Memorandum

MIAMI-DADE COUNTY

Date: September 10, 2015

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

From: Carlos A. Gimenez
Mayor

Subject: Revised - Report on results of negotiations of Grant Agreements for Building Better Communities General Obligation Bonds, Economic Development Fund Project 124 recipients.

On February 3, 2015, the Board of County Commissioners (Board) approved Resolution No. R-123-15, sponsored by Commissioner Daniella Levine Cava, which directed the Administration to prepare and submit a report detailing results of negotiations for Better Building Communities, General Obligation Bond, Economic Development Fund Project 124 (EDF Project 124).

During discussions at several Board meetings regarding the allocation of funds for EDF Project 124 infrastructure projects listed below, three (3) major policies were adopted by the Board:

1. Before a grant payment can be made to a grantee, the entire project, including the infrastructure work for which funds were allocated, must be complete.
2. Before a grant payment can be made to a grantee, all permanent jobs indicated in the allocation memorandum/grant application approved by the Board, must be in place for a minimum of 365 days.
3. Once a grant payment has been made, the grantee must post a letter of credit in the amount of the payment for a period of five (5) additional years to assure the County that all the permanent jobs indicated in the allocation memorandum remain in place for a minimum five-year period.

Staff has not negotiated any deviation from these three (3) conditions. Subsequent to all project allocations, staff met with each grantee to discuss their projects. All grant recipients received a draft grant agreement on April 3, 2015 and a revised draft grant agreement on June 19, 2015. However, every one of the ten (10) grantees has changed one (1) or more of these conditions to suit their specific needs. The County Attorney's Office prepared a standard Grant Agreement, which included these three (3) non-negotiable conditions and other requirements of the Building Better Communities General Obligation Bond program.

For the Board's information, the format of this report has been developed to provide information on each project in the following way:

- the name of the project;
- the conditions of the Allocation Memorandum/Grant Application approved by the Board;
- the conditions of the Grant Agreement changed by the grantee when submitting their signed Grant Agreement; and
- general comment from staff including an assessment of how much the project has changed and how close the grantee is to meeting the County's Grant Agreement terms.

One of the most requested changes was to the "New Job" requirement. As set forth in the Grant Agreement, New Jobs, "are defined as permanent full-time equivalent positions (36 hours per week) from: (i) new businesses located in the Project, (ii) existing businesses relocating to the Project or to the area as a result of the Project, and/or (iii) local business expansions, and excludes construction

jobs are permanent jobs created in connection with, and in anticipation of, the operation and management of the Project after the Project is completed, provided, however, such new permanent full time jobs shall be net of any permanent jobs eliminated as a result of the Project."

Another common challenge was the alteration or deletion of the Clawback provision. Other change requests ranged from major alterations to the scope of the development project (not the infrastructure portion) and projects requesting time extensions because they do not have site control.

It should be noted that the list of discrepancies between each project's Allocation Memorandum and the draft Grant Agreement submitted by the grantees is not all inclusive. It does, however, contain those differences that are critical to the intent of this program. Prior to any one of these Grant Agreements being presented to the Board for approval, it will require additional discussion and input from the County Attorney's office. The tables below compare the details of the project based on the Board resolution that allocated funds versus what is in the draft Grant Agreement.

Finally, staff believes that some of the Grant Agreements require little negotiation to complete while others require more extensive discussion. Staff has listed the projects in three (3) categories: (1) those requiring little additional negotiation; (2) those requiring significant additional negotiation; and, (3) those requiring significant additional negotiation and a County lease for site control.

CATEGORY 1: PROJECTS REQUIRING LITTLE ADDITIONAL NEGOTIATION

LARKIN HEALTH SCIENCES CAMPUS

Allocation Resolution:

Allocation Resolution	Resolution No. R-1116-14 on December 16, 2014
Amount of Allocation	$5,000,000.00
Project Description	The Grantee shall construct an Osteopathic School of Medicine, a school of pharmacy, school of nursing, and a school of dentistry in Miami-Dade County. In addition, it will create a Charter High School for life sciences, a residential student housing component, and other accessory uses for the development of a university campus located in Naranja (folio 30-6933-008-0140).
GOB Project Description	Roads, utilities and a parking garage.
New permanent, full-time Jobs	245
Average Annual Salary	$89,959.00

Draft Grant Agreement:

Project Description	Unchanged
GOB Project Description	Unchanged
New Permanent full time Jobs	Unchanged
Average Annual Salary (No projection based on new method of calculation)	A minimum of ten (10) percent or higher of the Miami-Dade County average per the Florida Department of Economic Opportunity Statistics for the applicable fiscal year
General Comment from Staff	Other changes requested by the grantee, particularly with regard to the deleted portion of the Section Compliance with Laws, need to be reviewed with the County Attorney's Office. This Grant Agreement should require little additional negotiation.

