



OFFICE OF THE COMMISSION AUDITOR

COMMISSION AUDITOR'S INFORMATIONAL RESEARCH

BOARD OF COUNTY COMMISSIONERS MEETING

July 18, 2023

9:30 A.M.

Commission Chambers

Yinka Majekodunmi, CPA

Commission Auditor

Office of the Commission Auditor (OCA)

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Approval of County Lease Agreement with Wellspring, LLC For Affordable Housing

Prime Sponsor:

Requester:

Committee Action Date: None

Pursuant to [Resolution No. R-129-22](#), adopted on February 1, 2022, and the new requirements per Implementing Order (I.O.) 8-4, the Office of the Commission Auditor (OCA) is directed to independently and simultaneously review and comment on the proposed leasing and conveyance of County property prior to the submission of an agenda item to the Board of County Commissioners (BCC).

RESEARCH FINDINGS

Commission Auditor's Observations:

The OCA completed a comprehensive review of the intended recipient of the lease agreement, "Wellspring, LLC," a Colorado limited liability company authorized to transact business in the State of Florida as Wellspring Apartments, LLC, principals of the entity, and affiliated entities (see Exhibit 1 for the list of individuals and entities reviewed). The results yielded the following:

- A. Background research performed on Wellspring, LLC, Wellspring Apartments, LLC, and the principals of the entity yielded no material findings.
- B. Wellspring, LLC, Wellspring Apartments, LLC, and individuals disclosing an ownership interest in these entities were not previously leased or conveyed County properties for Infill, Affordable, or Workforce Housing, as authorized through BCC resolution.
- C. Integral Florida, LLC, an affiliated entity of Wellspring, LLC, was previously conveyed four parcels (Folio Nos. 07-2217-018-1210, 07-2217-018-1220, 07-2217-018-1940, and 07-2217-018-1950) for the development of Infill Housing in accordance with BCC Resolution R-1072-22 approved on November 1, 2022.

The OCA reviewed the public records available via the Property Appraiser and Clerk of the Court to confirm that, as of the date of this report, the title has not been transferred to Integral Florida, LLC for the four conveyed parcels. Ownership interests remain reported under Miami-Dade County and respective deeds have not been recorded. This significant lag between the BCC-approved resolution and the deed recording date will extend the development period since the Board approved development period does not take effect until the deed recordation.

Scope of Review:

The OCA's review of the subject lease agreement is based on the Mayoral Memorandum dated June 16, 2023, and information provided by the lease recipient representative Kareem T. Brantley and the Internal Services Department, which includes the documents listed under the *Source Documents* section below.

As part of OCA's due diligence procedures, OCA identifies all entities and persons having a disclosed or observed interest in the BCC approval of the lease agreement, such as the recipient, principal owners, key personnel, and other authorized decision-makers (see Exhibit 1).

Methodology:

The OCA's review of the individuals and entities listed included the following procedures:

- A. A review of Board-approved conveyances to external parties for Infill, Affordable, and Workforce Housing as authorized through BCC resolution.

- B. A search of the Miami-Dade Property Appraiser’s records to ascertain any evidence of risk factors, including entities with a history of previously conveyed or leased County-owned property that was later the subject of an involuntary reverter or lease termination by the County.
- C. A search of the Miami-Dade County Commission Legislation and Miami-Dade Clerk of the Courts (COC) database for previous leases and sales.
- D. A search of Miami-Dade County internal procurement applications and past County contracts for the lease recipient and principal owners.
- E. Background research into corporate records, business affiliations, and registrations.

Source Documents:

1. July 12, 2023, PNC Middle Tier 6, *Certificate of Ownership*
2. July 12, 2023, Columbia Housing SLP Corporation, *Certificate of Ownership*
3. July 6, 2023, Wellspring, LLC, *Draft Ground Lease*
4. June 16, 2023, Memorial Memorandum, *Responsible Entity Due Diligence – Wellspring, LLC Lease of County-owned Property located at 14701 NW 27 Avenue, Opa-Locka, Florida 33054 (Folio No. 08-2122-026-0010)*
5. May 5, 2023, Wellspring Apartments, LLC, *Ownership Disclosure Affidavit*
6. September 29, 2021, Wellspring Manager, LLC, *IRS Employer Identification Letter*
7. January 26, 2021, PNC Middle Tier 6, *State of Delaware Certificate of Formation*
8. January 15, 2021, Wellspring, LLC, *IRS Employer Identification Letter*
9. January 15, 2021, Wellspring, LLC, *Important Notice about Federal Employer Identification Number (EIN)*
10. December 22, 2020, KTB Bravis, LLC, *IRS Employer Identification Letter*
11. October 28, 2020, Wellspring Manager, LLC, *Florida Division of State Division of Corporations Articles of Organization of Wellspring Manager, LLC*
12. October 28, 2020, Wellspring, LLC, *Colorado Secretary of State Articles of Organization of Wellspring, LLC*
13. April 15, 1993, Columbia Housing SLP Corporation, *Oregon Articles of Incorporation of Columbia Housing SLP Corporation*

