# Memorandum

MIAMI-DADE COUNTY

**Date:** February 14, 2017

**To:** Honorable Chairman Esteban L. Bovo Jr.
and Members, Board of County Commissioners

**From:** Carlos A. Gimenez
Mayor

**Subject:** Report for the Plan, Development, and Maintenance of County-owned property in the Downtown Miami Area

---

Attached please find a report and plan for the development, use and maintenance of County-owned property in the Downtown Miami area which was requested through Resolution R-1068-14 by the Board of County Commissioners on December 2, 2014.

In accordance with Ordinance No. 14-65, this report will be placed on the next available Board meeting agenda. Should you need further information, please contact Tara C. Smith, Director, Internal Services Department, at 305-375-5893.

Attachment

c: Edward Marquez, Deputy Mayor
Abigail Price-Williams, County Attorney
Geri Bonzon-Keenan, First Assistant County Attorney
Office of the Mayor Senior Staff
Neil Singh, Interim Commission Auditor
Tara C. Smith, Director, Internal Services Department
Christopher Agrippa, Director, Clerk of the Board Division
Eugene Love, Agenda Coordinator
Alyce M. Robertson, Executive Director, Miami Downtown Development Authority

## Introduction

The Miami-Dade County Board of County Commissioners, through Resolution R-1068-14, has directed the Mayor or his designee to prepare a report and plan for the development, use, and maintenance of County-owned property in the Downtown Miami area (the "Downtown Plan"). Specifically, the area under study is bounded by the Miami River on the south, Interstate-395 on the north, Interstate-95 on the west, and Biscayne Bay on the east.

The purpose of the report is to address the public's interest in seeing that County-owned property is developed, used and maintained in an efficient and well-planned manner that best serves the needs of the County and its residents. Important in making this assessment is to consider the balance between quality of life issues – such as preservation of green space and historical properties - and capitalization of our financially valuable assets to economically empower our community. It is the intent of this report to perform an initial analysis identifying those County-owned real estate assets which can and cannot reasonably be considered to fulfill the latter.

This report has been prepared by Miami-Dade County's Internal Services Department – Real Estate Development Division (ISD-REDD). Staff from several County departments were interviewed and provided information for the report including, but not limited to, Internal Services - Facilities, Utilities and Management Division (ISD-FUMD), both the transit and public works sections of Miami-Dade Department of Transportation and Public Works (DTPW), Miami-Dade Regulatory and Economic Resources (RER), Miami-Dade Parks, Recreation and Open Spaces (PROS), Miami-Dade Public Housing and Community Development (PHCD), and the Miami-Dade Office of Management and Budget (OMB). Discussions between the departments identified current conditions of, and historical concerns for, owned properties, as well as the future opportunities and goals for properties in Downtown Miami.

Particularly, we would like to acknowledge the contribution of the City of Miami ("City"), the Miami Downtown Development Authority (Miami DDA), and the Miami-Dade County School Board (School Board) who provided thoughtful insight, goals, and discussion to facilitate preparation of this report.

Interim and independent of the research and analysis prepared for the report herein, ISD procured real estate appraisals on selected County-owned assets in the downtown core; the first included a group of six (6) properties that were analyzed to determine benchmarks and market values for informational purposes (completed January, 2015), and the second included vacant land at the northern perimeter of the Stephen P. Clark Center, analyzed to facilitate planning and negotiations for a potential downtown Multimodal Transit Center (January, 2016).

While separate of the Downtown Plan, the findings from the independent real estate appraisals have been considered and built upon as they relate to future opportunities for County-owned properties as a whole.

## Organization of Report

The majority of County-owned property in the urban core has been planned and developed in concert with a Downtown Government Center Master Plan for which ideas, design, and strategies date as far back as 1960. The goal of the long-term plan was to cohesively link government uses and spur private development. This master plan was formally completed in May 1976 and adopted by the Board of County Commissioners on November 15, 1977 via Resolution R-1267-77. The historical plan is discussed in more detail on Page 18; for informational purposes, its boundaries were Flagler Street on the south, NW 5th Street on the north, NW 3rd Avenue on the west and, with the exception of the Dade County Courthouse, NW 1st Avenue on the east. These boundaries are slightly smaller than the actual Government Center district as developed today, which extends to NW 8th Street.

Looking forward, the future use of County-owned property should be considerate of the long-term master plan as implemented, as well as our experience with same. As a major owner of property, the County needs to recognize what has been successful and what can be improved. The latter requires that we are cognizant of potential opportunities which may lie in, or be spurred by, major economic drivers and quality of life incentives in the urban core.

Thus, within this report we have identified County-owned property in the defined market area, assessed the future opportunities which can be reasonably foreseen at these properties, and highlighted economic drivers and quality of life initiatives which may relate to future opportunities for County-owned real estate. This report is organized as follows:

1. Executive Summary of Findings
2. Identification of the Study Area
3. Description of Downtown Miami
4. Miami-Dade County-Owned Properties
    a. Introduction
    b. Maintenance
    c. Analysis of Properties by Group
        i. Group I – Limited Redevelopment Potential
        ii. Group II – Redevelopment Potential
        iii. Group III – Vacant Land
        iv. Group IV – Other Properties (County-owned and other interests)
        v. Group V – Miami-Dade Transportation and Public Works (DTPW)
5. Identification of Major Economic Drivers Impacting County Property
    a. Description and Status of Major Development Projects
    b. Miami-Dade County's Potential Real-Estate-Related Opportunities in these developments
6. Identification of Quality of Life Projects
    a. Description of Quality of Life Incentives
    b. Miami-Dade County's Potential Real-Estate-Related Opportunities in these projects
7. Reconciliation of Findings (Summary Table)

***All numbers presented herein should be viewed as estimates.***

## Executive Summary of Findings

The analysis herein identifies potential opportunities to capitalize on County-owned property in the Downtown Miami core. As detailed starting on page 19, these opportunities focus on the potential to reposition certain assets at their highest and best use. The consideration of these opportunities is preliminary, subject to refinement through additional research and analysis, and confirmation through formal site planning, cost benefit analysis, and market demand.

A total of 19 County-owned properties, excluding transit and rights-of-way, have been identified in the defined downtown market boundaries (summarized on pages 14 thru 17). Nine (9) of these properties are considered to have reasonably foreseeable potential for future redevelopment; as they currently exist, the nine include 2.8± million square feet of constructed building area on a total of 22.7± acres of land. If repositioned to current urban zoning standards the sites may support approximately 16.4 to 21.7 million square feet (subject to site planning and market confirmation). The net difference is an opportunity to add as much as 13.5 to 18.9 million square feet of new development on assets already controlled by the County (subject to legal, planning, and market demand). The nine are as summarized as follows:

**County-owned Assets, Downtown Miami, with Development/Redevelopment Potential**

| Map Ref.* | Property | Existing Bldg. Sq. Ft. ± | Min. Potential Gross Sq. Ft if Redeveloped± | Max. Potential Gross Sq. Ft. if Redeveloped± | Redevelopment Comments |
|---|---|---|---|---|---|
| 1 | SPCC & Daycare Existing<br>--- Excess Land<br>--- Total Dev. Sq. Ft.: | 775,478 | 775,478<br>2,613,600<br>3,389,078 | 775,478<br>3,920,400<br>4,695,878 | * Redev. Based on 2.5 Acres of Excess Land Only (preserving open / green space) |
| 6 | Cultural Center | 321,493 | 4,143,788 | 5,650,620 | Redev. Based on Entire Site |
| 13 | Motor Pool & Parking Lot | 2,402 | 990,000 | 1,350,000 | Redev. Based on Entire Site |
| 11 | 140 W. Flagler Bldg. | 256,082 | 517,000 | 705,000 | Redev. Based on Entire Site |
| 5 | Children's Courthouse | 371,500 | 371,500<br>924,000<br>1,295,500 | 371,500<br>1,260,000<br>1,631,500 | ** Redev. Based on 42,000 Sq. Ft. Land Available @ 22-30 FLR (estimate) |
| 10 | Dade County Courthouse | 270,000 | 1,745,000 | 1,745,000 | *** Historic Property; sale of 1.475M sq. ft. of transferrable development rights (TDR's) only; retain existing structure. |
| 4 | Lawson E. Thomas Courthouse Center | 469,242 | 840,000 | 1,260,000 | Redev. Based on Entire Site |
| 7 | Hickman Building | 75,000 | 1,617,308 | 2,205,420 | Redev. Based on Entire Site |
| 8 | Hickman Garage | 284,230 | 1,830,796 | 2,496,540 | Redev. Based on Entire Site |
| | **Total / Average:** | 2,825,427 | 16,368,470 | 21,739,958 | |

* Please refer to map on Page 15.

The potential for development of an asset this size in the urban core provides an exceedingly strong market position for the County as we look to the future. Long-term lease or joint development projects on strategically positioned, underutilized sites could allow the County to retain its land holdings and generate income from the lease of the lands or other strategic partnership agreements. Such collaboration between the government and private sector to engage in meaningful development has been the subject of recent P3 conferences which the County has actively participated including the September 2015 "P3 Pipeline: A forum for the Private Sector" and the October 2015 "Florida Council for Public Private Partnerships." Any redevelopment or repositioning of these sites can be negotiated to retain public areas and green space.

The market will continue to experience periods of growth, stabilization, decline, and correction, thus it would not be reasonable, logical, or market supportable to anticipate bringing the entirety of this space to market, nor online at the same time, whether redeveloped (replacement of existing improvements) or repositioned (replacement of existing tenants or use). However, the sheer size of the space, with an opportunity to participate in up to 13 to 19 million square feet of new development in the prime, urban core, could be used as an enticement to a developer/investor who would partner with the County in a master-planned, long-term project.

Such an agreement would offer the partner the rights to take down different phases of development as the market demands over the long-term, profiting from construction and occupancy, and providing the County income from the sale, lease, or other use of its land, as well as the opportunity to negotiate for construction of necessary facilities including a new courthouse as part of the venture. Future phases could be reserved for other high-intensity development as needed. If appropriately planned, the needs for educational institutions, park and civic space, housing, and office space for the County that is modern, appropriately located, and energy efficient can be met.

In consideration of same, the County will continue to fulfill the goals for the original downtown master plan: to create an assemblage of major governmental and quasi-governmental agencies which serve the citizens and visitors of Miami-Dade County.

***Options*** to be explored to maximize income and development could include, but are not limited to, the following:

- Development of the northern perimeter of the SPCC consistent with, and building upon, the intensity of the neighboring Brightline (All Aboard Florida, or AAF) with a mixed-use commercial development, potentially incorporating a downtown Multimodal Center for DTPW.
- Given its exclusivity and development potential, the Cultural Center property could be used as an enticement to a developer, who would lease the land from the County (estimated via appraisal at $11 million per year in ground rent*), construct their own private development, and in turn build a Civil Courthouse for the County on excess land at the Children's Courthouse or Motorpool sites; redevelopment could incorporate space for the Library and HistoryMiami (to be leased back), or these uses could be transferred to the existing Miami-Dade County Courthouse.

* Ground rent valuation assumes development rights are maximized on site, which would include a transfer of unused development rights from the Courthouse and adjacent transit surface lot.

- Retain historical Miami-Dade County Courthouse, but sell air rights on the open market; continue to use courthouse for public and governmental purposes, and use funds generated from sale of air rights to continue to restore and maintain the property; the County could continue to occupy this property, and potentially lease portions to other governmental / quasi-governmental interested parties.
- The Lawson E. Thomas property, with the potential for redevelopment of up to 1.26 million square feet, may prove worthy of additional analysis as well – when timing supports. Several scenarios could be realized to leverage this asset, depending upon market interest. One such scenario could include a sale and leaseback of the land, allowing Miami-Dade to receive an up-front lump sum payment, interim use rights, and the developer the opportunity to land bank for the future. Alternatively, the property – given its value – could serve as collateral in a different P3 scenario. All scenarios require that any analysis of a new court facility consider including space for the family court as well. ISD has completed the update to the Civil Master Plan, and is in the process of finalizing solicitations for the update to the Criminal Master Plan and Corrections Master Plan (Criminal/Corrections Master Plan). The updated Criminal/Corrections Master Plan will also assess the feasibility of developing a judicial complex which may include the Family Court.
- Continue to analyze potential for the sites individually, or collectively. An expression of interest from the private sector could provide a baseline for the interest in a joint venture or partnership to reposition the Cultural Center, Motor Pool Site, 140 W. Flagler, Hickman properties, Lawson E. Thomas Center, air rights at the Dade County Courthouse, and vacant land at the Children's Courthouse, and provide additional insight to the value of such redevelopment or repositioning.