RIVER LANDING MIAMI

Allocation Resolution:

Allocation Resolution	Resolution No. R-230-15 on March 3, 2015.
Amount of Allocation	$7,500,000.00
Project Description	The grantee shall construct a mixed-use development including a linear park on the Miami River. It will contain approximately 426,000 square feet of vertical retail; approximately 500 market rate rental apartments; and over 2,500 parking spaces located at 1400 NW North River Drive, Miami, Florida, 33125.
GOB Infrastructure Description	Pathways around the project, a seawall, a river walk, roads and roadways improvements, sidewalks, public signage lighting, and parking
New permanent, full-time Jobs	980
Average Annual Salary	$28,163.00

Draft Grant Agreement:

Project Description	The grantee has changed his commitment to build the Project as described above to building the square footages based on tenant demand and in compliance with City of Miami approvals.
GOB Project Description	Unchanged
New Permanent full time Jobs	Unchanged; however, the grantee is requesting to be able to alter the number of jobs as long as the revision does not materially alter the original GOB Project or reduce the cost of the GOB Project by greater than 15 percent. The grantee is also requesting that for restaurant and/or entertainment jobs, two (2) part-time positions (totaling 18 hours) equal one (1) full-time position.
Average Annual Salary	Unchanged
General Comment from Staff	The clawback provision has been changed to four (4) years from the required five (5) years. Additionally, the grantee has made changes to the Default and Remedies provisions as well as other modifications to the contract language, which require the review of the County Attorney's Office. This Grant Agreement should require little additional negotiation.

SKYRISE

Allocation Resolution:

Allocation Resolution	Resolution No. R-1121-14 on December 16, 2014
Amount of Allocation	$9,000,000.00
Project Description	The grantee shall construct an observation tower and a variety of attractions that include a private club, nightclubs, restaurants, interactive exhibits, ballroom and private events spaces, amusement rides, the SkyRise theater and retail shops, located 401 Biscayne Boulevard, Miami, Florida, 33133.
GOB Project Description	Parking garage, extension of an existing garage, public space, roadways, lighting and continuing the existing Baywalk.
New permanent, full-time Jobs	571
Average Annual Salary	Omitted

Draft Grant Agreement:

Project Description	Clarifies that "the observation tower is located at 401 Biscayne Boulevard, Miami, Florida 33133".
GOB Project Description (added to the project description)	"...improvements to a publically owned marina and roadways, the creation of new expansion of a publically owned existing garage, public spaces, including an extension of the existing Baywalk."
New Permanent full time Jobs	Unchanged

Average Annual Salary	$35,000.00
General Comment from Staff	Other changes requested by the grantee need to be reviewed with the County Attorney's Office. Staff would also like to review a set of plans based on the new description of the new GOB Project Description above. This Grant Agreement should require little additional negotiation.

WESTVIEW BUSINESS PARK

Allocation Resolution:

Allocation Resolution	Resolution No. R-233-15 on March 3, 2015.
Amount of Allocation	$7,500,000.00
Project Description	The grantee shall construct mixed-use development that will consist of retail and industrial space, totaling up to 2,000,000 square feet at build out. It will contain a maximum of 400,000 square feet of retail and service uses and a maximum of 1.6 million square feet of office, light industrial, warehouse, and flex space, located north and south of NW 119 Street, west of NW 22 Avenue and east of NW 27 Avenue.
Infrastructure Description	Roadway improvements, traffic lights, utilities, upgrade to water/ sewer, and lift stations and improvements to a five (5) acre neighborhood park.
New permanent, full-time Jobs	300
Average Annual Salary	$32,000.00

Draft Grant Agreement:

Project Description	The grantee has left the overall Project description unchanged, however, they have separated the description of Phase I south of 119 Street (to include up to 800,000 square feet of office, light industrial warehouse and flex space and up to 200,000 square feet of retail and service uses) from that portion of the development north of 119 Street. The grant requirements now refer only to Phase I.
GOB Project Description	Unchanged
New Permanent full time Jobs	Unchanged
Average Annual Salary	$35,620.00
General Comment from Staff	While this development Project changed in scope, the remaining provisions did not change. The grantee has made changes to the clawback provision and other modifications to the contract language, that require the review of the County Attorney's Office. This Grant Agreement should require little additional negotiation.

