



**OFFICE OF THE COMMISSION AUDITOR
MIAMI-DADE BOARD OF COUNTY COMMISSIONERS**

**COMMISSION AUDITOR'S
INFORMATIONAL RESEARCH**

**PARKS, RECREATION AND CULTURAL AFFAIRS
COMMITTEE MEETING**

September 11, 2020

2:00 P.M.

Virtual Meeting

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Commission Auditor

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Research Notes**

**Item No. 3C
File No. 201642**

Researcher: VW Reviewer: TA

RESOLUTION AUTHORIZING TERMS AND AUTHORIZING EXECUTION BY THE COUNTY MAYOR OR COUNTY MAYOR'S DESIGNEE OF A LEASE AGREEMENT BETWEEN MIAMI-DADE COUNTY AND GABLES MIRACLE MILE, LLC, A FLORIDA LIMITED LIABILITY COMPANY, FOR THE PREMISES LOCATED AT 308 MIRACLE MILE, BAY 308, CORAL GABLES, FLORIDA, 33134, TO BE UTILIZED BY THE MIAMI-DADE PUBLIC LIBRARY SYSTEM AS A TEMPORARY CORAL GABLES BRANCH LIBRARY FOR UP TO TWO YEARS FOR A TOTAL RENT AND IMPROVEMENTS COST OF \$379,040; AUTHORIZING THE COUNTY MAYOR OR COUNTY MAYOR'S DESIGNEE TO EXERCISE ANY AND ALL RIGHTS CONFERRED THEREIN, AND TO TAKE ALL ACTIONS NECESSARY TO EFFECTUATE SAME

ISSUE/REQUESTED ACTION

Whether the Board should approve a lease agreement between Miami-Dade County and Gables Miracle Mile, LLC for up to two years for a temporary Coral Gables Branch Library location at 308 Miracle Mile, Bay 308, Coral Gables, Florida, 33134.

PROCEDURAL HISTORY

Prime Sponsor: Xavier Suarez, District 7

Department/Requester: Library Department

There is no procedural history for this item.

ANALYSIS

The purpose of this item is to seek Board approval of a lease agreement with Gables Miracle Mile, LLC for the operation of a temporary Coral Gables Branch library location. The 2,242 square foot storefront location will be utilized by the Library Department as a temporary branch location during the renovation of the existing Coral Gables Branch Library at 3443 Segovia St, Coral Gables, FL 33134. Major renovations to the existing library, which was built in 1927, are scheduled to begin in late 2020. Design and permitting work is completed and solicitation of a contractor is underway. The project is expected to take around 18 months; thus, it will not be completed until at least mid-2022. The proposed location is approximately 1 mile away from the current location.

Library District revenues are the funding source for the Lease Agreement. The total cost for the first year of the initial lease term is \$244,520, which breaks down as follows: gross rent of \$134,520 based on a rental rate of \$60 per square foot, net costs of approximately \$98,000 for buildout and furniture costs to the space, and a \$12,000 rent credit.

- The monthly rent is not to exceed \$11,210 and the duration of the lease is 24 months. The total two-year cost is \$379,040, if the full two-year term is utilized.

Key provisions of the lease are as follows:

- The Tenant shall use the temporary location for the Coral Gables Branch of the Miami- Dade Public Library System providing library services to the public that are customary to, and in accordance with, the programs and services provided at the existing Coral Gables Branch and other Miami-Dade Public Library locations and for no other use or purpose, including no food or bar sales.

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- Tenant shall pay all charges for water, gas, garbage collection, sewage disposal, electricity shown on such meter, submeter or smart meter system and for other expenses associated with utilities used in connection with the Premises
- Tenant will be responsible for initial leasehold improvements which are to include electrical and data, furniture, flooring, new drop ceiling with LED energy efficient lighting and exterior signage
- Landlord shall replace the HVAC, and grills and/or diffusers, serving the Premises prior to the delivery date
- Landlord shall keep the foundation, the outer walls and roof of the building in which the Premises is located in good repair, except Landlord shall not be called upon to make any repairs caused by the negligence of Tenant, its agents or employees.
- Landlord shall have the right, but not the obligation, to provide and install all original bulbs and tubes for Building standard lighting fixtures within the Premises and all replacement tubes for such lighting
- The normal and customary business hours of the shopping district in which the building is located as may be established from time to time by Landlord, but at a minimum for eight (8) hours each day, six (6) days a week.