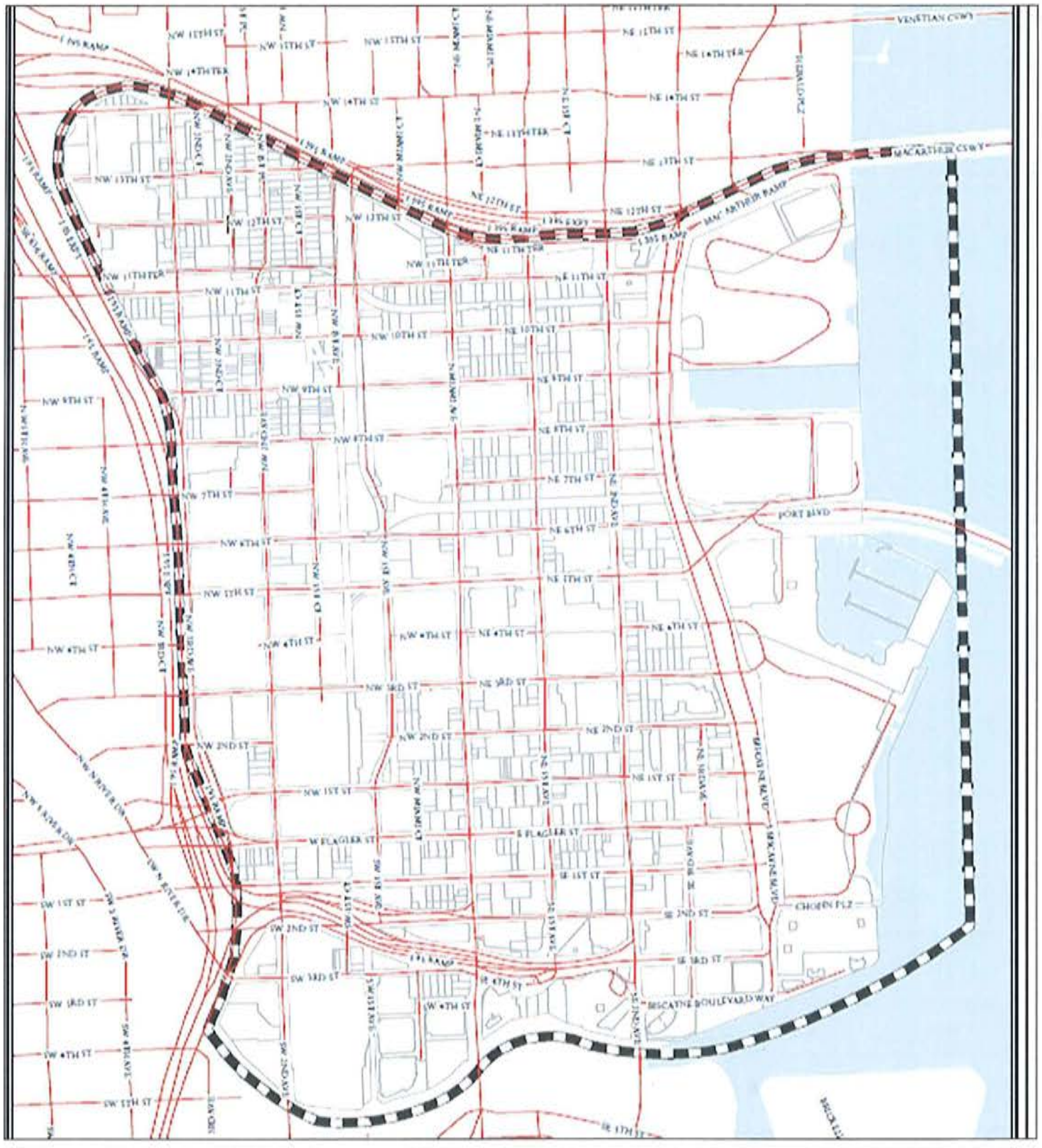
Meetings with the City and the Miami DDA produced a cooperative discussion in terms of the potential for redevelopment of the County's most valuable assets. These discussions also allowed City officials and Miami DDA staff to express core goals for each of these organizations. Both organizations highly value and seek open space, public plazas, spaces for educational institutions, affordable and workforce housing for moderate income residents, cohesive transportation, and connectivity and beautification of the spaces within the area. Further discussions with the School Board confirmed a priority need for public education facilities in the downtown area. The City of Miami, which controls the zoning for the downtown properties (with the exclusion of DTPW properties), has indicated its support for redevelopment of properties to their highest and best use via public-private partnerships, and utilizing existing property to its maximum potential to enhance the urban core and promote sustainability. By exploring the different options, we can identify opportunities to meet the goals of all organizations.

**As noted, the costs associated with the redevelopment of the nine County-owned properties are not identifiable given broad options, and all are subject to a cost analysis of operational impacts to County service.**

As we look forward to the County's future in the downtown core it is evident we have an opportunity to not only participate in the current and foreseeable cycle of growth and prosperity, but to continue our contribution to a viable downtown, with assets appropriately positioned and capitalized in order to assure economic prosperity for our citizens. In doing so, we will also be able to continue our current efforts of moving County operations back into County properties, saving monies currently paid in rent to others.

## Identification of the Study Area

As noted, Resolution R-1068-14 specifically defined the Downtown Area to include those properties bounded by the Miami River on the south, Interstate-395 on the north, Interstate-95 on the west, and Biscayne Bay on the east, as shown on the following map. The area is just over one square mile in total.



According to the Miami-Dade County Department of Regulatory and Economic Resources (RER), the area is comprised of approximately 673.9 acres, or approximately 1.05 square miles. The majority land use in the area is Transportation, Communication and Utilities, with 265.4 acres, or 39.4 percent of the study area, followed by Institutional with 102.4 acres, or 15.2 percent of the total. Vacant land, identified at 82.1 acres, is quickly diminishing with 37.9 of those acres in some readily identifiable stage of construction as of the writing of this report. All land uses are outlined in the table below, and further depicted on the map on page 9.

**Study Area Land Use Data**
**Miami-Dade County**
**2016 Existing Land Use**

| Land Use | Study Area (Acres) | Study Area (Percent of Total) |
|---|---|---|
| Residential | 36.3 | 5.4 |
| Commercial, Office, and Transient Residential * | 103.9 | 15.4 |
| Industrial | 8.2 | 1.2 |
| Institutional | 102.4 | 15.2 |
| Parks/Recreation | 68.4 | 10.2 |
| Transportation, Communication, and Utilities | 265.4 | 39.4 |
| Agriculture | 0.0 | 0.0 |
| Undeveloped ** | 82.1 | 12.2 |
| Inland Waters | 7.1 | 1.1 |
| **Total:** | **673.9** | **100.0** |

*** Transient Residential includes Hotels and Motels**

**** Includes 37.9 acres of land currently under construction at developments including MetSquare, Vice, Brightline/Miami Central Station (All Aboard Florida), Miami Worldcenter, One Thousand Museum. and Miami Station Tower (formerly known as Krystal Tower).**

**Source: Miami-Dade County Department of Regulatory and Economic Resources (RER), Planning Research & Economic Analysis Section - October 2016**

The table below identifies the study area population characteristics as of the 2013 American Community Survey, and shows a traditional urban profile: the majority of the population is between 25 and 44 years old (53.8 percent), and just 7 percent represents young children. The average household size is 2 persons per household.

| **Downtown** | | | | | | **Employment by Industry:** | |
|---|---|---|---|---|---|---|---|
| Population | 11,023 | School enrollment percentages by age group: | | Number Living in Poverty | 2,290 | | |
| Female | 4,613 (41.8%) | Under 5 years - Nursery Sch. Pre-K | 39.5% | Poverty Rate | 23.7% | Agriculture | 1 |
| Under 5 Years | 304 (2.8%) | 5-14 yr olds in K to 8 grade | 84.7% | Labor Force | 6,314 | Goods Producing | 355 |
| 5 to 14 Years | 443 (4.0%) | 15 to 19 yr olds in High School | 53.4% | Employment | 5,636 | Wholesale/Retail Trade | 1,061 |
| 15 to 19 Years | 358 (3.2%) | 18 to 29 yr olds - College/Grad Sch. | 45.6% | Unemployment Rate | 12.0% | Transp, Warehousing, Util. | 283 |
| 19 to 24 Years | 866 (7.9%) | | | Mean Household Income | $63,682 | Information | 288 |
| 25 to 44 Years | 5,932 (53.8%) | | | Median Household Income | $41,866 | Finance, Ins., Real Estate | 611 |
| 45 to 64 Years | 2,314 (21.0%) | % of pop. 25 yrs & above with no more than: | | Per Capita Income | $34,439 | Prof. & Business Services | 950 |
| 65 of more years | 806 (7.3%) | High Sch. Diploma/GED | 19.6% | Median Home Value | $295,092 | Ed. & Health Services | 896 |
| Median Age | 33.4 | Associate's Degree | 7.9% | Median % Hsg Cost w Mortg | 37.7% | Arts, Ent. & Tourism | 871 |
| Hispanic | 5,686 (51.6%) | Bachelor's Degree | 23.7% | Median Rent as % of Income | 33.9% | Other Services | 124 |
| White - Not Hispanic | 3,085 (28.0%) | Graduate/Professional Degree | 19.3% | Housing Vacancy Rate | 37.9% | Public Administration | 196 |
| Black - Not Hispanic | 1,680 (15.2%) | | | Persons per Household | 2.0 | | |

*Data source: 2013 American Community Survey 5-year estimates, as derived and reported by Miami-Dade County RER.*

The 2013 population demographics within the study area evidenced a dichotomy in class in the urban area: while the household income was average to good at $63,682, and the education rate was good with 43 percent having a bachelor's degree or above, the poverty rate was significant 23.7 percent, and unemployment high at 12 percent, based upon the 5-year estimates.

The "2016 Greater Downtown Miami Demographics" report published by the Miami DDA in September 2016 highlights favorable factors associated with the recent growth in housing and population in the downtown area. The report covers a larger 3.8-square-mile area east of Interstate-95 to Biscayne Bay, and south of Interstate-195 to the Rickenbacker Causeway. Certain information in the report is divided by sub-market including the Central Business District (CBD), Brickell, and the Arts and Entertainment District. While the CBD boundaries are slightly different than those used for the Downtown Miami Plan herein, the 2010 population statistics are similar to the 2013 shown in the American Community Survey and, collectively both sources provide a reliable representation of the trends in the study area.

In the greater downtown Miami area, the DDA estimates a 2016 permanent population at 88,540 residents, which represents a 32 percent increase from 2010 and a 150 percent increase since 2000. The DDA findings are similar to that of the American Community Survey above, showing a majority of the population are young professionals (i.e., between 20 and 44 years old), with more than 50 percent having some form of college education. This age group, 20 to 44 years old, has increased by 27 percent since 2010, and population 0 years to 14 years old has increased by 14 percent in the same period.

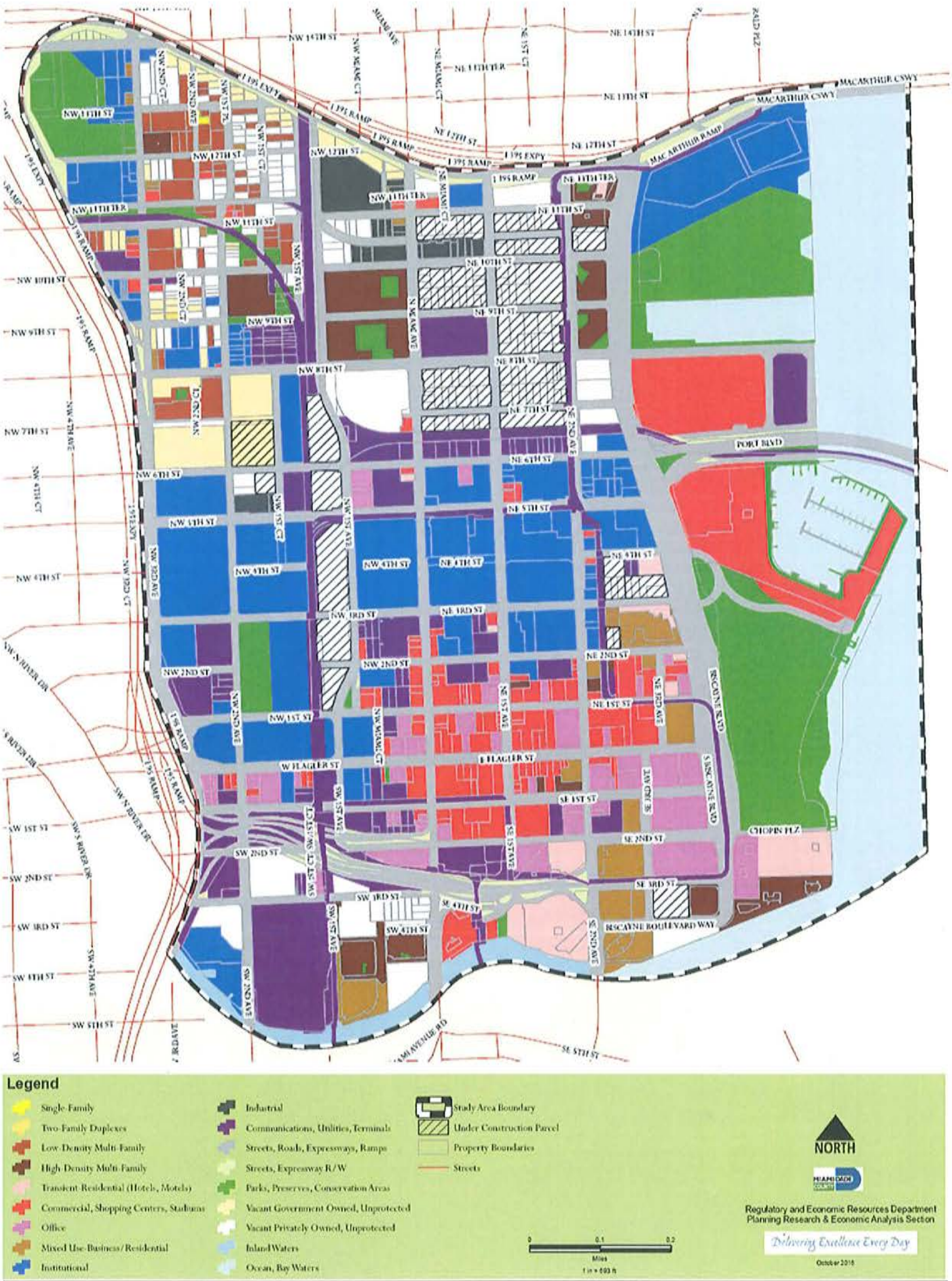
By neighborhood, the CBD accounts for approximately 19 percent of the population as of 2016, with an estimated 17,132 of the 88,540 total residents. On a percentage basis the figure is projected to stay about the same through 2021. The highest population segment resides in the Brickell neighborhood, with 39.5 percent, or 34,975 residents.