CATEGORY 2: PROJECTS REQUIRING SIGNIFICANT ADDITIONAL NEGOTIATION

CARRIE MEEK INTERNATIONAL BUSINESS PARK

Resolution Allocation:

Allocation Resolution	Resolution No. R-987-14 on November 5, 2014
Amount of Allocation	$5,000,000.00

Project Description	The grantee shall construct an industrial park with aviation and non-aviation components totaling 1.75 million square feet of space over a five-year period. It will be comprised of nine (9) large bay distribution and warehouse buildings totaling 1.4 million square feet and four (4) small bay business incubator buildings totaling 175,000 square feet. In addition, it will also include seven (7) aviation use hangar buildings with a total of 170,000 square feet located in the northeast quadrant of the 135 Street and LeJeune-Douglas Expressway in Opa-locka – the southwest corner of the Opa-locka Executive Airport. The second parcel is located along the eastern boundary of the Opa-locka Executive Airport.
GOB Project Description	Roadways, including curbing, landscape, irrigation and site lighting, new improvements to the existing infrastructure on LeJeune Road, Curtis Street and Douglas Road.
New permanent, full-time Jobs	2,300

Draft Grant Agreement:

Project Description	The total square footage was reduced to 1.65 million square feet of space over a seven-year period in four (4) phases.
GOB Project Description	Added a community foundation building
New Permanent full time Jobs (job count reduced by 650 based on new basis for computation)	1,650 (based on one (1) job per 1,000 square feet). The grantee requests that job certification be based solely on square footage built.
Average Annual Salary	$44,035.00
GOB Payment Schedule	The grantee is requesting a proportionate share of funds at the completion of each phase versus at the completion of the Project and infrastructure. The grantee has also deleted provisions for certification of jobs and the clawback provisions.
General Comment from Staff	Much of the contract language has been stricken, including language providing the County with evidence of financing for the project, major portions of the liability and indemnification clause, the Default provisions affecting job creation and retention. This Grant Agreement still requires significant negotiation.

<u>ORION JET CENTER</u>
Resolution Allocation:

Allocation Resolution	Resolution No. R-988-14 on November 5, 2014
Amount of Allocation	$5,000,000.00
Project Description	The grantee shall construct an 18,000 square foot Class "A" Terminal Building, 28,000 square feet of office space, and 200,000 square feet for aircraft hangars located at 14850 NW 44 Court, Opa-locka, Florida, 33054.
GOB Project Description	A drainage system, a new electrical distribution system, roadways, a parking lot, LED site lighting and new sidewalks.
New permanent, full-time Jobs	126 new
Average Annual Salary	$52,353.00

Draft Grant Agreement:

Project Description (Reduced "built space" from 246,000 square feet to 107,000 square feet with added ramps and site improvements)	The Grantee shall construct 19,305 square foot class a Terminal Building, 13,540 square feet of office space and 75,000 square feet of aircraft hangers, over 750,000 square feet of aircraft ramp and related site improvements and 90,000 square foot parking lot at 15000 NW 44 Avenue, Opa-locka, Florida, 33054.
GOB Project Description	A drainage system, a new electrical distribution system, roadways, a parking lot, LED site lighting and new sidewalks.
New Permanent full time Jobs	31 direct (126 indirect)
Average Annual Salary	$41,432.00
Significant Other Changes	Deleted Conditions Precedent. The grantee claims his project is complete.
General Comment from Staff	Much of the contract language has been stricken due to the fact that the grantee claims that the eligible infrastructure work has been completed for some time. This Grant Agreement still requires significant negotiation.

OVERTOWN GATEWAY

Resolution Allocation

Allocation Resolution	Resolution R-1122-14 on December 16, 2014
Amount of Allocation	$6,000,000.00
Project Description	The grantee shall construct a mixed-use, mixed-income development featuring rental apartments, retail, commercial office space, and hotel lodging located at 152 NW 8 Street (Block 45) and 249 NW 8 Street (Block 55) Miami, Florida, 33136.
GOB Infrastructure Description	Street improvements, sidewalk improvements, water, sewer, electrical upgrades, landscaping, lighting ground area and 150 public parking spaces.
New permanent, full-time Jobs	423

Draft Grant Agreement

Project Description	Unchanged
GOB Project Description (Deleted the number of parking spaces from the project description)	Deleted the number (150) of proposed public parking spaces
New Permanent full time Jobs	Changed to include the wording "anticipates that the Project will result in the creating of approximately 571 new jobs." Also deleted the requirement of keeping new jobs in place for five (5) years, the provisions for certification of jobs and the clawback provisions.
Average Annual Salary	Deleted
General Comment from Staff	Much of the contract language has been stricken, including language providing the County with evidence of financing for the project, major portions of the liability and indemnification clause, and the default provisions affecting job creation and retention. Other changes requested by the grantee need to be reviewed with the County Attorney's Office. This Grant Agreement still requires significant negotiation.