OCA conducted a due diligence review of the recommended business entity, Gables Miracle Mile, LLC on September 10, 2020. The table below depicts the findings.

Landlord	Corporate Registration	Tax Collectors Office	Florida DBPR	Westlaw
Gables Miracle Mile, LLC	Florida Limited Liability Company Active Principal Address: 801 Arthur Godfrey Road, Suite 600 Miami Beach, FL 33140 Filed: September 11, 2013	Business Address: Gables Miracle Mile LLC Municipalities Loc Commercial Lessors, FL 33888 Status: Paid and Current	License type: Retail beverage; Permanent food service; Hotel	Nothing Found

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The map below taken from the Property Appraiser's Office and shows the location of the property.



<https://www.miamidade.gov/Apps/PA/propertysearch/#/>

DEPARTMENTAL INPUT

OCA asked the following questions on September 10, 2020 to MDPLS; the department's responses are enumerated below:

1. What is the market rental rate for comparable commercial property in the area?
Proposed Lease = \$60/sq. ft
Other Locations Considered: -
200 – 230 Miracle Mile (various spaces) – Ranged from \$63/sq. ft - \$73/sq. ft -
264 – 272 Miracle Mile - \$63/sq. ft
Important to note that the other spaces that were possibilities were more expensive on a square foot and also would have required a great deal of buildout.
2. Will the standard library services be delivered at the temp facility and if not, explain what services won't be delivered?
Yes. See answer below. Other than in-person events and classes, which are currently on hold throughout the library system due to COVID-19, services available at all other locations will be available at the temporary location.
3. How has COVID-19 impacted service delivery across the public library system, including impact to customer levels, finances, etc.?

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All of our locations are open to the public under strict occupancy limits, safety/protective protocols, and social distancing measures. We have curtailed offering in-person events and classes until it is allowable to do so again, but, all other services, including use of computers, wi-fi, check-in and check-out of materials, etc., are available. Since our official reopening in June, we have seen foot traffic steadily increasing, but, have seen the greatest amount of growth in usage of our online content, such as e-books, e-audiobooks, and other free digital content that we provide to the public. In person computer and wi-fi use at our libraries has remained strong as many are visiting our branches for economic assistance purposes, such as Reemployment, SNAP, job searches, and other economic assistance programs available during COVID-19.

4. Why was such a small space chosen for the temporary library (2,242 sq ft) when the original Coral Gables Library is 28,000 square ft?

Our intent is to have continuity of service in Coral Gables while the renovation takes place, understanding that renting or trying to replicate a 28,000 square foot location in Coral Gables or any other area on a temporary basis would be financially unviable. We looked at several locations in this area, each having their own challenges in terms of size, cost, level of buildout needed, and location in general. This location best met our needs in terms of keeping costs down and still being able to provide a basic service point throughout the renovation of the Coral Gables branch.

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**Item No. 3E Substitute
File No. 201818**

Researcher: TA Reviewer: PGE

RESOLUTION APPROVING PURSUANT TO SECTION 125.045, FLORIDA STATUTES, DEVELOPMENT LEASE AGREEMENT (“AGREEMENT”) BETWEEN COUNTY AND MIAMI WILDS, LLC (“MIAMI WILDS”) FOR LEASE OF APPROXIMATELY 27.5 ACRES OF COUNTY LAND LOCATED ADJACENT TO ZOO MIAMI AT 12400 SW 152 STREET FOR AN INITIAL TERM OF 40 YEARS, WITH TWO 20-YEAR RENEWAL TERMS, FOR THE DEVELOPMENT AND OPERATION OF THE ZOO MIAMI ENTERTAINMENT AREA TO INCLUDE A WATER PARK, RETAIL AREA, AND HOTEL, AND TO ALLOW THE DEVELOPMENT AND OPERATION OF PARKING FOR JOINT USE BY ZOO MIAMI AND MIAMI WILDS, SUBJECT TO CONDITIONS PRECEDENT, IN EXCHANGE FOR ESTIMATED RENTS AND PARKING REVENUES TO THE COUNTY OVER THE INITIAL 40-YEAR TERM IN THE AMOUNT OF \$120,700,000.00; AUTHORIZING DESIGNATED PURCHASE PURSUANT TO SECTION 2-8.1(B)(3) OF THE COUNTY CODE BY A TWO-THIRDS VOTE OF THE BOARD MEMBERS PRESENT TO SELECT MIAMI WILDS AS THE DEVELOPER AND OPERATOR OF PARKING DEVELOPMENT; WAIVING SECTION 2-10.4.2 OF THE COUNTY CODE REQUIRING TWO M.A.I. APPRAISALS AND RESOLUTION NO. R-407-19 REQUIRING FOUR WEEKS ADVANCE WRITTEN NOTICE PRIOR TO BOARD CONSIDERATION; APPROVING A COVENANT OF USE AND A RELEASE OF COVENANT OF PURPOSE, USE, AND OWNERSHIP WITH THE UNITED STATES DEPARTMENT ECONOMIC DEVELOPMENT ADMINISTRATION AND AMENDMENT NO. 1 TO THE RELEASE AND TRANSFER OF TERMS, CONDITIONS, COVENANTS AND RESTRICTIONS WITH THE UNITED STATES DEPARTMENT OF THE INTERIOR, NATIONAL PARK SERVICE; AUTHORIZING COUNTY MAYOR OR COUNTY MAYOR’S DESIGNEE TO EXECUTE AGREEMENT, COVENANT, RELEASE, AND AMENDMENT AND TO EXERCISE ALL PROVISIONS CONTAINED THEREIN AND TO TAKE ALL ACTIONS TO EFFECTUATE SAME