Additional statistics from the Downtown Miami DDA study are summarized below. Where available, comparisons to the CBD and prior years are provided.

| | |
|---|---|
| Average Household size: | Getting smaller (1.92, compared to 1.97 in 2010). |
| Average Age of Resident: | 35 Years Old. |
| Median Household Income: | Increasing. \$66,498 2016 versus \$49,333 in 2010. Currently \$68,593 in CBD and \$102,130 in Brickell. |
| Housing Expenditure: | \$1,600/Month, 1 Bedroom Apartment Rent (750 Sq. Ft.) |
| Education Levels: | 50 percent of the population aged 25 years and older have a Bachelor's, Graduate, or Professional Degree. |
| Pet Ownership: | 39 percent are pet owners, with 60 percent of those owners preferring a dog. In the CBD, 29 percent own pets. |
| Weekly Exercise: | 70 percent exercise weekly, with 26 percent more than 7 hours per week. |

Source: "2016 Greater Downtown Miami Demographics," Miami DDA

## LAND USE MAP


Legend
Single-Family
Two-Family Duplexes
Low-Density Multi-Family
High-Density Multi-Family
Transient Residential (Hotels, Motels)
Commercial, Shopping Centers, Stadiums
Office
Mixed Use-Business/Residential
Institutional
Industrial
Communications, Utilities, Terminals
Streets, Roads, Expressways, Ramps
Streets, Expressway R/W
Parks, Preserves, Conservation Areas
Vacant Government Owned, Unprotected
Vacant Privately Owned, Unprotected
Inland Waters
Ocean, Bay Waters
Study Area Boundary
Under Construction Parcel
Property Boundaries
Streets
0
0.1
0.2
Miles
NORTH
Regulatory and Economic Resources Department
Planning Research & Economic Analysis Section
Delivering Excellence Every Day
MACARTHUR CSWY
PORT BLVD
BISCAYNE BLVD
W FLAGLER ST
E FLAGLER ST
CHOPIN PLZ
BISCAYNE BOULEVARD WAY

**Downtown Miami: Market Considerations**

Numerous parties have a vested interest in the future of Downtown Miami, and its future is a frequent topic that traverses conversations from residents to businesses and public interests alike. This future, and cross-impacts between County-owned real estate and the major economic drivers in the urban core, can be better understood by discussing the basic market characteristics.

The City of Miami encompasses a total of 55.27 square miles, of which central Downtown Miami accounts for approximately 1.7 square miles, compared to our defined urban core area of 1.05 miles. While just a fraction of the total 2,431 square miles countywide, the City is considered a major economic driver for the region as a whole. It is multi-national, and multi-faceted, reaching across all major economic sectors including international trade, banking and finance, creative design, hospitality and tourism, information technology, and life sciences and health care.

There are approximately 70 foreign consulates in Miami-Dade County, of which half are located in Downtown Miami. Miami continues to unfold as a financial hub as well, with recent news reports estimating the City is home to 13 investment banks, 19 private-equity firms, 63 wealth management firms, and 60 hedge funds.

PortMiami, which serves over 4.5 million passengers per year and is the "Cruise Capital of the World," is also competitively positioned for expansion in trade - completing $1 billion of capital infrastructure projects, from deep-water dredge to accommodate super-sized vessel traffic generated by the expansion of the Panama Canal, to completion of the fast-access tunnel connecting the to the U.S. Interstate Highway system, and a modernization of its on-dock freight rail system, connecting to national rail and expediting movement of goods.

After a slow, cautious recovery from the worldwide recession of 2008 – 2010, the City and urban center are poised better than ever to capitalize on inherent local demand, business infrastructure, foreign relations, trade, and tourism. Along with this strong economic profile are demand factors related to real estate, summarily discussed below.

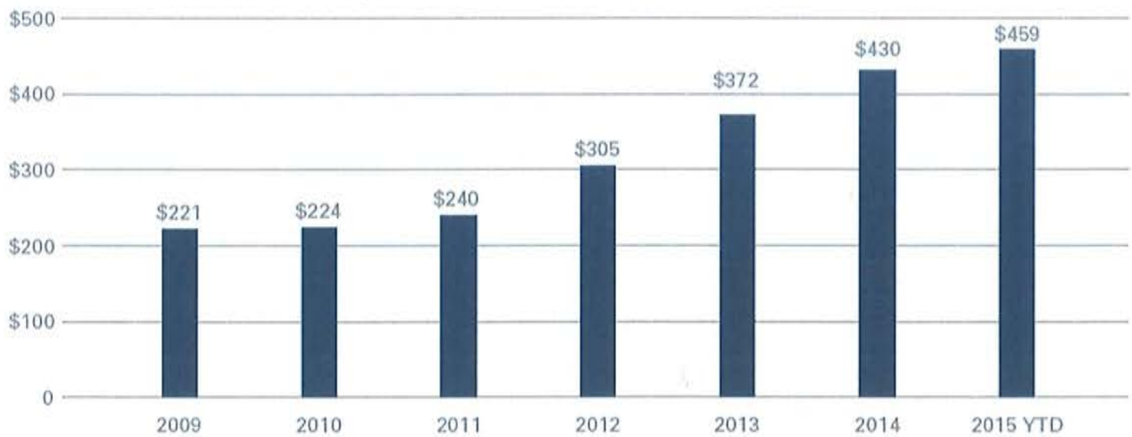
According to the September 2015 report "Greater Downtown Miami – Residential Market Study Update" prepared on behalf of the Miami DDA by Integra Realty Resources-Miami (IRR-Miami), the "residential downtown development market is firmly into the middle of its cycle." The condominium market is currently being expanded by just over 10,000 units, or 29 percent of its size. While significant, the new supply is fulfilling a pent-up demand for housing in the urban area.

As of the third quarter 2015, the report identifies 27,466 new condominium units in different stages of planning and construction throughout downtown. The central business district accounts for 33 percent of the total new housing, with 9,007 of the units in the pipeline. Of the 9,007, a significant 7,581 (84 percent) are in the planning proposal stage. Developments which have started unit sales represent a mix of products, from Paramount Miami at Miami Worldcenter with 470 units and an average unit size of 1,793 square feet – to the 352 unit Centro with units targeted to the much smaller user (and price) of just 703 square feet on average.

The DDA report analyzes price trends in the market by tracking the price per square foot of resale condominiums. The current price of $459 per square foot is 108 percent greater than $221 per square foot at the market low in 2009. However, as supply and demand come into better equilibrium, the rate of increase has slowed – peaking at 27.1 percent per year from 2011 to 2012, and slowly tapering thereafter as shown below.

| Resale Condominium Pricing Downtown Miami | | |
|---|---|---|
| **Year** | **Avg. Sale $/Sq. Ft.** | **Change** |
| 2009 | $221 | --- |
| 2010 | $224 | 1.4% |
| 2011 | $240 | 7.1% |
| 2012 | $305 | 27.1% |
| 2013 | $372 | 22.0% |
| 2014 | $430 | 15.6% |
| 3Q 2015 | $459 | 6.7% |

Figure 6
Average $/SF Sale Price Trend – Greater Downtown Miami Resale Market




Source: IRR-Miami / Miami DDA 3Q 2015 Residential Market Update

The DDA study also provides selected information on residential rentals. The data for condominiums shows an average monthly rental price per unit of $2,582 for YTD 2015, representing a 4 percent change over $2,481 during 2014. On a price per foot basis, the current rental units range from $2.45 for a 2-bedroom unit to $3.03 per square foot for a studio.

Figure 7

Average Condo Leasing Price – Greater Downtown Miami

| | | Studio | | 1 BR | | 2 BR | | 3 BR | |
|---|---|---|---|---|---|---|---|---|---|
| Year | Overall* | $/Unit | $/SF | $/Unit | $/SF | $/Unit | $/SF | $/Unit | $/SF |
| 2012 | $2,255 | $1,421 | $2.64 | $1,804 | $2.33 | $2,625 | $2.13 | $4,340 | $2.25 |
| 2013 | $2,371 | $1,504 | $2.67 | $1,926 | $2.30 | $2,819 | $2.21 | $4,427 | $2.51 |
| % Change | 5% | 6% | 1% | 7% | -1% | 7% | 4% | 2% | 12% |
| 2014 | $2,481 | $1,632 | $2.92 | $2,008 | $2.48 | $2,908 | $2.32 | $4,346 | $2.60 |
| % Change | 5% | 8% | 9% | 4% | 8% | 3% | 5% | -2% | 4% |
| 2015 YTD | $2,582 | $1,698 | $3.03 | $2,139 | $2.62 | $3,008 | $2.45 | $4,773 | $2.89 |
| % Change | 4% | 4% | 4% | 7% | 6% | 3% | 6% | 10% | 11% |

Source: IRR-Miami / Miami DDA 3Q 2015 Residential Market Update

The commercial real estate market in downtown is heavily defined by office space. In its "3rd Quarter, 2015 Miami Office Report," CBRE reports that Miami (as a region) ranks fifth among the 50 largest cities for population growth, and has also enjoyed strong job growth, citing Beacon Council reports of 26,500 jobs created in 2015, a 2.45 percent year over year gain. Each of these statistics relate to the health of the office market. During the third quarter, the vacancy countywide declined to 13.1 percent. Year-to-date office absorption included 619,149 square feet (76 percent) in suburban markets, and 191,247 square feet (24 percent) in the CBD.

CBRE opines in its third quarter report that "Miami continues to be the economic stronghold of South Florida with no signs of giving way. The office market in particular continues to lead the way in the region with a vacancy of 13.1 percent that ranks among the lowest for the entire state. Decreasing vacancy attests to a tightening market with property values and lease rates rising." The projection is for the office market to continue to strengthen as key demand drivers such as population growth, job growth, decreasing unemployment and rising income levels attract investors and tenants alike.

In the "2015 Office Market Overview" prepared for the Miami DDA by Lambert Advisory, employment as a key factor is also addressed for the future of the office market downtown. This report identifies 139 office or mixed-use buildings with a total of 17.9 million square feet (excluding government-owned properties) in their defined "DDA/downtown market" boundaries. Office employment in this very specific submarket is projected to grow steadily during the next six years, adding 19,800 jobs from 2015 through 2021. After decades of losing market share to suburban markets, Downtown Miami has actually gained market share coming out of the recession in terms of construction activity – with 37 percent of the office space compared to a historical benchmark of 19 percent.

New office construction is nominal, with only 264,000 square feet at Brickell City Centre and 160,000 square feet at All Aboard Florida (AAF). Demand sectors include the traditional finance, insurance, and real estate, as well as emerging markets for technology and shared office space.

The average asking rents for office space in downtown as of third quarter was $48.57 per square foot for Class A space and $31.11 for Class B, with a weighted average of $40.39 per square foot. This represents about a 1.5 percent per year increase since 2013. CBRE, Inc. predicts that as more companies seek a presence in South Florida and the economy strengthens the office market will continue to tighten and vacancy will continue to decrease.

Retail space in the downtown area is unique – a hybrid of old and new, streetfront and malls – encompassing approximately 6.5 million square feet per the January 2016 "Greater Downtown Miami: Study of Retail market Conditions" prepared for the Miami DDA by Integra Realty Resources. Overall, the space represents just 5 percent of the countywide total and is thus considered a relatively small market. Currently, the market is expanding with approximately 1.425 million square feet planned or under construction including the Brickell City Centre (near completion), Miami MetSquare (under construction), Miami Central Station (proposed), and Miami Worldcenter (proposed). Demand drivers fueling the expansion include growth in the residential population and development, daytime population, and overnight guests.

As viable development of all classes continues to increase in the urban areas, accompanying demand for retail is expected to substantiate the new, quality space being brought online. The DDA-Integra report classifies the downtown Miami retail market as "strong" given estimated average retail sales of $500.00 to $750.00 per square foot; average market rents are $84 per square foot per year in Brickell (new space such as Mary Brickell Village) compared to $24 per square foot in downtown CBD (older space such as Macy's, Bayside, Galleria, and Seybold). Pockets of vacancy along Flagler underscore the area is a prime redevelopment target, which will benefit from the DDA's Flagler Streetscape project, connecting Main Street (Flagler) to areas east, west, and internally. Finally, the differential in rent between market classes – Brickell versus CBD - provides support for potential market penetration of new retailers, to capitalize on the favorable demand drivers.

The City of Miami administration presents a positive but cautious view in its proposed 2016-17 budget, citing fiscal responsibility while continuing to meet and fund community needs and investment in its employees – alongside a lowered overall property tax rate for the sixth year in a row. The City manager reports "while it is clear that property tax revenues, the single largest revenue source of the City, have grown an average of 10.9 percent for the last three years, this will not continue indefinitely." The statements acknowledge the strong economy over the past several years, while remaining "cautiously optimistic." As of Fiscal Year 2016, May, property tax revenues approximated $250.8 million and 51 percent of citywide revenues.

