

# MEMORANDUM

Agenda Item No. 14(A)(2)

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**TO:** Honorable Chairman Jose "Pepe" Diaz  
and Members, Board of County Commissioners

**DATE:** July 20, 2021

**FROM:** Geri Bonzon-Keenan  
County Attorney

**SUBJECT:** Resolution approving of and authorizing the County Mayor to execute the second amendment to the ground lease between the County and Okeechobee Lease Holdings, LLC, a Florida limited liability company and a subsidiary of Cornerstone Group Partners, LLC for the development of the Metro Grand Apartments to extend financing deadline and clarify unit mix; and authorizing the County Mayor to exercise all provision contained in the ground lease

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The accompanying resolution was prepared and placed on the agenda at the request of Prime Sponsor Senator René García.

  
Geri Bonzon-Keenan  
County Attorney

GBK/uw



# MEMORANDUM

(Revised)

**TO:** Honorable Chairman Jose "Pepe" Diaz  
and Members, Board of County Commissioners

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**FROM:**   
Gen Bonzon-Keenan  
County Attorney

**SUBJECT:** Agenda Item No. 14(A)(2)

Please note any items checked.

- ☐ "3-Day Rule" for committees applicable if raised
- ☐ 6 weeks required between first reading and public hearing
- ☐ 4 weeks notification to municipal officials required prior to public hearing
- ☐ Decreases revenues or increases expenditures without balancing budget
- ☐ Budget required
- ☐ Statement of fiscal impact required
- ☐ Statement of social equity required
- ☐ Ordinance creating a new board requires detailed County Mayor's report for public hearing
- ☒ No committee review
- ☐ Applicable legislation requires more than a majority vote (i.e., 2/3's present \_\_\_\_, 2/3 membership \_\_\_\_, 3/5's \_\_\_\_, unanimous \_\_\_\_, CDMP 7 vote requirement per 2-116.1(3)(h) or (4)(c) \_\_\_\_, CDMP 2/3 vote requirement per 2-116.1(3)(h) or (4)(c) \_\_\_\_, or CDMP 9 vote requirement per 2-116.1(4)(c)(2) \_\_\_\_ to approve
- ☐ Current information regarding funding source, index code and available balance, and available capacity (if debt is contemplated) required

Approved \_\_\_\_\_ Mayor  
Veto \_\_\_\_\_  
Override \_\_\_\_\_

Agenda Item No. 14(A)(2)  
7-20-21

RESOLUTION NO. \_\_\_\_\_

RESOLUTION APPROVING OF AND AUTHORIZING THE COUNTY MAYOR OR THE COUNTY MAYOR'S DESIGNEE TO EXECUTE THE SECOND AMENDMENT TO THE GROUND LEASE BETWEEN THE COUNTY AND OKEECHOBEE LEASE HOLDINGS, LLC, A FLORIDA LIMITED LIABILITY COMPANY AND A SUBSIDIARY OF CORNERSTONE GROUP PARTNERS, LLC FOR THE DEVELOPMENT OF THE METRO GRAND APARTMENTS TO EXTEND FINANCING DEADLINE AND CLARIFY UNIT MIX; AND AUTHORIZING THE COUNTY MAYOR OR THE COUNTY MAYOR'S DESIGNEE TO EXERCISE ALL PROVISION CONTAINED IN THE GROUND LEASE

**WHEREAS**, the County advertised the Okeechobee Transit-Oriented Mixed-Development Request for Proposal, which sought the creation, through a ground lease, of a mixed-use, multi-family transit-oriented development consisting of approximately 250 units of affordable housing, inclusive of 98 elderly residential units, a park-and-ride garage and/or resident parking spaces exclusively for transit users, a covered walkway from the garage to the existing Metrorail shelter, a "Kiss and Ride" area, and 10,000 square feet of retail/office space; and

**WHEREAS**, the development is to be constructed on approximately 3.49 acres of County-owned land located at 2005 West Okeechobee Road in Hialeah, Florida; and

