$ 63,709	
Hotel		\$ 2,126,000		\$ 2,126,000	\$ 1,594,500	\$ 531,500	
Proffers		\$ 1,000,000		\$ 1,000,000	\$ 750,000	\$ 250,000	
Total Soft Costs		\$ 15,298,489	\$ 2,251,573	\$ 3,600,852	\$ 21,150,914	\$ 15,863,185	\$ 5,287,728
TOTAL PROJECT USES		\$ 82,212,962	\$ 11,489,745	\$ 18,375,093	\$ 112,077,800	\$ 70,545,960	\$ 41,531,840

Economic Development Fund Building Better Communities General Obligation Bond Program
 University of Miami Life Science and Technology Park Building 2 Hotel and Innovation Center
 July 21, 2015

UM LSTP Building 2 Public Infrastructure Costs

Hard Costs

Building 2

Sitework

Excavation, Grading & Utilities		
Site Demo/Misc. Sitework	\$	116,375
Earthwork & Grading	\$	60,529
Storm Sewer	\$	30,765
Water & Fire Line	\$	87,780
Sanitary Sewer	\$	20,345
Other Utilities	\$	20,000

Roads & Walks

Site Concrete	\$	24,570
Asphalt Paving	\$	101,040

Landscaping & Hardscaping

Hardscaping	\$	79,268
Landscaping & Irrigation	\$	90,000
Benches/Trash	\$	5,000

Electrical

Life Poles & Landscape Lighting	\$	20,000
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Mechanical

Fire Protection		
Backflow Preventer	\$	15,000

GC Overhead

23% \$ 157,143.02

Building 2 Subtotal \$ 827,815

Public Innovation Space

Sitework	\$	624,841
Concrete	\$	302,525
Masonry	\$	153,750
Metals	\$	1,811,900
Woods & Plastics	\$	10,000
Thermal & Moisture Protection	\$	963,940
Doors & Windows	\$	1,193,000
Finishes	\$	655,280
Specialties	\$	20,000
Special Construction	\$	70,000
Mechanical	\$	878,030
Electrical	\$	394,868
GC Overhead and Alt Adds	\$	2,160,038

Public Innovation Space Subtotal \$ 9,238,172

Garage

Sitework	\$	596,758
Concrete	\$	6,305,777
Masonry	\$	20,000
Metals	\$	132,000
Woods & Plastics	\$	21,704
Thermal & Moisture Protection	\$	6,500
Doors & Windows	\$	55,000
Finishes	\$	476,230
Specialties	\$	42,000
Equipment	\$	100,000
Coveying Systems	\$	265,000
Mechanical	\$	862,678
Electrical	\$	481,632
GC Overhead and Alt Adds	\$	5,408,962

Garage Subtotal \$ 14,774,241

Soft Costs

24% Building 2	\$	201,759
24% Public Innovation Space	\$	2,251,573
24% Garage	\$	3,600,852

Soft Cost Subtotal \$ 6,054,185

TOTAL PUBLIC INFRASTRUCTURE COSTS \$ 30,894,413