**Miami-Dade County-Owned Properties: Introduction**

Excluding transit and public rights-of-way, Miami-Dade County owns approximately 46.2 acres of land in the study area, the majority which are improved with 5.8 million square feet of government, office, and other commercial space. This accounts for approximately 11.3 percent of all non-transportation / utility lands in the study area, which qualifies the County as having a significant stake in the market.

DTPW owns and operates approximately 1.4 miles of Metrorail, 2.5 miles of Metromover, and 13 train stations and related facilities in the urban core. Additionally, DTPW operates 56 transit service route miles within one quarter mile of the Downtown Miami CBD. DTPW's presence in the downtown core is an integral component of County-owned real estate, and the request to address the public's interest in County-owned property within this report, is more than relevant. To that extent, the report addresses certain opportunities and plans for DTPW to capitalize on real-estate-related benefits. However, this report does not capture, nor intend to replace or supplant, any of DTPW's short or long-term planning already in place.

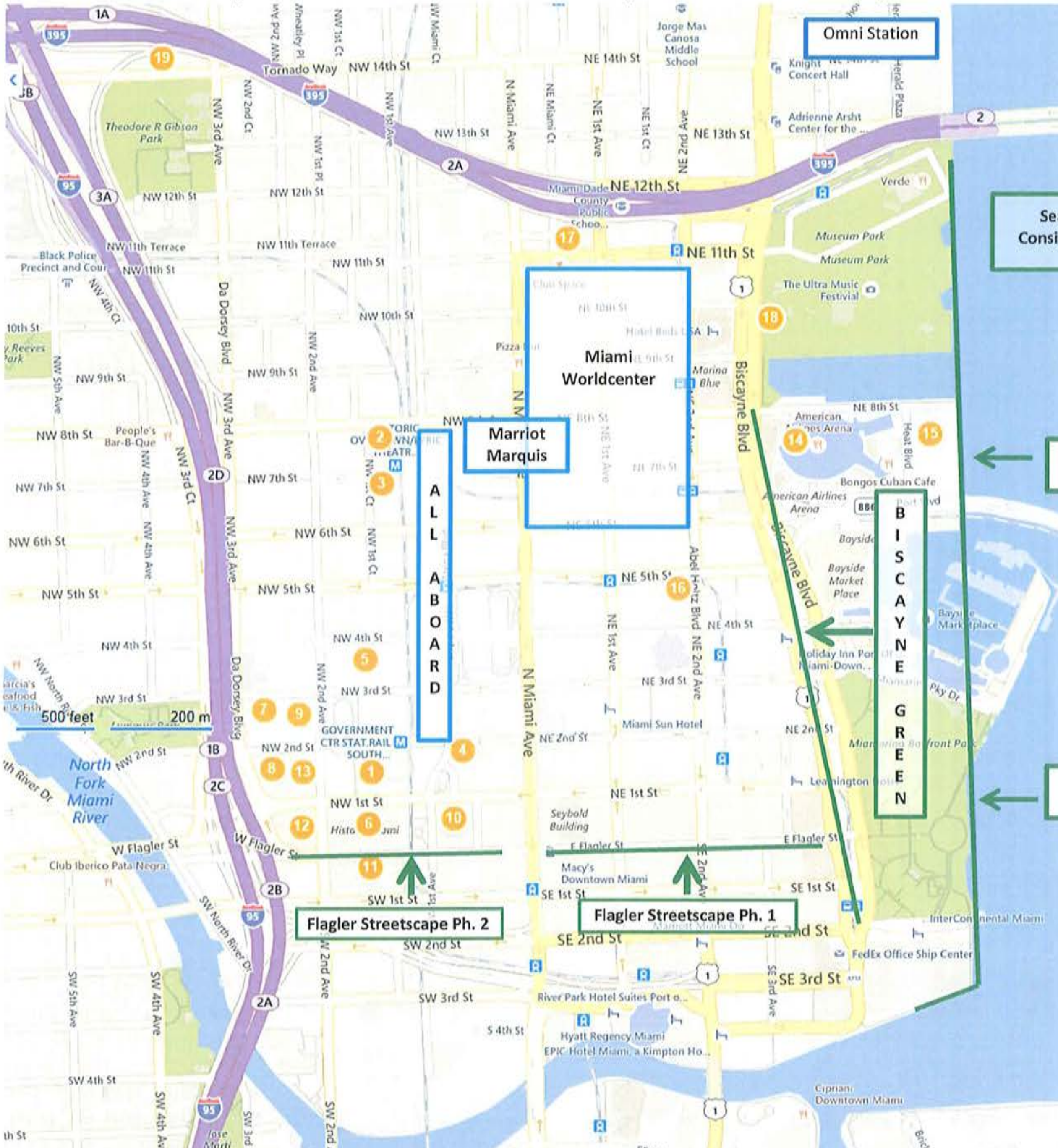
This report also considered open, green space for which the County has an interest in the urban core. The parks and green space under County control in the area are generally integrated as part of its commercial assets, as managed by ISD. While PROS does not currently own assets in the defined market boundaries, opportunities do exist to complement our real estate assets by maintaining these green spaces, and participating in quality of life initiative such as the "Baywalk" discussed on page 37.

Collectively, the County-owned properties include the following, divided between those located in the immediate Government Center area (generally south of 8th Street to Flagler, and west of Miami Avenue to Interstate-95), and those outside.

| **Summary of County-Owned Properties: Downtown Miami Study Area** | | | |
|---|---|---|---|
| | **Market Area / Property Name** | **Bldg. Sq. Ft. ±** | **Total Acres ±** |
| | **Government Center Area** | **4,182,580** | **28.1** |
| 1 | Stephen P. Clark Center & Daycare (SPCC) | 775,478 | 7.3 |
| 2 | Overtown Transit Village (Office, N & S) | 664,661 | 2.1 |
| 3 | Overtown Transit Village Parking | 213,419 | Included Above |
| 4 | Lawson E. Thomas Courthouse Center | 469,242 | 0.8 |
| 5 | Children's Courthouse | 371,500 | 3.4 |
| 6 | Cultural Center and Park | 321,493 | 4.3 |
| 7 | Hickman Building | 75,000 | 1.7 |
| 8 | Hickman Garage | 284,230 | 1.9 |
| 9 | West Lot Parking Garage | 275,116 | 1.7 |
| 10 | Miami-Dade County Courthouse | 270,000 | 1.7 |
| 11 | 140 W. Flagler Bldg. | 256,082 | 0.5 |
| 12 | Central Support Facility Chiller, Cultural Center Parking, and Office (CSF) | 203,957 | 1.7 |
| 13 | Motor Pool & Surface Parking Lot | 2,402 | 1.0 |
| | **Outside Government Center Area** | **1,583,775** | **18.1** |
| 14 | AmericanAirlines Arena | 1,414,626 | 11.2 |
| 15 | Parcel B & Right-of-Way | 0 | 4.2 |
| 16 | Harry Cain Tower Public Housing | 120,626 | 0.5 |
| 17 | North Chiller (Utility) | 28,644 | 1.0 |
| 18 | Museum Park Lift Station (Utility) | 19,879 | 0.7 |
| 19 | Culmer / Vacant Land | 0 | 0.4 |
| | **Grand Total** | **5,766,355** | **46.4** |

Please refer to the following page 15 for a map depicting the County-owned properties in relation to major economic drivers and special quality of life initiatives, and to pages 16 thru 17 for a table with additional details on the properties.

## County-Owned Downtown Miami Properties Location Map




Map Key:

1 Stephen P. Clark Center & Daycare
2 Overtown Transit Village N & S
3 Overtown Transit Village Parking
4 Lawson E. Thomas Courthouse Center
5 Children's Courthouse
6 Cultural Center and Park
7 Hickman Building
8 Hickman Garage
9 West Lot Parking Garage
10 Miami-Dade County Courthouse
11 140 W. Flagler Bldg.
12 Central Support Facility & Cultural Garage
13 Motor Pool & Surface Parking Lot
14 AmericanAirlines Arena
15 Parcel B & Right-of-Way
16 Harry Cain Tower Public Housing
17 North Chiller (Utility)
18 Museum Park Lift Station (Utility)
19 Culmer Vacant Land

Map excludes DTPW Metrorail/ Metromover and rights-of-way. Properties depicted are those owned by Miami-Dade County.

## County-Owned Downtown Miami Properties

| Map Code | Property Name | Potential for Redevelopment / Future Development | Property Type | Year Built | Bldg. Square Footage ± | Lot Size (Sq. Ft.) ± | Acres ± | Floor Lot Ratio (FLR) | Stories | Zoning |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Stephen P. Clark Center & Daycare 111 NW 1 St. | Yes (Excess Land Only) | Government Office | 1984 | 775,478 | 320,035 | 7.3 | 2.4 | 30 | CI |
| 2 | Overtown Transit Village N & S 601 - 701 NW 1 Ct. | No | Office Building | 2007 | 664,661 | 93,439 | 2.1 | 9.4 | 9 | T6-24 O |
| 3 | Overtown Transit Village Parking 701 NW 1 Ct. | No | Parking Garage | 2007 | 213,419 | Included in 0010 | | | 9 | T6-24 O |
| 4 | Lawson E. Thomas Courthouse Center 175 NW 1 Ave. | Yes | Courthouse | 1988 | 469,242 | 35,000 | 0.8 | 13.4 | 30 | T6-80 O |
| 5 | Children's Courthouse 155 NW 3 St. | Yes (Excess Land Only) | Office Building | 2014 | 371,500 | 147,558 | 3.4 | 2.5 | 16 | CI |
| 6 | Cultural Center & Park 101 W. Flagler St. | Yes | Library & Museum | 1980 | 321,493 | 188,354 | 4.3 | 1.7 | 4 | CI |
| 7 | Hickman Building 275 NW 2 St. | Yes | Office, Detention Facility | 1979 | 75,000 | 73,514 | 1.7 | 1.0 | 5 | CI |
| 8 | Hickman Garage 270 NW 2 St. | Yes | Parking Garage | 1982 | 284,230 | 83,218 | 1.9 | 3.4 | 7 | CI |
| 9 | West Lot Parking Garage 220 NW 3 St. | No | Parking Garage | 2012 | 275,116 | 75,000 | 1.7 | 3.7 | 5 | CI |
| 10 | Miami-Dade County Courthouse 73 W. Flagler St. | Yes | Courthouse | 1928 | 270,000 | 72,500 | 1.7 | 3.7 | 27 | CI |
| 11 | 140 W. Flagler Bldg. (Metro Flagler), 140 W. Flagler St. | Yes | Office Building | 1975 | 256,082 | 23,500 | 0.5 | 10.9 | 16 | T6-36 B |

Floor Lot Ratio (FLR) is defined as the ratio of gross building area to land area.

| Map Code | Property Name | Potential for Redevelopment / Future Development | Property Type | Year Built | Bldg. Square Footage ± | Lot Size (Sq. Ft.) ± | Acres ± | Floor Lot Ratio (FLR) | Stories | Zoning |
|---|---|---|---|---|---|---|---|---|---|---|
| 12 | Central Support Facility & Cultural Center Garage 50 NW 2 Ave. / 200 NW 1 St. | Yes (Excluding Chiller) | Garage, Office, Chiller Plant | 1984 | 203,957 | 75,909 | 1.7 | 2.7 | 6 | CI |
| 13 | Motor Pool & Surface Parking Lot 150 NW 2 Ave. | Yes | Gas Station & Parking Lot | 1972 | 2,402 | 45,000 | 1.0 | 0.1 | - | CI |
| 14 | American Airlines Arena 601 Biscayne Blvd. | No | Stadium & Walkway | 1999 | 1,414,626 | 489,029 | 11.2 | 2.9 | 1 | CS |
| 15 | Parcel B & Right-of-Way 400 NE 8 St. | Yes | Vacant Land | - | - | 180,517 | 4.2 | 0.0 | 0 | CS |
| 16 | Harry Cain Tower Public Housing 180 NE 5 St. (490 NE 2 Ave.) | No (PHCD Only) | Public Housing | 1983 | 120,626 | 22,430 | 0.5 | 5.4 | 14 | CI |
| 17 | North Chiller (Utility) 1110 NE 1 Ave. | No | Plant | 1999 | 28,644 | 45,221 | 1.0 | 0.6 | 1 | T6-60a O |
| 18 | Museum Park Lift Station (Utility) 1075 Biscayne Blvd. | No | Lift Station | 1950 | 19,879 | 32,329 | 0.7 | 0.6 | - | CS |
| 19 | Culmer / Vacant Land 315-385 NW 14 St. | No | Vacant Land | 0 | - | 17,088 | 0.4 | 0.0 | 0 | CS |
| Total / Average: | | | | Total Bldg Sq. Ft. | 5,766,355 | | | | | |
| | | | | Total Land: | | 2,019,641 | 46.4 | 2.9 | | |
| | | | | Improved Land: | | 1,839,124 | 42.2 | 3.1 | | |

**Maintenance**

With the exception of the AmericanAirlines Arena, County-owned properties located in the downtown core are each County-managed and maintained. The County develops the operating and capital budgets through the budget process on an annual basis. Revenues collected through the rent roll are used to maintain the buildings for the operational and capital needs of the buildings; these are made up of both general and proprietary funds. The current model has been in use since 2005. The County regularly compares its operating expenses against benchmark standards established by the Building Owners and Managers Association (BOMA) to assure our costs are in line with that of the private sector.