Exhibit 1: Wellspring, LLC Key Personnel and Related Entities

#	Entity/Individual Name	Relation to Wellspring, LLC
1	Wellspring Apartments, LLC	Lease Recipient
2	PNC Middle Tier 6, LLC	Principal
3	Columbia Housing SLP Corporation	Principal
4	Wellspring Manager, LLC	Principal
5	Integral Wellspring, LLC	Wellspring Manager, LLC - Principal
6	KTB Bravis, LLC	Wellspring Manager, LLC - Principal
7	Miguel Southwell	Wellspring Manager, LLC - Principal
8	Egbert Perry	Integral Wellspring, LLC - Principal
9	Valerie Edwards	Integral Wellspring, LLC - Principal
10	Victoria L. Wilbon	Integral Wellspring, LLC - Principal
11	Eric Pinckney	Integral Wellspring, LLC - Principal
12	Carl Powell	Integral Wellspring, LLC - Principal
13	Kareem T. Brantley	KTB Bravis, LLC - Principal
14	Minca Davis-Brantley	KTB Bravis, LLC - Principal
15	Integral Florida, LLC	Common Control of Wellspring, LLC

Resolution Approving Award of Contract No. RFP-01677 to FDR Miami Hotel LLC With a Positive Fiscal Impact to the County of Approximately \$240,000,000.00 over the 50-Year Term of the Lease to Design, Build, Finance, Operate and Maintain a New Hotel at Miami International Airport for the Miami-Dade Aviation Department; Approving the Lease; and Authorizing the County Mayor or County Mayor's Designee to Execute Same and Exercise all Provisions Contained Therein Pursuant to Section 2-8.1 of the County Code and Implementing Order 3-38; and Directing The County Mayor or County Mayor's Designee to Provide an Executed Copy of the Lease to the Property Appraiser's Office Within 30 Days of The Execution of the Lease

Prime Sponsor: Oliver G. Gilbert, III, District 1

Requester: Strategic Procurement Department

Committee Action Date: Airport and Economic Development Committee – 6/14/2023

Pursuant to [Resolution No. R-129-22](#), adopted on February 1, 2022, and the new requirements per Implementing Order (I.O.) 8-4, the Office of the Commission Auditor (OCA) is directed to independently and simultaneously review and comment on the proposed leasing and conveyance of County property prior to the submission of an agenda item to the Board of County Commissioners (BCC).

RESEARCH FINDINGS

Commission Auditor's Observations:

The OCA completed a comprehensive review of the intended recipient of the lease agreement, "FDR Miami Hotel, LLC" and the two entities by which the joint venture was formed, "Fontainebleau Development, LLC" and "The Related Companies L.P." This review extended to the affiliated entities of key personnel, subcontractors, and consultants related to the project. The results yielded the following:

- A. Background research performed on FDR Miami Hotel, LLC, Fontainebleau Development, LLC, The Related Companies L.P., and the key personnel of the entities yielded no material findings.
- B. FDR Miami Hotel, LLC, Fontainebleau Development, LLC, The Related Companies L.P., its affiliated entities, and key personnel related to the entity were not previously leased or conveyed County properties for Infill, Affordable, or Workforce Housing, as authorized through BCC resolution.

Scope of Review:

The OCA's review of the subject lease agreement is based on the Mayoral Memorandum dated June 14, 2023, and information provided by the registered lobbyist for the recipient – LSN Partners, LLC, and the Strategic Procurement Department (SPD), which includes the documents listed under the *Source Documents* section below.

As part of OCA's due diligence procedures, OCA identifies all entities and persons having a disclosed or observed interest in the BCC approval of the lease agreement, such as the recipient, principal owners, key personnel, authorized decision-makers, subcontractors, and consultant firms (see Exhibits 1, 2, and 3).

Methodology:

- A. The OCA's review of the individuals and entities listed included the following procedures:
- B. A review of Board-approved conveyances to external parties for Infill, Affordable, and Workforce Housing as authorized through BCC resolution.
- C. A search of the Miami-Dade Property Appraiser's records to ascertain any evidence of risk factors, including entities with a history of previously conveyed or leased County-owned property that was later the subject of an involuntary reverter or lease termination by the County.

- D. A search of the Miami-Dade County Commission Legislation and Miami-Dade Clerk of the Courts (COC) database for previous leases and sales.
- E. A search of Miami-Dade County internal procurement applications and past County contracts for the lease recipient and principal owners.