ISSUE/REQUESTED ACTION

Whether the Board should approve a development lease agreement with Miami Wilds, LLC (Miami Wilds) for the lease of approximately 27.5 acres of County land adjacent to Zoo Miami, known as the Zoo Miami Entertainment Area, for an initial term of 40 years, with two, 20-year renewal terms, for the development and operation of a water park, retail area and hotel in exchange for estimated rents and parking revenues to the County over the initial term in the amount of \$120,700,000.

PROCEDURAL HISTORY

**Prime Sponsor: Commissioner Dennis C. Moss, representing District 9
Department/Requester: Parks, Recreation and Open Spaces (PROS)**

This is a substitute item to Legistar No. 201441. The substitute differs from the original in that it reduces the number of automobiles that Miami Wilds shall develop parking for from 4,206 to 3,761.

ANALYSIS

The purpose of this item is to approve a development lease agreement with Miami Wilds for the lease of approximately 27.5 acres of vacant, undeveloped County land adjacent to Zoo Miami located at 12400 SW 152nd Street, known as the Zoo Miami Entertainment Area (ZMEA), for an initial term of 40 years, with two, 20-year renewal terms, for the development and operation of a water park, retail area and hotel within the existing parking lot and outside of any natural areas. The lease also grants Miami Wilds exclusive rights within a one-year period to negotiate a lease for an additional 39 acres of land adjacent to Zoo Miami to develop a four-star resort hotel, which would be subject to future

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Board approval. The agreement further requires Miami Wilds to make improvements to the parking facilities and manage, operate and maintain the parking for Zoo Miami and the ZMEA.

A waiver of the County Code requirements for two Member Appraisal Institute (M.A.I.) real estate appraisals for leases valued over \$5 million is being recommended because two appraisals were obtained previously, and the Property Appraisers appraised value for 2019 has been used to confirm that the rental rates are consistent with its valuation. The requirement for four weeks advance notice to the public prior to consideration by the Board or a committee of the Board for a lease of land without competitive bidding is also being recommended to be waived. As the project has been under public consideration since 2006, the public notice is not considered necessary.

The selection of Miami Wilds as the developer and operator of Zoo Miami and ZMEA parking is in the form of a designated purchase, pursuant to Section 2-8.1(b)(3) of the County Code, as the mayoral item states that competition is not practicable due to the associated development lease agreement and it is in the best interest of the County to do so. The waivers above and the designated purchase will require a 2/3 vote of members present for this item to be adopted.

In addition, this item approves and authorizes a covenant and release of a property interest by the U.S. Department of Commerce Economic Development Administration (EDA) in relation to a previously awarded EDA grant, and Amendment No. 1 to the release and transfer terms of 67 acres of deed restricted lands with the U.S. Department of Interior's National Park Service to release the restrictions from the ZMEA and re-impose such restrictions on other land surrounding Zoo Miami.

The economic impact of this agreement is comprised of the following:

- \$120,700,000 in rents and parking revenue (\$59.5 million and \$61.2 million, respectively) in the initial 40-year term;
- At least \$99 million of capital investment in the ZMEA;
- Creation of not less than 304 new, full time jobs within approximately 8 years of the start date of the Agreement and an additional 99 jobs within approximately 11 years of that date, with all such jobs paying salaries at the greater of \$35,620 or the then-current Living Wage; and maintain said jobs for five years after their creation;
- The project will enhance and benefit Miami-Dade County as a whole, such as spur economic development and attract new businesses, expand tourism, and create new jobs in the area.