The County will look at using P3 and other financing mechanisms and maintenance models to make sure operating expenses and the way we develop, purchase and maintain our assets is the best and most fiscally responsible model.

**Downtown Government Center Development of Regional Impact (DRI)**

By far, the majority of the County-owned properties are located in the boundaries of the Downtown Government Center Master Plan, originally envisioned in 1960, completed in May 1976, adopted in November 1977, and further implemented through a development order known as the Downtown Government Center Development of Regional Impact (Government Center DRI) adopted via Resolution R-81-343 in April 1981. The Government Center DRI strategically and legislatively set the land use, and development intensity for a 38.2-gross-acre area for property between Flagler Street on the south, 5$^{th}$ Street on the north, NW 3$^{rd}$ Avenue on the west and, with the exception of the Dade County Courthouse, NW 1$^{st}$ Avenue on the east. Of the 38.2 acres, 28.3 acres belong to Miami-Dade County, 6.9 acres belong to the City (Police Department), and 3.0 acres belong to the State of Florida.

Of note is the low intensity of the original development plan for the Government Center, which defined a total proposed development area of just 5.2 million square feet on 38.2 acres. For comparison, Swire's Brickell City Centre includes approximately 5.4 million gross square feet on 9.1 acres, and the planned All Aboard Super Tower includes 1.2 million square feet on 1.5 acres. If the same 38.19 acres in the Government Center were developed at today's urban standards, the area would incorporate between 19.9 million and 59.9 million square feet (depending upon whether a medium or high intensity zone were incorporated).

As a development order, the Government Center DRI has expired; however, the vision of the plan has been implemented since inception: to create an assemblage of major governmental and quasi-governmental agencies which serve the citizens and visitors of Miami-Dade County. If redevelopment is undertaken for certain of the underutilized sites, the planning and zoning will require City approval consistent with any typical development process, and may be subject to additional regulations set forth by the much larger and active Downtown Miami DRI which encompasses approximately 927 acres in the City urban core including all of the County property.

## Redevelopment Considerations

A primary goal of this study is to identify future opportunities which may unfold for County-owned properties. These opportunities could include repositioning of current assets to attract private or outside tenants, or redevelopment and re-use of underutilized parcels whether that be for the highest and best use (which produces the highest financial return to the land), civic use such as education, park and green space, or any combination thereof.

The benefit of redevelopment to highest and best use is the ability to add new construction (space) to fulfill County-user and market demands, and attract private-sector investors who may participate in and pay for such opportunities while allowing space to address civic needs. In certain redevelopment considerations it may be feasible for the County to vacate the properties and take up occupancy elsewhere, while in another scenario it may be feasible for the County to sell development rights, and still in other scenarios it may be reasonable that the properties are repositioned for different use without actual reconstruction ("re-use").

An analysis of County-owned properties on an individual basis, taking into consideration their redevelopment and re-use potential, has been analyzed in five separate groups as follows:

- Group I: Existing Properties for which Redevelopment / Re-Use is Limited or Infeasible
- Group II: Existing Properties for which Redevelopment / Re-Use may be Feasible
- Group III: Vacant Land
- Group IV: Other Properties
- Group V: DTPW / Transit Properties.

The redevelopment potential of the properties considers the age and condition of the building, the amount of allowed development on the site at the current urban standards set forth in Miami 21 zoning code, the current use of the property, and – in such instances where total redevelopment would not be feasible – whether excess land or development rights exist which would allow for partial redevelopment.

Appropriate site development is subject to economic, physical, and legal controls and reasonableness. Any redevelopment plan should appropriately study the market supply and demand, the cost benefit of different alternatives for development/redevelopment, the physical capacity and limitations of a site to support development, and the laws and legal processes governing same. Thus, the potential redevelopment scenarios set forth herein are intended as a guide for near-term and future considerations – subject to additional due diligence and analysis on a property by property by basis, as relevant.

Several of the properties in the Government Center are zoned "CI" – Civic Institution, as defined by Miami 21. Rezoning from CI may be required in certain instances in order to maximize property value and achieve the highest economic use. Planning officials at the City have confirmed that such a rezoning is legally foreseeable, subject to traditional process and planning. The Miami 21 zoning states that when a property ceases to be "CI", it will transition to the lowest intensity abutting district. With the exception of any sites located in the Rapid Transit Corridor zoning area which flanks the Metrorail, future development or redevelopment will be governed by the City and subject to the Miami 21 zoning code (Miami 21).

The allowable development for high-intensity urban sites is primarily established by a ratio of building to land area set forth in municipal zoning laws. This ratio represents intensity of development, as opposed to density. The Miami 21 code uses a ratio known as the floor lot ratio (FLR) for any given zone, which is a ratio of gross building area to total land area. Gross building area includes all primary areas of the building including parking garages and building support areas. The FLR should not be interchanged with the more commonly known and utilized floor area ratio (FAR) – which is based upon net building area and excludes garages and building support areas. Because garages and building support areas can account for a minimum of 30 to 40 percent of a commercial building, the FLR tends to be at least 30 to 40 percent greater than the FAR. As the downtown properties are subject to Miami 21 zoning, the FLR has been used as a benchmark to understand the redevelopment potential for the different properties herein.

The FLR associated with Miami 21's most intense commercial district T6-80 is 24, with a potential bonus up to 36; this means that a one-acre site in a T6-80 zone would have a base allowed development of 24 times its lot area, which is 1.045 million square feet of gross building area. With bonuses (such as for public benefit), the same lot may qualify for up to 36 times the lot size, or 1.57 million gross square feet. The table below summarizes the FLR ratios and building heights for Miami 21 zones in the downtown core which may apply to County-owned property.

| Miami 21 Zoning Districts Proximate to Government Center<br>FLR and Equivalent Buildable Sq. Ft. per Acre | | |
|---|---|---|
| | **T6-36 B** | **T6-80** |
| Base FLR | 22 | 24 |
| Equivalent Gross Buildable Sq. Ft. per 1-Acre Site | 958,320 | 1,045,440 |
| | | |
| Bonus FLR | 40% | 50% |
| Equivalent Gross Buildable Sq. Ft. per 1-Acre Site with Bonus | 1,341,648 | 1,568,160 |
| Stories Allowed per Code | 36 | 80 |
| Stories Allowed with Bonus | 60 | Unlimited |

**<u>Group I: Existing Properties with Limited Redevelopment / Re-Use Potential</u>**

Five (5) of the total 19 properties in the study area are considered to have nominal potential for redevelopment or re-use. These five properties are either recently developed or have restrictions on use that would render them generally infeasible for repositioning sans a significant, concerted effort otherwise. The FLR of the five properties does not maximize the development in any of the scenarios, and thus – realistically – a far more intensive use could be developed on site, but the restrictions and/or age may complicate any attempt to redevelop and/or reposition to current market standards.

| Group I | Bldg. Sq. Ft. ± | Total Acres ± | Overall FLR | Comments |
|---|---|---|---|---|
| **Properties with Limited Redevelopment / Re-Use Potential** | | | | |
| AmericanAirlines Arena | 1,414,626 | 11.2 | 2.9 | Leased to Basketball Properties |
| Overtown Transit Village (Offices) | 664,661 | 2.1 | 9.4 | Recently Constructed |
| Overtown Transit Village Parking | 213,419 | Included Above | Included Above | Recently Constructed |
| Harry Cain Tower | 120,626 | 0.5 | 5.4 | Restrictions on Use by HUD |
| West Lot | 275,116 | 1.7 | 3.7 | Recently Constructed |
| Museum Park Lift Station | 19,879 | 0.7 | 0.6 | Utility |
| Total / Average: | **2,708,327** | **16.4** | **3.8** | |

Note that Harry Cain Tower, a public housing development in a prime urban location at 180 NE 5 Street, could be a valid candidate for sale and/or redevelopment given its age (33 years old), average condition, and low FLR of just 5.4. However, restrictions by the Federal Department of Housing and Urban Development (HUD) render the redevelopment or repositioning of this property difficult and any such proposition would have to be managed directly through Miami-Dade County Public Housing and Community Development (PHCD) to protect the integrity of the housing program. A March 2016 appraisal by an independent appraiser determined the market value, assuming the property's occupancy and rental rates were not restricted by HUD, was $17.0 million. This includes land value, minus the cost of building demolition.

**<u>Group II: Existing Properties with Potential Redevelopment / Re-Use Feasibility</u>**

By far, the largest group of County-owned properties are considered to have some redevelopment potential. The feasibility of such potential ultimately will have to weigh the projected economic financial benefit against the foreseeable public benefit. For purposes of this report, these properties have been analyzed based upon their potential highest economic benefit.

As discussed on page 18, a majority of County-owned properties were developed consistent with the Downtown Government Center DRI at a development intensity which is far less than what can reasonably be accommodated – physically, legally, and market-supported. As shown in the table below, the weighted average FLR of these properties is 2.9, compared to current market and zoning standards between 22 and 36. The initial assessment herein identifies the properties with redevelopment potential. As planning progresses, this potential development can be better refined to determine type of property, based upon consultation with planning and zoning as well as determination of interest from potential development partners and the investment community.

The tables on the following page show the current developed square feet, land area, and associated FLR for the Group II properties, as compared to the potential FLR and development square feet which could be allowed under a redevelopment scenario. The second part of the table, immediately following, shows the current developed square footage on site compared to potential square footage at current zoning standards.

**Group II: Existing Properties with Potential Redevelopment / Re-Use Feasibility**

| Group II: Current vs. Potential FLR Ratios | Existing Bldg. Sq. Ft. ± | Total Acres ± | Year Built | Current FLR | Potential Minimum FLR (Redeveloped) | Potential Max FLR with Public Benefit |
|---|---|---|---|---|---|---|
| SPCC & Daycare* | 775,478 | 4.8 | 1984 | 2.4 | -- | -- |
| ---Excess Land | --- | 2.5 | --- | --- | 24 | 36 |
| Cultural Center | 321,493 | 4.3 | 1980 | 1.7 | 22 | 30 |
| Motor Pool & Parking Lot | 2,402 | 1.0 | 1972 | 0.1 | 22 | 30 |
| 140 W. Flagler Bldg. | 256,082 | 0.5 | 1975 | 10.9 | 22 | 30 |
| Children's Courthouse ** | 371,500 | 2.50 | 2014 | 2.5 | -- | -- |
| ---Excess Land | --- | 0.96 | --- | --- | 22 | 30 |
| Dade County Courthouse*** | 270,000 | 1.7 | 1928 | 3.7 | 24 | 36 |
| Lawson E. Thomas Courthouse Center | 469,242 | 0.8 | 1988 | 13.4 | 24 | 36 |
| Hickman Building | 75,000 | 1.7 | 1979 | 1.0 | 22 | 30 |
| Hickman Garage | 284,230 | 1.9 | 1982 | 3.4 | 22 | 30 |
| **Total / Average / Range:** | **2,825,427** | **22.7** | **1978** | **2.9** | **22** | **36** |

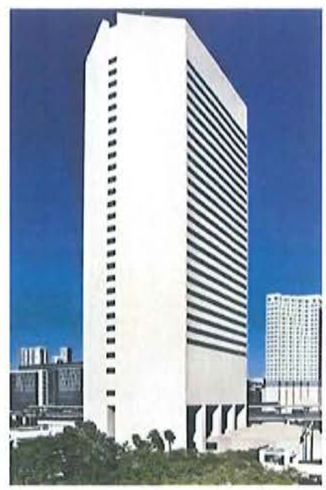
| Group II: Current vs. Potential FLR | Existing Bldg. Sq. Ft. ± | Min. Potential Gross Sq. Ft if Redeveloped ± | Max. Potential Gross Sq. Ft. if Redeveloped ± | Comments |
|---|---|---|---|---|
| SPCC & Daycare Existing<br>--- Excess Land<br>--- Total Dev. Sq. Ft.: | 775,478 | 775,478<br>2,613,600<br>3,389,078 | 775,478<br>3,920,400<br>4,695,878 | * Redev. Based on 2.5 Acres of Excess Land Only (preserving some green space) |
| Cultural Center | 321,493 | 4,143,788 | 5,650,620 | Redev. Based on Entire Site |
| Motor Pool & Parking Lot | 2,402 | 990,000 | 1,350,000 | Redev. Based on Entire Site |
| 140 W. Flagler Bldg. | 256,082 | 517,000 | 705,000 | Redev. Based on Entire Site |
| Children's Courthouse | 371,500 | 371,500<br>924,000<br>1,295,500 | 371,500<br>1,260,000<br>1,631,500 | ** Redev. Based on 42,000 Sq. Ft. Land Available @ 22-30 FLR |
| Dade County Courthouse | 270,000 | 1,745,000 | 1,745,000 | *** Historic Property; sale of 1.475M transferrable development rights (TDR's) Only |
| Lawson E. Thomas Courthouse Center | 469,242 | 840,000 | 1,260,000 | Redev. Based on Entire Site |
| Hickman Building | 75,000 | 1,617,308 | 2,205,420 | Redev. Based on Entire Site |
| Hickman Garage | 284,230 | 1,830,796 | 2,496,540 | Redev. Based on Entire Site |
| **Total** | 2,825,427 | 16,368,470 | 21,739,958 | |
| **Potential Gain:** | | 13,543,043 | 18,914,531 | |

As shown in the preceding table, Group II properties have a current total building area of 2.8 million square feet, versus a potential redevelopment capacity between 16.4 and 21.7 million square feet. This current development is just 13.0 to 17.3 percent of the total site capacity at current urban standards.