**WHEREAS**, on October 23, 2018, this Board adopted Resolution No. R-1081-18, which awarded development rights through a 75-year ground lease to Cornerstone Group Partners, LLC or its subsidiaries ("Cornerstone") for the purpose of designing and building a transit-oriented development named the Metro Grande Apartment Homes at the Okeechobee Transit Village ("Metro Grande") on the south parcel of the Okeechobee Metrorail Station at 2005 West Okeechobee Road, Hialeah, Florida 33010; and

**WHEREAS**, Cornerstone is an integrated real estate firm, providing development, construction, and property management services throughout Florida, with a particular focus on South Florida; and

**WHEREAS**, established in 1993, Cornerstone has developed and built approximately 20,000 residential units throughout the state, and still owns and manages approximately 15,000 residential units, over 5,000 of which are located in Miami-Dade County; and

**WHEREAS**, Metro Grande will consist of three eight-story high-rise towers (Metro Grande I, II, and III), which will be built in phases, and will contain 286 mixed-income units, retail space, and a “Kiss and Ride”; and

**WHEREAS**, among other features, Metro Grande was proposed to include housing for all income levels, from extremely low-income up to market rate units, inclusive of approximately 202 elderly housing units (or increase or decrease such number as the County may approve), workforce housing, and approximately 10,000 square feet of retail space, and a “Kiss and Ride” area which will be built near the north end of the Okeechobee Metrorail Station, as well as pedestrian and bicycle paths in order to facilitate close access to transit; and

**WHEREAS**, on October 25, 2018, the County and Cornerstone executed the ground lease (“lease”); and

**WHEREAS**, Cornerstone assigned its interest under the lease to its subsidiary, Okeechobee Lease Holdings, LLC (“Okeechobee Lease Holdings”), pursuant to that certain Assignment and Acceptance Agreement dated October 25, 2018; and

**WHEREAS**, on October 20, 2020, this Board adopted Resolution No. R-1086-20, which approved and authorized the County Mayor or the County Mayor’s designee to execute a first amendment to the lease, which such amendment: (1) clarified that the County has already sought

and received approval of the lease from the Federal Transit Administration and the Florida Department of Transportation; (2) extended the timeframe for the financing of the project until September 30, 2021; and (3) added a provision that provides that if Okeechobee Lease Holdings has not received a certificate of occupancy for all phases of the project within 48 months, following the commencement date for the initial phase, unless such time is extended by the County, such failure shall constitute an event of default, and the property, excluding (i) portions for which a certificate of occupancy has been issued, and (ii) removable personal property shall, at the County's discretion, revert to the County, upon the County providing notice to Okeechobee Lease Holdings of its desire to exercise its right of reversion; and

**WHEREAS**, Cornerstone, on behalf of Okeechobee Lease Holdings, has requested that the County consider a second amendment to the lease to (1) extend the time to obtain financing for the project from September 30, 2021 to December 31, 2021, and (2) clarify that the project will include an approximate total of 286 residential units, of which 84 units of workforce housing will be constructed in a single tower and that of the remaining 202 units to be constructed in the two remaining towers, not less than 90 residential units will be designated for elderly housing and the balance may be designated as workforce, affordable or elderly housing, in the tenant's sole discretion; and

**WHEREAS**, this Board believes that it is in the best interest of the County and the residents of Miami-Dade County to amend the lease,

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA**, that:

**Section 1.** The foregoing recitals are incorporated in this resolution and are approved.

**Section 2.** This Board approves of and authorizes the County Mayor or the County Mayor's designee to execute the second amendment to the lease between Miami-Dade County and Okeechobee Lease Holdings, in substantially the form attached hereto as Exhibit "A" and incorporated herein by reference, for the development of the Metro Grand Apartments. This Board further authorizes the County Mayor or the County Mayor's designee to exercise all provisions contained in the lease, as amended, other than those reserved by this Board. This Board directs the County Mayor or County Mayor's designee, in accordance with Resolution No. R-791-14, provide the Miami-Dade County Property Appraiser with a copy of the foregoing amendment to the lease.

**Section 3.** This Board directs the County Mayor or County Mayor's designee, pursuant to Resolution No. R-974-09, to record in the public record the lease or memorandum of the ground lease, covenants, reverters and mortgages creating or reserving a real property interest in favor of the County and to provide a copy of such recorded instruments to the Clerk of the Board within 30 days of execution and final acceptance. This Board directs the Clerk of the Board, pursuant to Resolution No. R-974-09, to attach and permanently store a recorded copy of any instrument provided in accordance herewith together with this resolution.