Background research into corporate records, business affiliations, and registrations.

Source Documents:

The documents listed below were used during our review:

1. July 18, 2023, Memorial Memorandum, File Number [230935](#) *Recommendation for Approval to Award the New Hotel at Miami International Airport*
2. July 10, 2023, The Related Realty Group, Inc. *Certification of Officers*
3. March 10, 2023, The Related Companies, L.P., a certified copy of the original *Certificate of Limited Partnership of The Related Companies, L.P.*, and related documents, in the custody of the Secretary of the Department of State in the State of New York
4. June 5, 2022, FDR Miami Hotel, LLC Proposal, *New Miami International Airport Hotel RFP-01677 – Design Drawings and Plans*
5. October 16, 2020, FDR Miami Hotel, LLC Proposal, *New Miami International Airport Hotel RFP-01677*

Exhibit 1: FDR Miami Hotel, LLC Related Entities (Past, Current, Direct, and Indirect)

#	Entity Name	Relation to FDR Miami Hotel, LLC
1	Fontainebleau Development, LLC	Principal
2	The Related Companies, L.P.	Principal
3	FDR Miami Hotel Holdings, LLC	Manager
4	Related MIA Airport Member, LLC	FDR Miami Hotel Holdings, LLC - Principal
5	FB Management, LLC	FDR Miami Hotel Holdings, LLC - Principal, Facility Operator
6	Arquitectonica GEO Corporation	Architect
7	Arquitectonica International Corporation	Architect
8	Perez & Perez Architects Planners, Inc.	Architect
9	Moss & Associates, LLC	Construction
10	Bliss & Nyitray, Inc.	Consultant
11	Botas Engineering, Inc.	Consultant
12	David Plummer & Associates	Consultant
13	EAC Consulting, Inc.	Consultant
14	HNGS Engineers	Consultant
15	One Line Design Studio, LLC	Consultant
16	SDM Consulting Engineers, Inc.	Consultant
17	Sequil Systems, Inc.	Consultant
18	SLS Consulting, Inc.	Consultant

Exhibit 2: Fontainebleau Development, LLC Key Personnel (Past, Current, Direct, and Indirect)

#	Entity Name	Relation to Fontainebleau Development, LLC
1	Stephen M. Ross	Chairman and Founder
2	Jeffrey Soffer	Chairman and Chief Executive Officer
3	Brett Mufson	President, Partner, and Chief Information Officer
4	Eric Cohen	Executive Vice President
5	Seth Goldman	Executive Vice President
6	Joon Oh	Senior Vice President Capital Markets
7	Robert "Bobby" Courtney	Aviation
8	Philip Goldfarb	President and Chief Operations Officer (Hospitality Division)

Exhibit 3: The Related Companies, L.P. Key Personnel and Related Entities (Past, Current, Direct, and Indirect)

#	Entity Name	Relation to The Related Companies, L.P.
1	The Related Realty Group, Inc.	Principal
2	Stephen M. Ross	Chairman and Founder; The Related Realty Group, Inc. - Chairman
3	Jeff T. Blau	Chief Executive Officer; The Related Realty Group, Inc. - Chief Executive Officer
4	Bruce A. Beal, Jr.	President; The Related Realty Group, Inc. - President
5	Emad Lotfalla	Executive Vice President
6	Jordan Bargas	Vice President
7	Justin Holtzman	Vice President
8	David K. Zussman	The Related Realty Group, Inc. - Executive Vice President, Chief Financial Officer, Treasurer
9	Richard L. O'Toole	The Related Realty Group, Inc. - Executive Vice President, Assistant General Counsel, Assistant Secretary
10	Bryan Cho	The Related Realty Group, Inc. - Executive Vice President
11	Glenn A. Goldstein	The Related Realty Group, Inc. - Executive Vice President
12	Gregory H. Gushee	The Related Realty Group, Inc. - Executive Vice President
13	David Distaso	The Related Realty Group, Inc. - Senior Vice President
14	Jennifer Tuhy	The Related Realty Group, Inc. - Senior Vice President
15	Brian Dethlefsen	The Related Realty Group, Inc. - Vice President, Controller
16	Tara M. Herrera	The Related Realty Group, Inc. - Vice President, Assistant Treasurer
17	David Katz	The Related Realty Group, Inc. - Vice President
18	Kenneth P. Wong	The Related Realty Group, Inc. - Vice Chairman, Chief Operating Officer
19	Jeffrey Brodsky	The Related Realty Group, Inc. - Vice Chairman
20	Jonathan Callahan	The Related Realty Group, Inc. - Fair Housing Officer
21	Alexis Kremen	The Related Realty Group, Inc. - General Counsel, Secretary
22	Lisette Hernandez	The Related Realty Group, Inc. - Assistant Secretary

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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, are 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).