These measurements are used to establish the basis for testing the potential economic feasibility of repositioning (i.e., what sale price the County should expect if the properties were sold and/or joint ventured for redevelopment to the highest economic use). All other things equal, market value is driven by the development capacity of a site – and thus land which can accommodate 21.5 million square feet of development is far more valuable than land which can accommodate 2.8 million square feet of development. The actual value is subject to market demand and additional analysis on a property by property basis.

Interim and independent of the research and analysis prepared for the report herein, ISD procured real estate appraisals on selected County-owned assets in the downtown core; the first included a group of six (6) properties that were analyzed to determine benchmarks and market values for informational purposes (completed January, 2015), and the second included vacant land at the northern perimeter of the Stephen P. Clark Center, analyzed to facilitate planning and negotiations for a potential downtown Multimodal Transit Center (January, 2016). These properties, along with the remaining properties with redevelopment potential, are discussed individually below.

**Stephen P. Clark Government Center & Daycare Facility**



The Stephen P. Clark Government Center and Daycare Facility (SPCC) serves as the heart of Miami-Dade County government operations. At 30 stories and a gross building area of approximately 775,478 square feet, it is developed at only 6.7± percent of its site capacity assuming it were rezoned to match the adjacent T6-80 zoning; that is, the maximum FLR at a 36 ratio would equate to 11.5 million square feet on the 7.3 acres, versus the current 775,478± square feet.

The Stephen P. Clark Center is being effectively used for significant County operations. Barring a supportable proposal that would reposition this property without interrupting County operations, the redevelopment capacity should focus on the land at the northern perimeter of the site for new construction as originally intended. Protecting green space along the fountain and to the south leaves approximately 2.5 acres of excess development area. Relocation of the daycare facility would be required, and could potentially be accommodated in the existing 30-story tower, or within new construction on the northern perimeter of the site.

Assuming an excess land area of 2.5 acres at T6-80 zoning produces the ability to develop up to an additional 3.9 million square feet on site, strictly from a zoning perspective. However, the market feasibility would require insight from the private sector as to the actual demand and what development ratio would be most feasible. For comparison purposes, the All Aboard Florida 80-story mega tower planned immediately east of this site will include approximately 1.15 million square feet on 1.5 acres, for an FLR of 17.6. Assuming the same FLR on the 2.5 acres of excess land at the SPCC suggests a development capacity consistent with current market expectations of 1.9 million gross square feet for this site.

**Current Proposals:** The County has been in discussions with All Aboard Florida (AAF) to create a garage at NW 3rd Street and NW 2nd Avenue, directly west of the Metrorail's loading and service area at the norther perimeter of SPCC. The first floor of the property garage would serve as the Downtown Transit Multimodal Terminal with 24± bus bays, and provide connectivity for current routes servicing the downtown area as well as routes feeding into and out of the urban core. Two independent appraisals at highest and best use were procured for the property, the first estimating the market value of the land at $65 million and the second (received in draft) estimating the market value of the land at $75.3 million.

| **Stephen P. Clark Center Excess Land: Repositioning Options & Impacts** | | **Market Value (01/2016)** |
|---|---|---|
| A. | Partnership with AAF, Northern 2.5± Acres, to include a Transit Multimodal Center, subject to appropriate financial structure to be negotiated (may not be at H&B Use). | To be Determined |
| B. | Explore Redevelopment Interest from Other Parties at H&B Use<br>All options require:<br>- Relocation of Daycare<br>- Preservation of Park and Green Space<br>- Federal Transit Administration (FTA) Approval for any property related to DTPW Metrorail property | Highest & Best Use<br>$65.0M or annual ground rent of $2.93M (Appraisal 1)<br><br>$75.3M, or annual ground rent of $3.77M (Appraisal 2) |

## Cultural Center

The Cultural Center is a 4.32±-acre property which effectively includes two parcels within a single plat, comprising the entire city block between NW 1st Street south to Flagler Street, and NW 1st Avenue west to NW 2nd Avenue. The property is improved with the 180,175 rentable square foot Cultural Center, partially occupied by Miami-Dade County Library and HistoryMiami, in addition to a 14-foot elevated public plaza above a parking garage. The eastern portion of the plat includes excess land which is improved with a public plaza, open parking, and green space. An expansion of HistoryMiami is currently in the planning stages, estimated between $15 and $20 million; the project is being managed by Miami-Dade County Cultural Affairs. This property was appraised by an independent appraiser as part of a group of properties in the downtown core. The appraiser concluded with the following scenarios.

| Miami-Dade Cultural Center and Adjacent Park: Repositioning Options & Impacts | | Market Value (12/2014) |
|---|---|---|
| A. | **Sale at Highest and Best Use (Assumes demolition and new development is possible)**<br>• Vacate property and find alternative location for library (purchase, lease, or other current County-owned location)<br>• Determine obligation to HistoryMiami and assist in finding alternative location if determined / decided to do same<br>Alternative rents or purchase prices are to be determined based upon location | $84,800,000 |
| B. | **Sale and Leaseback (Assumes demolition is not possible):**<br>• Enter into an agreement for lease at market rent (determined to be $24/sq. ft., $4,324,200/year in appraisal; if a different rent is utilized, a different "market value" sale price would be negotiated) | $28,800,000 |
| C. | **Sale and Vacate (Assumes demolition is not possible)**<br>• Vacate property and find alternative location for library (purchase, lease, or other current County-owned location)<br>• Determine obligation to HistoryMiami and assist in finding alternative location if determined / decided to do same<br>Alternative rents or purchase prices are to be determined based upon location | $22,200,000 |

Based upon the appraisal, the highest and best use would be to sell the property for redevelopment to the private sector (an alternative would be a long-term land lease under a redevelopment concept). The property is currently zoned CI, Civic Institution and if rezoned could readily transition to the lowest abutting Miami 21 zone, which is T6-36B, which could allow up to 4.1 to 5.7 million square feet of development, up to 60 stories.

**Current Proposals:** There are no current proposals from the private sector at this time.

**Motor Pool and Vacant Land**

This holding includes approximately 45,000 square feet of land located at 150 SE 2nd Avenue, improved with a surface parking lot, and a 2,400± square foot gas station currently used by Miami-Dade County to service the County's motor pool.

The property was appraised as part of an analysis of the Downtown Miami assets in December 2014, with an estimated market value of the land only at $20.25 million. This is one of the few vacant properties owned by the County in the urban core that can near-readily be positioned for development. The site is zoned "CI", Civic Institution. According to the Miami 21 zoning code, the CI zone, if rezoned, would take on the lowest intensity adjacent zoning which, in this case, is T6-36B. The FLR associated with this zone is 22, with a 40 percent bonus for different criteria such as inclusion of public space. The zone also allows for building height of 36 stories, with a bonus up to 60 stories.

The sale of this property could ultimately produce $20.25 million in revenue, or the development of this property could ultimately allow up to 1.35 million square feet and 60 stories, subject to further analysis including physical configuration and legal/zoning compliance. (An alternative would be a long-term land lease under a development concept).

| Motor Pool and Vacant Land: Repositioning Options & Impacts | | Market Value (12/2014) |
|---|---|---|
| A. | **Sale at Highest and Best Use (Assumes demolition and new development)**<br>• Determine need for County-owned gas station downtown<br>• Locate alternative fuel source based upon needs determination<br>• Analyze cost benefit of different scenarios, including monies currently paid versus saved, and cost to purchase / fuel elsewhere | $20,250,000 |

**Current Proposals:** There are no current proposals from the private sector at this time.

**140 W. Flagler Building**

The 140 W. Flagler Building, also known as the Metro Flagler Building, is located at the southern perimeter of the Downtown Government Center DRI. The property is 16 stories in height and includes 256,082 square feet of building improvements on a half-acre site of 23,500 square feet. The property is physically at the end of its economic life as the cost to cure significant physical deficiencies and deferred maintenance is higher than the market value of the building as cured. The majority of County departments have vacated the property given poor occupancy conditions driven by age. The challenge in managing the property has been to make necessary renovations and repairs, without triggering the need to upgrade the building to current building codes because of the excessive cost of repair. The property was appraised with a market value of $7 million attributed to the land only, less demolition costs to vacate the land.

The property is currently zoned T6-36B and, if redeveloped the as-of-right zoning should allow up to 36 stories and 517,000 square feet of building area; with bonuses for public space or other features the current zoning may accommodate up to 705,000 square feet at 60 stories, all subject to market and being able to physically support same.

| 140 W. Flagler Building: Repositioning Options & Impacts | | Market Value (8/2014) |
|---|---|---|
| A. | **Sale at Highest and Best Use (Assumes demolition is possible)** | |
| | Land Value * | $7,000,000 |
| | Less: Cost of Demolition | - $1,700,000 |
| | Net Sale Price an Investor will Pay: | = $5,300,000 |
| | There are no long-term tenants in place and no material impacts are anticipated. | |
| | * The costs of renovating the building is greater than the building value. | |

**Current Proposals:** There are no current proposals for this property.

**Children's Courthouse**

This property was completed in 2014 with a total building area of 371,500 square feet on a 3.4-acre lot. This is equivalent to an FLR of just 2.5, compared to market standards of 22 to 30 for T6-36 and 24 to 36 for the adjacent T6-80. The recently completed facility is not feasible for redevelopment, but County staff has estimated approximately 42,000 square feet of excess land remains. Employing the more conservative zoning option (T6-36 B) for this footprint would equate to an additional development capacity of 924,000± to 1,260,000± gross square feet. A conservative estimate of the excess land value is $17,500,000.

**Miami-Dade County Courthouse**

The 28-Story Miami-Dade County Courthouse includes approximately 270,000 square feet of gross building area and has been occupied for public purposes since its completion in 1928. The site is not appropriate for redevelopment given its historical status, however, there are options for repositioning. If developed at today's standards the site may accommodate up to 1,745,000 square feet, of which 1,475,000 may be available to sell as transferable development rights.

The courthouse is in the advanced stages of a long-term plan that invests approximately $72 million in various capital projects to repair, replace, and upgrade the historic building. The most expensive expenditures include the renovations to the exterior terracotta façade, replacing decades-old air conditioning units, and Phase 2 of the Structural Columns Repair. The project is being managed by ISD.

The Miami-Dade County Courthouse was appraised in December 2014, to address the economic questions of repositioning and query additional manners in which income may be generated from the real-estate-related operations. Key to the appraiser's conclusions are the outstanding development budgets at the time of appraisal (which were estimated at $25 million), as well as the ability to sell up to 1,475,000 square feet of transferable development rights as part of the City's Historical Preservation program. The market value estimates were as follows:

| Miami-Dade County Courthouse: Repositioning Options & Impacts | | Market Value (12/2014) |
|---|---|---|
| A. | **Sale and Leaseback (including sale of TDR's)**<br>• Enter into an agreement for lease at market rent ($24/sq.ft., or $6,360,000 per year in the appraisal; if different rent is utilized, a different "market value" sale price would be negotiated)<br>• Courts will still require additional space which needs to either be constructed, leased, or purchased<br>• Analyze best location for secondary facility if additional space is constructed, leased, or purchased | $31,300,000 |

| Miami-Dade County Courthouse: Repositioning Options & Impacts (Continued) | | Market Value (12/2014) |
|---|---|---|
| B. | **Sale and Vacate (including sale of TDR's)**<br>• Vacate property and find alternative location for Courts (purchase, lease, or other current County-owned location)<br>• Alternative rents or purchase price to be determined based upon location<br>• Moving costs to be determined | $21,600,000 |
| C. | **Sell only the TDR's to a developer or investor and retain ownership of the building for County use**<br>• Income generated from sale of TDR's, by zoning, is generally to be earmarked for preservation of building<br>• Use of income generated by sale of TDR's may require vetting by City of Miami / Historical Board<br>• Funds gained from sale could offset funds allocated for future renovation and preservation | $11,060,000 |

As shown above, there are several options for the Courthouse, financially. The decision on how to proceed will ultimately be driven by whether or not additional land or building can be secured or developed to fulfill the demands of the County's Civil Court needs.

**Current Proposals:** There are no current proposals from the private sector at this time.

**Lawson E. Thomas Courthouse Center**

The Lawson E. Thomas Courthouse Center is a 30-story office building located at 175 NW 1 Avenue used as Miami-Dade County's family court. The property includes 469,242 square feet of gross building area developed on a 35,000 square foot lot, giving it the highest intensity of all County-owned properties at an FLR of 13.4. The site is favorably located in the highest-intensity zoning district in the City of Miami (T6-80) and immediately proximate to the All Aboard Florida development; both of these factors enhance its marketability. A conservative estimate by ISD staff for the market value of this property is in excess of $50 million based on a net rentable area of 260,264 square feet and 280 parking spaces. Given this high value and inherent marketability of the property, it would be reasonable to analyze the potential benefits of incorporating the current family court tenants into a new, combined courthouse in order to allow repositioning of this property for sale to a third party investor or to use as leverage in a P3 or other financial partnership.