The Prime Sponsor of the foregoing resolution is Senator René García. It was offered by  
 Commissioner \_\_\_\_\_, who moved its adoption. The motion was seconded by  
 Commissioner \_\_\_\_\_ and upon being put to a vote, the vote was as follows:

Jose "Pepe" Diaz, Chairman	
Oliver G. Gilbert, III, Vice-Chairman	
Sen. René García	Keon Hardemon
Sally A. Heyman	Danielle Cohen Higgins
Eileen Higgins	Joe A. Martinez
Kionne L. McGhee	Jean Monestime
Raquel A. Regalado	Rebeca Sosa
Sen. Javier D. Souto	

The Chairperson thereupon declared this resolution duly passed and adopted this 20<sup>th</sup> day of July, 2021. This resolution shall become effective upon the earlier of (1) 10 days after the date of its adoption unless vetoed by the County Mayor, and if vetoed, shall become effective only upon an override by this Board, or (2) approval by the County Mayor of this resolution and the filing of this approval with the Clerk of the Board.

MIAMI-DADE COUNTY, FLORIDA  
BY ITS BOARD OF  
COUNTY COMMISSIONERS

HARVEY RUVIN, CLERK

By:\_\_\_\_\_

Deputy Clerk

Approved by County Attorney as  
to form and legal sufficiency.

A handwritten signature in black ink, appearing to be 'TAS', written over a horizontal line.

Terrence A. Smith

## SECOND LEASE AMENDMENT

This Second Lease Amendment (the “Amendment”) made as of the \_\_\_\_ day of \_\_\_\_\_, 2021 between MIAMI-DADE COUNTY, a political subdivision of the State of Florida having its principal office and place of business at 111 N.W. First Street, Miami, FL 33128 (hereinafter called “Landlord”) and OKEECHOBEE LEASE HOLDINGS, LLC, a Florida limited liability company having its principal office and place of business at 2100 Hollywood Boulevard, Hollywood, FL 33020 (hereinafter called “Tenant”)

### WITNESSETH:

A. By Ground Lease dated October 25, 2018 (the “Lease”), Landlord demised and leased to Cornerstone Group Partners, LLC, a Florida limited liability company (“Cornerstone”) certain real property, as more specifically described in the Lease.

B. Cornerstone assigned its interest under the Lease to Tenant pursuant to Assignment and Acceptance Agreement dated October 25, 2018.

C. Pursuant to Sublease Agreement dated October 26, 2018, Tenant subleased a portion of the Demised Property to Metro Grande I Associates, Ltd., a Florida limited partnership (“Phase I Sublessee”).

D. Pursuant to Sublease Agreement dated October 26, 2018, Tenant subleased a portion of the Demised Property to Metro Grande III Associates, Ltd., a Florida limited partnership (“Phase III Sublessee”).

E. Pursuant to Sublease Agreement dated October 2, 2020, Tenant subleased a portion of the Demised Property to Metro Grande II Associates, Ltd., a Florida limited partnership (“Phase II Sublessee”).

F. Landlord and Tenant modified the Lease pursuant to Lease Amendment dated as of October 30, 2020.

G. Landlord and Tenant desire to further modify certain terms and provisions of the Lease as hereinafter set forth.

H. Phase I Sublessee, Phase II Sublessee and Phase III Sublessee desire to join into this Amendment to evidence their acknowledgement consent hereto.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, and other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant covenant and agree as follows:



1. Recitals; Defined Terms. The foregoing recitals are true and correct and by this reference are incorporated as if fully set forth herein. Terms which are capitalized but not defined herein shall have the meanings given to such terms in the Lease.

2. Elderly Housing Units. The Project will include an approximate total of 286 residential units. Of that total, 84 units of workforce housing will be constructed in a single tower. Landlord and Tenant have agreed that, of the remaining 202 units to be constructed in the two remaining towers, not less than 90 residential units will be designated for Elderly Housing and the balance may be designated as workforce, affordable or elderly housing, in the Tenant's sole discretion. Accordingly, the last sentence of Section 2.36 of the Lease is hereby modified to read as follows:

Among other features, the Project will include not less than 90 Elderly Housing units, an 84-unit luxury workforce housing tower, and approximately 10,000 square feet of retail space.