All professional services and construction work are subject to the County's Small Business Enterprise (SBE) Program requirements. In addition, any applicable Living Wage provisions may apply to parking lot operations. Small Business Development (SBD) will assign any small business goals, wage and workforce requirements as project details are submitted by Miami Wilds.

The timeline for this project is summarized below:

- November 7, 2006 – Miami-Dade voters approved a referendum to allow for the development and operation of an entertainment district on Zoo Miami property on land that is not environmentally sensitive, provided that revenues are used to expand Zoo Miami programs.
- February 7, 2012 – Resolution No. R-157-12 authorized the Mayor to seek expressions of interest from developers for development of the Zoo Miami Entertainment Area through an Invitation to Negotiate and to bring a negotiated agreement(s) for the Board's approval.

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- February 4, 2014 – Pursuant to Resolution No. R-109-14, all proposals were rejected, and the Mayor was authorized to negotiate with two proposers that submitted complementary proposals. One was from Miami Wilds, and the other proposer subsequently withdrew its proposal in July 2014.
- 2014 to 2017 – Negotiations stalled, in part due to addressing environmental concerns associated with the impact to the habitat of endangered animals and plant species living in the adjacent Pine Rocklands.
- 2016 to 2018 – AECOM Technical Services was contracted by the County to conduct a feasibility analysis.
- July 15, 2020 – This item was processed by the Agenda office for Committee/BCC agenda scheduling.
- September 11, 2020 – This item is scheduled for consideration by the Parks, Recreation and Cultural Affairs Committee.
- October 6, 2020 – If approved favorably at the PRCAC, the item will be scheduled for consideration by the Board.

On September 8, 2020, OCA performed a due diligence review of Miami Wilds (a consortium of the entities that are *italicized*) and Parques Reunidos (manager of the Water Park and associated facilities), as set forth in the table below.

Firm	Sunbiz	Manager (Sunbiz)**	Tax Collector
Miami Wilds, LLC	Florida Limited Liability Company (FEIN 46-3087150) Principal address: 100 Biscayne Blvd Suite 2510 MIAMI, FL 33132 Date Filed: 7/1/2013	Paul M. Lambert, Bernard Zyscovich, and Michael Diaz, Jr.	No Local Business Tax Receipt
BCC100, LLC*	Foreign Limited Liability Company (FEIN 11-2741104) Principal address: 3500 Flamingo Drive Miami Beach, FL 33140 Date Filed: 4/19/2006	D.G.B. Realty Associates, LLC (not registered in Sunbiz)	No Local Business Tax Receipt
Wildz, LLC	Florida Limited Liability Company (FEIN 47-2932750) Principal address: 100 N. Biscayne Blvd. 27th Floor Miami, FL 33132 Date Filed: 12/16/2014	Bernard Zyscovich	No Local Business Tax Receipt

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Lifestyle Accelerator Fund, LLC	Florida Limited Liability Company (FEIN 47-3790239) Principal address: 100 Biscayne Blvd Suite 2510 Miami, FL 33132 Date Filed: 12/9/2014	Paul Lambert, PA and 495 Development, LLC (Registered in New York on 6/11/2013)	No Local Business Tax Receipt
Family Playground Limited Liability Company	Florida Limited Liability Company (FEIN – None) Principal address: 11200 S.W. 136 Street Miami, FL 33176 Date Filed: 4/2/2020	Emmanuel O. Uche	No Local Business Tax Receipt
Parques Reunidos	Not registered in Sunbiz (based in Madrid, Spain)	N/A	No Local Business Tax Receipt

* Note that the mayoral memo refers to this entity two different ways. On Page 4, the name is BBC10. On Page 9, the firm is referenced as BCC100. BBC10 was not found in Sunbiz.

**Note that the mayoral memo includes a list of the managers/owners of the above entities, but it is not clear if the names were referencing the right firms. For example, Mr. Zyscovich is not affiliated with Family Playground Limited Liability Company, according to Sunbiz. In addition, Eamon Smith is not affiliated with any of the above listed firms, according to Sunbiz.