At such future time the market would support redevelopment of this property, the site could potentially accommodate up to 1.26 million square feet compared to its current 469,242 square feet. A negotiation involving this property could be structured to include the value of the current structure plus the contributory value of the excess development rights, effectively allowing an investor to operate the office for an interim period, and land bank the opportunity for redevelopment at such time it proves feasible in the future. Another opportunity could involve a sale and lease-back of the land, allowing for the County to continue to use the property, while generating an up-front payment on the land. The cost benefit of such a repositioning would have to be carefully analyzed to assure that any incremental increase in value would offset the cost of relocation.

**Current Proposals:** There are no current proposals from the private sector at this time.

**Hickman Building & Garage**

The Hickman Building and garage are located at 270 and 275 NW 2 Street, and are currently used by PROS and the Juvenile Assessment Center (JAC); they are officially owned by DTPW / public works. The sites have not been formally appraised or formally assessed for redevelopment, however, based upon their age and low utilization compared to additional capacity, it may prove beneficial to consider the potential redevelopment or repositioning of the properties, subject to market demands and a cost benefit analysis.

Together the properties have a combined square footage of 359,230, which is between 7.6 and 10.4 percent of their potential site development of 3.5 to 4.7 million square feet. While the redevelopment potential for this property is good, the marketability of the sites to the private sector may result in a lower-intensity of development, if considered.

| Property | Bldg. Sq. Ft. ± | Total Acres | Year Built | FLR | Adjacent FLR (rezoned) | Potential Sq. Ft., New Development |
|---|---|---|---|---|---|---|
| Hickman Garage | 284,230 | 1.9 | 1982 | 3.4 | 22 – 30 | 1,830,796 - 2,496,540 |
| Hickman Building | 75,000 | 1.7 | 1979 | 1.0 | 22 – 30 | 1,617,308 - 2,205,420 |
| **Grand Total** | **359,230** | **3.6** | **1979** | **2.3** | **22 – 30** | **3,448,104 – 4,701,960** |

**Current Proposals:** There are no current proposals from the private sector at this time. .

**Group III: Vacant Land**

The County's vacant land holdings in the downtown core are limited. With the exception of transit, rights-of-way, and the excess land at the Cultural Center, SPCC, Motor Pool site, and Children's Courthouse previously discussed, the County owns just two vacant properties including Parcel B on the bay next to the AmericanAirlines Arena, and remnant parcels from the I-395 interchange on the north side of the Culmer Center Library.

**Parcel B:**

Parcel B is a 2.77-acre tract of land with an additional 1.38-acres of dedicated rights-of way, that together form a 4.2-acre bayfront parcel immediately east of the AmericanAirlines Arena. A County-owned, 611±-foot linear baywalk exists at the eastern perimeter of the site.

Miami-Dade County is negotiating with representatives of the Cuban Exile History Museum to draft a lease agreement for the possible development of a museum on Parcel B. The negotiations are pursuant to a BCC resolution (R-687-14), which was passed by the BCC on July 17, 2014. The negotiations with the representative of the Cuban Exile History Museum include discussions with the Miami Heat, which is the tenant in the AmericanAirlines Arena, which regularly utilizes the Parcel B property.

The County has had conversations with other organizations to explore the possibility of combining the proposed Cuban Exile History Museum with other museums, all to be developed and co-located on the Parcel B property. There have been issues raised by participants regarding the cost of a larger endeavor (as yet undetermined) and the importance of maintaining the identity of the individual museum endeavors.

A September 2014 appraisal performed by an independent appraiser estimated the annual ground rent between $720,000 and $820,000, and the market value between $7.5 and $10 million (the higher numbers including the rights-of-way), with all scenarios retaining control of the baywalk. The value is suppressed given development restrictions on the site which limit its development capacity. The appraisal found that if the development restrictions, hypothetically, were removed the market value would be $120 million including the rights-of-way.

**Culmer Center Vacant Land**

The Culmer Center vacant land is an irregularly shaped plot of seven (7) small, adjacent sites abutting the southern side of the I-395 expressway right-of-way at NW 3 Avenue. The street address is 315 to 385 NW 14$^{th}$ Street. Collectively the parcels have a combined land area of 17,088 square feet, which is approximately 0.4 acres. The land is a long, narrow arc shape, and limited in commercial use given the small size combined with irregular shape. The land is immediately north (across the street) from the Gibson Park, which is owned by the City and which also houses the Culmer Center Library leased by Miami-Dade County from the City. Given this proximity, there could be a relationship to be explored between the park and retaining this land as green space to complement the park, library, and adjacent Overtown Youth Center.

**Group IV: Other Properties**

Group IV includes the County's Chilled Water System, comprised of the Central Support Facility (CSF) at the southern end of the loop and the North Chiller at the northern end of the loop. The Central Support Facility is combined with two (2) additional uses including the 7-story, 623-space Cultural Center Parking Garage and the 2-story, 45,000 square foot supporting commercial office.

**Central Support Facility Office & Cultural Center Garage**

The office and garage component of the Central Support Facility were appraised as part of the valuation of selected downtown properties by an independent appraiser as of December 5, 2014. The market value of the garage and supporting office space are separate of the chiller, and any repositioning would have to be carefully designed to exclude, avoid impact to, and protect the chiller component.

| Cultural Center Garage & Office: Options & Impacts | | Market Value (12/2014) |
|---|---|---|
| A. | **Sale at Highest and Best Use (Assumes no demolition)**<br>• Vacate property and find alternative location for any County-employee parking and office tenants | $24,000,000 |

There are potential opportunities related to the Central Support / Chiller, which are discussed in under "Miami-Dade County Chilled Water System" below.

**Miami-Dade County Chilled Water System**

Miami-Dade County owns and operates two chilled water plants that together service 5 million square feet of development in 13 facilities in the urban core. The first is the Central Support Facility Loop (CSF), originally constructed in 1984, with current service to five County-owned buildings. The second part of the system is known as the North Loop, originally constructed in 1999 to operate as a private commercial district chiller plant serving the AmericanAirlines Arena, Terremark Worldwide Technology Center, and six additional County-owned buildings. This second property was purchased by the County in 2006, with the entire system connected and modernized into a single, redundant system between 2010 and 2013.

The County has recently engaged consultants to verify the rates it charges to private users, and to identify marketing opportunities and options for expansion of service to the private sector. Combined the facilities have a capacity to supply 20,400 tons of chilled water in the downtown core. Approximately 4,550 tons are contracted to the two private users for which the County receives $4.8 million in net income each year; there is an un-used capacity of approximately 1,500 tons (after accounting for County use and reserves) which could generate approximately $1.6 million as additional users are identified. Looking forward, the CSF has internal physical space to support additional equipment and thus expansion of this facility to supply additional chilled water to private users is also a possibility. Current and future net income generated from this system is used to offset the County's energy costs.

**Miami-Dade County Opportunities**: Potential growth of system to new users; $1.6M/Year+.

**Department of Transportation and Public Works (DTPW), Transit Properties**

Opportunities for the lease of air rights and implementation of joint development projects to create real estate rental revenue exist along the DTPW rail and stations in the downtown core. However, there are strict Federal Transportation Administration (FTA) requirements limiting the use of real estate income generated by transit properties for which the FTA was involved in the acquisition or funding. In this manner, the opportunities which exist for the County as related to DTPW properties may be more indirect – such as quality of life, increased ridership, and increased revenue to the transit system.

DTPW's prime opportunities will be along the rail, where parking exists, and to a smaller extent along the Metromover where connectivity may be established to different developments. Current real estate projects in process are outside the boundaries to the north and south, such as Omni and Brickell City Centre. Potential opportunities in the defined core area include:

1. **Brightline (All Aboard Florida):** The role of DTPW in this project is modest at this juncture, limited to the granting of air rights along the rail system, subject to federal guidelines, in order to produce rental revenue. As noted, DTPW anticipates the Brightline project will increase ridership for the train.
2. **Downtown Transit Multimodal Station** at the Stephen P. Clark Government Center: as noted previously, County officials have been in discussions with representatives of All Aboard Florida to assess the potential of developing the northern perimeter of the Stephen P. Clark Government Center with a 24-bay multimodal center and parking garage to establish connectivity within downtown, as well to and from the outlying region. This area of land was originally intended for future office development in the original Downtown Government Center DRI (now expired). Appraisals have been prepared to set the basis for negotiations and discussions.
3. **Third Street Station:** Developer Fifteen Group purchased a 1.31-acre redevelopment site located adjacent to Metromover's "Third Street Station" for $19 million in July 2014. This is a prime development parcel, that was marketed by the selling broker CBRE as accommodating up to 1.7 million square feet of development, with the potential to connect to the Metromover platform. Opportunities may exist to negotiate revenue for DTPW at this location in the future.
4. **Miami Worldcenter:** There are three Metromover stations along the eastern perimeter of the major Miami Worldcenter development, and real-estate opportunities such as connectivity, station upgrades, provision of easements, and advertising and marketing programs are evident.

## Major Economic Drivers

The major economic drivers highlighted below are anticipated to directly impact conditions in the urban core, from generating business, job growth, housing demand and supply, taxes, tourism, and retail spending to increasing the daytime resident and population, marketability, and visibility of the Miami region. Public and private investment in these projects will indirectly impact demand and value characteristics for County-owned real estate.

### A. Brightline (All Aboard Florida)

Brightline is a more than $3 billion infrastructure and real estate project that will connect Central and South Florida. Phase 1, which is currently under construction, will connect the downtowns of Miami, Fort Lauderdale and West Palm Beach in mid-2017. Phase 2 will extend the service to the Intermodal Terminal Facility at the Orlando International Airport. The company is also developing more than 4 million square feet of transit oriented development around the three South Florida stations. The projected economic impact to Miami-Dade County has been reported at $1.3 billion, 2014 thru 2021, as determined by The Washington Economics Group.

**Developer**: Florida East Coast Industries, LLC, Coral Gables, Florida.

**Timeline**: Phase 1 to open mid-2017. Transit oriented development to be completed at different stages.

**Service**: Brightline (private rail, 3 tracks) and Tri-Rail (public commuter rail system, 2 tracks) – at the station, MiamiCentral.

**Synopsis**: Brightline's multimodal hub in downtown Miami is called MiamiCentral and includes 11± acres of land running north/south along the former FEC Railway, west of NW 1 Avenue between NW 1 and NW 8 Street, and east of NW 2 Avenue between NW 6 and NW 7 Streets.

The 11± acres represent the southernmost point of the All Aboard Florida project, and will serve as a high-intensity commercial hub with 3 million square feet of hotel, office, residential and retail in the downtown Miami core. The Miami component has three definitive phases, with a proposed fourth phase, as follows:

i. 3 Miami Central, or the "West" phase, under construction on Overtown/CRA lot 56, due west of Overtown Transit Village. To include a mixed use office/retail property with approx. 33,161 square feet of retail, approx. 96,996 square feet of office and 1,096 parking spaces. Planned completion early 2017.

ii. Platform Phase, which will include an elevated platform above 2-levels of retail plus 3 towers, including two residential towers and an office tower, to be completed by mid-2017; site work and vertical construction are underway.

iii. Supertower Phase, which will include a 1 million square foot, 85-story tower with hotel, residential, and retail; construction start to be determined.

iv. Proposed expansion: Developer successfully negotiated a land swap with the City for one-half acre at 104 NW 1 Ave., which will allow for a re-alignment of a portion of NW 1st Avenue, and the addition of a 5th tower. The City will receive land at 435 NW 1 Ct. which it will use for a new fire station

**Miami-Dade County Real Estate Opportunities in this project:**
Opportunities are related DTPW, as discussed on page 32, including (summarily):

a. Sale / Lease of air rights to All Aboard Florida along the Metrorail
b. Joint development and/or other negotiations for a Downtown Transit Multimodal Center at the northern perimeter of the Stephen P. Clark Government Center
c. Revenue share on CRA parcels (3 Miami Central / West Phase) per agreement with County.

B. **Miami Worldcenter**

Miami Worldcenter is a high-intensity mixed use development which has been in planning since the early 2000's. The project, reported at between $1.5 to $2.0 billion, is cited by the architect as one of the largest private redevelopments in the City's history, with up to 17 million square feet expected to expand the CBD by 12 to 15 percent.

The development is planned for 27± acres over a 10-square block area between NE 2nd Avenue and North Miami Avenue, from NE 6th Street to NE 11th Street.

Given the long-term nature of the development, the characteristics of the development are subject to change. As of the writing of this report the economic impact had been reported at 35,000 jobs, including 18,000 permanent jobs.

**Developer**: Miami Worldcenter Associates, with equity partner CIM Group; master plan by Elkus Manfredi Architects. Zoning and legal by Greenberg Traurig.

**Timeline**: Site work is underway, following a groundbreaking for the 340,000 square feet of high-street retail and 569-unit Paramount Condominium in April 2016. Both are planned for completion prior to 2018. Site preparation is nearing for the first of two towers at the "7th Street Apartments" (43 stories, 450 of 863 units), and Luma rental apartments (434 units, 44 stories).

**Synopsis**: Miami Worldcenter created its own comprehensive zoning district over an approximate three-year process between 2005 and 2008, as a precedent to and consistent with the constructs of Miami 21. As such, the majority of zoning is as of right with approvals required for specifics on individual phases.

Infrastructure is provided for via the Miami Worldcenter Community Development District (CDD) adopted in 2015 and updated in August 2016. The district is comprised of approximately 23.1 acres (21.9 which are privately owned). The CDD budget 2015 thru 2018 is $55.9 million.

A summary of the project taken from the September 2016 CDD documents identifies a total of 1,369 condominiums, 1,856 apartments, 400 hotel rooms, 457,900 square feet of retail, 500,000 square feet of office, and 500,000 square feet of parking. This differs slightly from that provided to the City of Miami for planning review in June 2016, which did not identify office (on a comparable phase).