3. Financing Deadline. The following portion of Section 1.3 of the Lease:

*The "Financing Date" shall be the date that Tenant closes on its financing for the construction of any Phase of the Project, irrespective of the type or source of the financing. The parties further agree that in no event shall the Financing Date for the first Phase of the Project be later than September 30, 2021. Should the Financing Date of the first Phase of the Project not occur by September 30, 2021, then Tenant agrees to terminate this Lease in writing within three (3) business days following Landlord's request therefor.*

is hereby amended to read as follows:

The "Financing Date" shall be the date that Tenant closes on its financing for the construction of any Phase of the Project, irrespective of the type or source of the financing. The parties further agree that in no event shall the Financing Date for the first Phase of the Project be later than December 31, 2021. Should the Financing Date of the first Phase of the Project not occur by December 31, 2021, then Tenant agrees to terminate this Lease in writing within three (3) business days following Landlord's request therefor.

The following sentence from Section 1.3 of the Lease:

*The Tenant hereby agrees that Tenant shall terminate this Lease and surrender any and all interest in and to the Demised Property to Landlord, upon Landlord's request, if Tenant is not successful in securing the necessary construction financing for the first Phase of the Project by September 30, 2021.*

is hereby amended to read as follows:

The Tenant hereby agrees that Tenant shall terminate this Lease and surrender any and all interest in and to the Demised Property to Landlord, upon Landlord's request, if Tenant is not successful in securing the necessary construction financing for the first Phase of the Project by December 31, 2021.

4. Financing Date Definition. The last sentence of Section 2.19 of the Lease is hereby modified to read as follows: "The parties further agree that in no event shall the Financing Date be later than December 31, 2021".

5. Sublessee Acknowledgment. This Amendment is joined into and acknowledged by the parties holding subleasehold interests in portions of the Demised Property.

6. No Conflict. In the event of conflict between the Lease and this Amendment, this Amendment shall prevail.

7. No Further Modifications; Ratification. Except as expressly modified and amended by this Amendment, the terms and provisions of the Lease are in full force and effect and are hereby ratified and confirmed.

BALANCE OF THIS PAGE INTENTIONALLY LEFT BLANK;  
SIGNATURES APPEAR ON FOLLOWING PAGE(S)

IN WITNESS WHEREOF, Landlord and Tenant have executed this Amendment on the date first set forth above.

LANDLORD:

MIAMI-DADE COUNTY, a political  
subdivision of the State of Florida

By: \_\_\_\_\_  
Morris Copeland  
Chief Community Services Officer

ATTEST:

HARVEY RUVIN, CLERK

By: \_\_\_\_\_

Approved as to form and legal sufficiency:

By: \_\_\_\_\_  
Terrence A. Smith, Esq.  
Assistant County Attorney

TENANT:

OKEECHOBEE LEASE HOLDINGS, LLC, a  
Florida limited liability company



By: \_\_\_\_\_

Mara S. Mades  
Manager

Acknowledged by Phase I Sublessee:

METRO GRANDE I ASSOCIATES, LTD.,  
a Florida limited partnership

By: Cornerstone Metro Grande I, LLC,  
a Florida limited liability company, its general partner



By: \_\_\_\_\_

Name: Mara S. Mades  
Title: Manager

Acknowledged by Phase II Sublessee:

METRO GRANDE II ASSOCIATES, LTD.,  
a Florida limited partnership

By: Cornerstone Metro Grande II, LLC,  
a Florida limited liability company, its general partner



By: \_\_\_\_\_

Name: Mara S. Mades  
Title: Manager

[Continued on Following Page]

Acknowledged by Phase III Sublessee:

METRO GRANDE III ASSOCIATES, LTD.,  
a Florida limited partnership

By: Cornerstone Metro Grande III, LLC,  
a Florida limited liability company, its general partner



By: \_\_\_\_\_

Name: Mara S. Mades

Title: Manager