ADDITIONAL INFORMATION:

According to its website, Parques Reunidos has been the parent company of Miami Seaquarium since 2016. (<https://www.parquesreunidos.com/en/parques/miami-seaquarium/>)

According to a white paper by Gabelli Funds, the COVID-19 pandemic has posed a lot of challenges to the theme park industry and, in the current operating environment of reduced capacity levels and social distancing, parks are not operating profitably; however, the long term outlook is optimistic. <https://www.gabelli.com/funds/insights/d1b88971-ee39-4e9d-ab84-a6126e97fac4>

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APPLICABLE LEGISLATION/POLICY

Florida Statutes 125.045, governs County economic development powers

http://www.leg.state.fl.us/Statutes/index.cfm?App_mode=Display_Statute&Search_String=&URL=0100-0199/0125/Sections/0125.045.html

Section 2-8.1 of the County Code, Contracts and Purchases Generally, requires formal sealed bids for purchases over \$250,000; describes the circumstances under which non-competitive purchases may be approved; establishes requirements for legacy purchases, designated purchases, and single vehicle leases; provides that procurement procedures shall be established by I.O. and approved by the Board.

https://library.municode.com/fl/miami-dade-county/codes/code_of_ordinances?nodeId=PTIICOOR_CH2AD_ARTIINGE_S2-8.1COPUGE

Section 2-10.4.2 of the County Code, Appraisers required for purchases, sale and leases

https://library.municode.com/fl/miami-dade-county/codes/code_of_ordinances?nodeId=PTIICOOR_CH2AD_ARTIINGE_S2-10.4.2APREPUSALE

Resolution No. R-157-12, adopted February 7, 2012, authorizing Mayor or Mayor's designee to seek expressions of interest from developers for development of Zoo Miami Entertainment Area through an Invitation to Negotiate; authorizing the Mayor or Mayor's Designee to negotiate with those offering the greatest financial return and economic benefit to the County; and present such agreements to the Board for approval.

<http://www.miamidade.gov/govaction/legistarfiles/MinMatters/Y2011/112630min.pdf>

Resolution No. R-187-12, adopted February 21, 2012, directs the mayor to include due diligence information in memoranda recommending certain contract awards.

<http://intra/gia/matter.asp?matter=120287&file=true&yearFolder=Y2012>

Resolution R-109-14, adopted February 4, 2014, rejecting all bids received for the Invitation to Negotiate – Zoo Miami Entertainment Area project; waiving bid protest procedures; directing the Mayor or Mayor's designee to enter into negotiations with the two proposers that submitted complementary proposals.

<http://www.miamidade.gov/govaction/legistarfiles/MinMatters/Y2014/141000min.pdf>

Resolution R-407-19, adopted April 9, 2019, directed the Mayor or Mayor's designee to provide written notification to the public prior to the non-competitive sale or lease of County-owned property for certain purposes

<http://www.miamidade.gov/govaction/legistarfiles/MinMatters/Y2019/190474min.pdf>

Resolution No. R-828-19, adopted July 23, 2019, established a policy of Miami-Dade County for disclosure of past and present discrimination lawsuits in solicitation submissions.

<http://www.miamidade.gov/govaction/matter.asp?matter=190936&file=true&fileAnalysis=false&yearFolder=Y2019>

Implementing Order 3-38, (Purchasing of Goods and Services), governs the County's processes and procedures for the purchase of goods and services including professional services. It establishes the roles and responsibilities of the Internal Services Department, methods of purchasing goods and services, and the authority to award contracts. Contains requirements for access contracts, emergency purchases, bid waivers, confirmation purchases, and sole sources.

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<http://www.miamidade.gov/aopdfdoc/aopdf/pdffiles/IO3-38.pdf>

CONTRIBUTORS

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The Office of the Commission Auditor, Miami-Dade Board of County Commissioners

The Office of the Commission Auditor (OCA) was established in September 2002 by Ordinance 03-2 to provide support and professional analysis of the policy, service, budgetary and operational issues before the Miami-Dade Board of County Commissioners. The Commission Auditor's duties include reporting to the Board of County Commissioners on the fiscal operations of County departments, as well as whether the fiscal and legislative policy directions of the Commission are being efficiently and effectively implemented

These research notes, prepared in collaboration with the Miami Dade County departments as subject matter experts, is substantially less detailed in scope than an audit in accordance with the Generally Accepted Auditing Standards (GAAS). The OCA plans and performs the review to obtain sufficient, appropriate evidence to provide a reasonable basis for its findings and conclusions based on its objectives; accordingly, the OCA does not express an opinion on the data gathered by the subject matter expert(s).