CATEGORY 3: PROJECTS REQUIRING SIGNIFICANT ADDITIONAL NEGOTIATION AND A COUNTY LEASE

MIAMI OCEAN STUDIOS

Resolution Allocation:

Allocation Resolution	Resolution No. R-37-15 on January 21, 2015.
Amount of Allocation	$10,000,000.00
Project Description	The grantee shall construct a state of the art film and television studio campus with a technology center featuring a Digital Media Village. The facility will include ten (10) sound stages, two (2) water stages, multiple back-lots, production offices, post production resources, support facilities for shops and storage and areas of ancillary industry-related businesses as well as partnerships with local and national educational institutions to create an industry related learning center. Additionally, it will build an upscale hotel with retail. The total project will exceed 900,000 square feet located at 20000 NW 47 Avenue Miami, Florida, 33055.
Infrastructure Description	Roads, water, sewer, drainage, utilities, water retention and public parking
New permanent, full-time Jobs	2,684

Draft Grant Agreement:

Project Description (Project is now 2 distinct phases with changes to the delivery times.) Grantee does not have site control.	In lieu of ten (10) sound stages and two (2) water stages the developer is proposing eight (8) sound stages and four (4) water stages. Additionally, the developer is proposing to build the project in two (2) phases, with Phase I to be completed by May 2019 instead of April 2016 and Phase II by May 2024 instead of August 2018. It should be noted that the grantee does not have a lease on any of the property as of this date and thus does not have site control – a requirement of the GOB program. The County continues to actively work with this Grantee toward securing a lease agreement.
GOB Project Description	Unchanged
New Permanent full time Jobs	Changed to 50 over a five-year period. The remainder of the 2,634 jobs would be indirect.
Average Annual Salary	$35,620.00
General Comment from Staff	The proposed grant agreement has been signed on July 13, 2015 by the grantee in original form with no changes. However, staff received a separate "Request For Grant Agreement Revisions," which are reflected above. In addition to a lease agreement, this Grant Agreement still requires significant negotiation.

MIAMI WILDS PROJECT

Resolution Allocation

Allocation Resolution	Resolution No. R-1015-14 on November 5, 2014
Amount of Allocation	$13,500,000.00
Project Description	The grantee shall construct an entertainment cluster that includes an adventure theme park, a water park, a 400-room hotel/conference center, retail shops and a movie theater located adjacent to 12400 SW 152 Street Miami, Florida, 33177.
Infrastructure Description	Water, sewer, drainage, roadway improvements and surface parking.
New permanent, full-time Jobs	2,758 (Application referenced 14,000 direct and indirect jobs. County determined with the applicant that the direct full-time equivalents would be 2,758.)

Average Annual Salary	$36,270.00

Draft Grant Agreement:

Project Description (Project is now 2 phases. Phase II land not owned by County. Property, and has environmental concerns.) Grantee does not have site control.	The project is now being proposed to be built in two (2) phases – (1) the water park and affiliated retail; and (2) the theme park, hotel and conference center, and other components. It should be noted that the Phase II site is presently owned by the United States Coast Guard and the County has not yet been able to purchase control of this site. Additionally, there are environmental concerns presently being addressed. Lastly, the grantee does not have a lease on any of the property as of this date and thus does not have site control – a requirement of the GOB program. The County continues to actively work with this grantee toward securing a lease agreement.
GOB Project Description	Unchanged
New Permanent full time Jobs	Changed to 403 (only for Phase I).
Average Annual Salary	$35,620.00
General Comment from Staff	The Conditions Precedent section of the proposed Grant Agreement has been significantly changed to provide for the execution of the Lease Agreement, to reduce the overall projected project cost from $930 million to $43 million and to delete the certification of jobs. Lastly, the grantee has made changes to the clawback provision and other modifications to the contract language which require the review of the County Attorney's Office. In addition to a lease agreement, this Grant Agreement still requires significant negotiation.

<u>AVIATION CORPORATE HANGER</u>

Resolution Allocation:

Allocation Resolution	Resolution R-987-14 on November 5, 2014
Amount of Allocation	$500,000.00
Project Description	The Grantee shall construct a 45,623 square foot corporate hangar located at 14933 NW 41 Avenue Opa-locka, Florida, 33054.
GOB Project Description	Water, sewer, drainage, lighting, and parking.
New permanent, full-time Jobs	eight (8)

Draft Grant Agreement:

General Comment from Staff	On July 12, 2015, an email was received by the grantee stating they would not be submitting an agreement by the deadline.

Pursuant to Ordinance 14-65, this item will be placed on the next available Board meeting agenda.

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

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