Retail was redesigned in January 2016 as an open-air promenade concept comparable to Lincoln Road with 340,000± square feet broken into discrete blocks running north to south along the 2nd Avenue corridor, the majority which is ground floor, in addition to some second floor retail, and parking above.

Open space, parks, pedestrian promenades and paseos will provide connectivity throughout the development, with major points planned for the 7th Street promenade, a 9th Street Paseo, and a north/south pedestrian thoroughfare.

As of September 2016, the City of Miami approvals for the retail and Luma rental apartments were pending. Retail had been approved in 2015, but was revised.

**Miami-Dade County Real Estate Opportunities in this project:**
Connectivity opportunities exist through partnerships with DTPW, as the project encompasses three (3) stops along the Metromover system, in addition to Metromover station improvements.

## C. Marriott Marquis Miami Worldcenter Hotel and Expo

The Marriot Marquis Miami Worldcenter is MDM Development's hospitality adjunct to the Miami Worldcenter site on the former Miami Arena site. The acquisition of the site was announced in 2013, several years into the original Worldcenter plan. The site is located proximate to Brightline (All Aboard Florida), and initial announcements for this development highlighted the opportunity to connect the Hotel and Expo site and Miami Worldcenter with the Brightline and Metrorail systems.

The proposed facility has been scaled back since first announced, from $750 million to $525 million, and from 1,800 rooms in one building to 1,700 hotel rooms in two towers. Convention and meeting space is reported to range between 360,000 to 600,000 square feet. The site has been cleared and level, and planning is underway, but the final construction timeline remains to be determined. Early reports by the developer estimated the project would result in 1,300 permanent jobs.

**Miami-Dade County Real Estate Opportunities in this project:**
There are not currently any identified real estate opportunities with this development, though County staff will continue to monitor the development and its impact on County-owned properties.

D. **Skyrise Miami**, a planned 1,000 foot vertical entertainment center announced by developer Jeffrey Berkowitz in 2013, anticipated to be a visual icon and entry statement for the City of Miami. In June 2016, the developer indicated the original budget of $430 million had been exceeded, but did not release new figures. At that time he also announced a financial partnership with Legends Hospitality, the operator of the observation deck at World Trade Center. Legends will assume a design and operations role in Skyrise Miami as well; it is uncertain whether additional funding is needed.

Plans for the tower include multiple indoor and outdoor observation decks, interactive exhibitions, hands-on thrill rides, experiential freefalls, and dining and celebration space.

The initial economic impact figures released by the developer in 2013, as forecast by the Washington Economics Group, projected 7,100 jobs and an $880 million economic impact during the development phase, and 17,000 jobs and a $1.3 billion annual economic impact thereafter. Visitors were projected at 3.2 million per year.

**Timeline:** Targeting construction year-end 2016 and completion in 2020.

**Miami-Dade County Real Estate Opportunities in this project:**
Skyrise Miami is being constructed on a site owned by and leased from the City of Miami. There are not currently any identified real estate opportunities for the County with this project, though County staff will continue to monitor the development and its impact on County-owned properties.

## Quality of Life Initiatives

The following quality of life initiatives are highlighted to further define the activity in the downtown core. The initiatives are anticipated to increase economic opportunities and quality of life in the market, thus there will be indirect impacts to County-owned real estate. The County will continue to assess the projects in order to identify real-estate-related opportunities in the future, as relevant.

### A. Flagler Streetscape

This project is part of the Miami DDA's master plan to redevelop state-owned Flagler Street into a pedestrian-oriented Main Street. The task force created for the plan has been charged with reclaiming Flagler Street's "proud and distinctive heritage as the City's iconic main street . . . A vibrant, walkable, and historic shopping district." Objectives include limiting commercial parking, centralizing valet parking, maintaining sidewalks that are clean, safe, and uncluttered under dense tree canopies and awnings, encouraging sidewalk café's as well as street festivals and events. It is believed that this project will serve as a catalyst for further economic development in the surrounding area.

The project is also viewed from an economic development perspective, in that it brings connectivity from Main Street closer to the All Aboard Florida and Government Center.

**Status:** The City is currently managing the project. There are regular task force meetings to encourage the pace and make-up for setbacks early on due to personnel changes, permit issues for drainage and stormwater, and contractor negotiations.

The project is being funded by the County and the City; property owners are also subject to a special assessment based upon linear front feet.

Phase 1: east of North Miami Avenue to Biscayne Boulevard, started construction in January 2016. Subsurface issues and coordination of utility alignment have caused significant construction delays, pushing back the original planned completion of July 2018 to an unknown date.

Phase 2: The Miami DDA is currently analyzing a second phase, which would fund additional improvements west of North Miami Avenue to the river. An ownership analysis and economic assessment has been provided to the task force, and funding is being sought.

The County provided half the funding for this project, equal to $6 million, through the GOB program.

**Miami-Dade County Opportunities in this project:** The majority of Phase 2 passes along County-owned property at the Miami-Dade County Courthouse, Cultural Center, 140 W. Flagler Building, Cultural Center Garage, and Central Support Facility. Opportunities to participate in creating a synergy and connectivity along Flagler to County-owned properties should materialize as the project evolves.

### B. Biscayne Green

Biscayne Green is a proposal by the Miami DDA on state-owned Biscayne Boulevard that converts the roadway into a pedestrian and bike-friendly "urban greenway," specifically located between Biscayne Boulevard Way/1st Street at the south and N.E. 8th Street at the north. The median is to be developed into a linear park with kiosks, cafes, lawns, and playgrounds, with parking underground. The proposal includes the reduction from 8 lanes to between four and six, reducing parking from 388 to 187 spaces, and replacing a shared bicycle lane with a dedicated lane. The Florida Department of Transportation (FDOT) has shown support for the project.

**Status**: This is a long-term project in the initial stages. The Miami DDA submitted a grant request for funding from FDOT for $1 million for a Planning, Design, and Engineering Study for the 2015 cycle of the Transportation Alternative Program (TAP), however the project was not selected. The application was resubmitted for the 2016 TAP cycle; if selected, the funding will occur in fiscal year 2019-2020. The Miami DDA is seeking other public, foundation, and possibly private funding sources including public-private partnerships; the latter would come after TAP funding which would facilitate design.

A live demonstration to share the vision of Biscayne Green is scheduled for spring, 2017. The Knight Foundation provided the funding for this demonstration through the Knight Cities Challenge, for which this project was selected out of more than 4,500 national entrants.

The Miami DDA is spearheading this project and currently working with the City; however, the DDA anticipates that once funding is secured and the project enters design, the County will need to assume an active role coordinating with the departments including DTPW and potentially PROS.

**C. Baywalk**

The Miami DDA is identifying quick-implementation strategies to make the Baywalk, a 3.2-mile linear park along the eastern and southern perimeter of downtown, more accessible, attractive, and usable for the residents and employed-daytime population.

The project is being incorporated into the greater landscape at two (2) levels: at the macro level the Miami DDA is creating the vision, management structure, brand and identity in order to create an amenity that people can use, while at the micro level the Miami DDA will continue to work with individual property owners to make improvements for safety, security, lighting, and aesthetics.

Collectively, the plan will bring in areas which are developed, which are not yet developed, and which are difficult to access. With the exception of two small areas, the baywalk in the Downtown Master Plan Boundaries is currently connected and includes an existing shared path and an existing pedestrian-only path. The two barriers which require connectivity are a small linear strip along the north side of the Miami River at the bay, and a small linear strip at the northern perimeter of Parcel B with which the County is assisting the Miami DDA.

Zoning requires developments along the water have a 50-foot setback. The area is being designed as a waterfront promenade within these setbacks, and will include 25-foot-wide walkways, 4-foot planting areas, 15 to 16 foot circulation/active path areas, 3 to 4 feet separating the water, and 3-foot passive zones.

The project remains in the strategic planning stage; once design and construction is better understood, funding will be sought. An assessment of existing conditions is in progress.

The Miami DDA has started working with PROS to integrate the Baywalk into the larger cultural trail system and connect to the larger greenway and trail system.

The DDA has also worked with ISD to open previously barricaded areas behind Parcel B, however, beautification is still required.

**D. Sea Level Considerations**

The Miami-Dade County Comprehensive Development Master Plan ("the CDMP") was amended to address sea level rise and climate change, through policies which call for the consideration of sea level rise and climate change as an integral component of all planning processes, including incorporation into public investment processes and decisions.

Because the downtown area is partially bounded by the Miami River and Biscayne Bay it is critical that the impacts of sea level rise on County-owned property are monitored. Pursuant to Resolution R-451-14, flood and sea level risks must be considered as part of any future development.

As required by R-451-14, the design of all new projects within the study area should explicitly consider sea level rise to improve the resiliency and longevity of these projects.

Miami-Dade County will continue to identify opportunities that impact all County-owned properties in the study area.

Please refer to the following pages for a table synopsizing the potential opportunities discussed above.

## Summary of Sq. Ft. Gained by Option
## Downtown Miami: County-Owned Properties (R-1068-14)

| Property Name | Comments | Min. Bldg. Sq. Ft. Gained if Redeveloped at Base FLR ± | Max Bldg. Sq. Ft. Gained if Redeveloped at Bonus FLR ± |
|---|---|---|---|
| Motor Pool and Adjacent Vacant Land | Sell and Vacate (H&B Use) | 987,598 | 1,347,598 |
| Miami Dade Cultural Center and Park - Option 1 | Sell and Vacate for Redevelopment (H&B Use). | 3,822,295 | 5,329,127 |
| Miami Dade Cultural Center and Park - Option 2 | Additional Option - Sale and Leaseback at Market Rent. | 0 | 0 |
| Miami Dade Cultural Center and Park - Option 3 | Additional Option - Sale to Investor (no redevelopment), and Vacate. | 0 | 0 |
| Miami Dade Cultural Center and Park – Option 4 | Lease the land to a developer, long-term, for private redevelopment. | 0 | 0 |
| Central Support Facility | Sell Cultural Center Garage & Office to Investor; Retain Chiller for County Use (H&B Use); grow annual revenue from Chiller and North Chiller. | 0 | 0 |
| Miami Dade Courthouse - Option 1 | Sale and Leaseback at Market Rent. | 0 | 0 |
| Miami Dade Courthouse - Option 2 | Additional Option - Sale to Investor (no redevelopment), and Vacate. | 0 | 0 |
| Miami Dade Courthouse - Option 3 | Sell Transferrable Development Rights Only / Retain Property. | 1,475,000 | 1,475,000 |
| 140 W. Flagler Bldg. | Sell and Vacate (Land Value Only). | 260,918 | 448,918 |
| Children's Courthouse | Consider additional development capacity to house a new civil courthouse or fulfill other County functions (Assume 42,000 Sq. Ft. / 0.96 Acres available). | 924,000 | 1,260,000 |
| Stephen P. Clark Center & Daycare | 2.5 Acres Excess Land, being considered for a Downtown Multimodal Center at a lower intensity than could be allowed, but w/significant transit benefit. | 2,613,600 | 3,920,400 |
| Lawson E. Thomas Courthouse Center | Consider for sale, interim office use, and land bank for future redevelopment from 469,242 Sq. Ft. to 840,000 to 1.26M Sq. Ft. | 370,758 | 790,758 |

| Property Name | Comments | Min. Bldg. Sq. Ft. Gained if Redeveloped at Base FLR ± | Max Bldg. Sq. Ft. Gained if Redeveloped at Bonus FLR ± |
|---|---|---|---|
| Hickman Building | Potential Redevelopment from 75,000 Sq. Ft. to 1.6 to 2.2M Sq. Ft. | 1,542,308 | 2,130,420 |
| Hickman Garage | Potential Redevelopment from 284,230 Sq. Ft. to 1.8M to 2.5M Sq. Ft. | 1,546,566 | 2,212,310 |
| Parcel B & Right-of-Way | Exploring several options; annual rental revenue appraised at $720,000 to $820,000. | 0 | 0 |
| North Chiller (Utility) | Grow use of system to potential users (for CSF and North Chiller collectively). | 0 | 0 |
| Culmer / Vacant Land | Maintain as Park or Open Space. | 0 | 0 |
| Other: CRA Revenue Agreement | Potential revenue share based on CRA deal with All Aboard Florida; extremely preliminary. Subject to agreement by CRA, County, developer. | N/App. | N/App. |
| DTPW - All Aboard | Sale and/or Lease - Air Rights Along Metrorail; income to go to DTPW/transit and FTA. | N/App. | N/App. |
| DTPW - Miami World Center | Opportunities may exist for deals along Metromover, primarily for connectivity. | N/App. | N/App. |
| DTPW - 3rd Street Station | Opportunities may exist for deals along Metromover, primarily for connectivity. | N/App. | N/App. |
| DTPW - Omni (North of Boundary) | Solicited bids for joint development; negotiating with bidder. Income to go to DTPW/ transit and FTA. | N/App. | N/App. |
| Flagler Streetscape | County provided EDF Funds for Phase 1; the majority of proposed Phase 2 passes along County-owned properties; look for opportunities to creating a synergy along Flagler to County-owned properties as the project evolves. | N/App. | N/App. |
| Baywalk | County departments are working with Miami DDA to fulfill this initiative as it relates to County-owned property. | N/App. | N/App. |
| | | 13,543,043 | 18,914,531 |