

## MEMORANDUM

Agenda Item No. 11(A)(1)

**TO:** Honorable Chairwoman Audrey M. Edmonson  
and Members, Board of County Commissioners

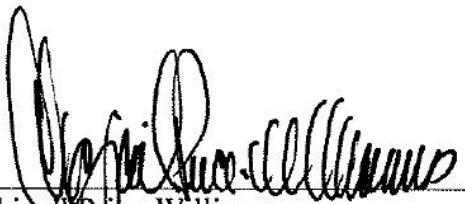
**DATE:** October 20, 2020

**FROM:** Abigail Price-Williams  
County Attorney

**SUBJECT:** Resolution approving of and authorizing the County Mayor to execute the first 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, and to exercise all provision contained in the ground lease

Resolution No. R-1086-20

The accompanying resolution was prepared and placed on the agenda at the request of Prime Sponsor Commissioner Esteban L. Bovo, Jr.



Abigail Price-Williams  
County Attorney

APW/smm

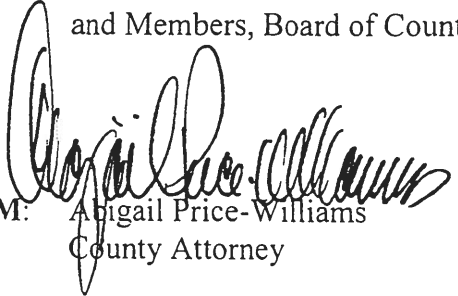


# MEMORANDUM

(Revised)

TO: Honorable Chairwoman Audrey M. Edmonson  
and Members, Board of County Commissioners

DATE: October 20, 2020

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Abigail Price-Williams  
County Attorney

SUBJECT: Agenda Item No. 11(A)(1)

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. 11(A)(1)  
10-20-20

RESOLUTION NO.    R-1086-20

RESOLUTION APPROVING OF AND AUTHORIZING THE COUNTY MAYOR OR THE COUNTY MAYOR'S DESIGNEE TO EXECUTE THE FIRST 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, AND TO EXERCISE ALL PROVISION CONTAINED IN THE GROUND LEASE

**WHEREAS**, the County issued 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 will 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**, Cornerstone, on behalf of Okeechobee Lease Holdings, has requested that the County consider an amendment to the lease (1) to clarify that the County has already sought and received approval of the lease from the Federal Transit Administration and the Florida

Department of Transportation; (2) to extend the timeframe for the financing of the project until September 30, 2021; and (3) to add 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**, 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.

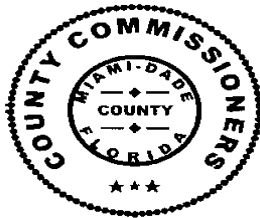
**Section 2.** This Board approves of and authorizes the County Mayor or the County Mayor's designee to execute the first amendment to the lease between Miami-Dade County and Okeechobee Lease Holdings, in substantially the form attached hereto as Exhibit "A" and incorporated herein by reference, for 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 the 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 the 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 Commissioner Esteban L. Bovo, Jr. It was offered by Commissioner **José "Pepe" Diaz**, who moved its adoption. The motion was seconded by Commissioner **Daniella Levine Cava** and upon being put to a vote, the vote was as follows:

|                                |               |
|--------------------------------|---------------|
| Audrey M. Edmonson, Chairwoman | <b>aye</b>    |
| Rebeca Sosa, Vice Chairwoman   | <b>aye</b>    |
| Esteban L. Bovo, Jr.           | <b>absent</b> |
| Jose "Pepe" Diaz               | <b>aye</b>    |
| Eileen Higgins                 | <b>aye</b>    |
| Joe A. Martinez                | <b>aye</b>    |
| Dennis C. Moss                 | <b>aye</b>    |
| Xavier L. Suarez               | <b>aye</b>    |
| Daniella Levine Cava           | <b>aye</b>    |
| Sally A. Heyman                | <b>aye</b>    |
| Barbara J. Jordan              | <b>aye</b>    |
| Jean Monestime                 | <b>absent</b> |
| Sen. Javier D. Souto           | <b>aye</b>    |

The Chairperson thereupon declared this resolution duly passed and adopted this 20<sup>th</sup> day of October, 2020. 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: **Melissa Adames**  
Deputy Clerk

Approved by County Attorney as  
to form and legal sufficiency.

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

Terrence A. Smith  
Annery Pulgar Alfonso

## LEASE AMENDMENT

This Lease Amendment (the “Amendment”) made as of the \_\_\_\_ day of \_\_\_\_\_, 2020 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. Landlord and Tenant desire to modify certain terms and provisions of the Lease as hereinafter set forth.

F. Phase I 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. Approvals. It is acknowledged that Section 1.2 of the Lease provides that the Lease shall become effective after its approval by Federal Transit Administration (“FTA”), the Florida Department of Transportation (“FDOT”) and the Miami-Dade County Board of County

Commissioners, and the expiration of the ten (10) day veto period by the Mayor of Miami-Dade County. Landlord hereby confirms that FDOT, FTA and all County approvals have been obtained and that the Lease is in full force and effect, as of November 2, 2018. Any future amendments or modifications to the Lease may be subject to review and approval by FTA and/or FDOT prior to approval by the Miami-Dade Board of County Commissioners.

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 be later than September 30, 2020. Should the Financing Date of this Lease not occur by September 30, 2020, then Tenant agrees to terminate this Lease in writing within three (3) business days thereafter*

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 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.

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, if Tenant is not successful in securing the necessary construction financing for the first Phase of the Project by September 30, 2020*

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 September 30, 2021.

The following Sentence from Section 1.3 of the Lease:

*Tenant shall further terminate this Lease as to any subsequent Phase for which it is determined that construction financing cannot be obtained, within three (3) years*

*from the Commencement Date, and shall surrender any and all interest in and to such Phase(s) to Landlord*

is hereby amended to read:

Tenant shall further terminate this Lease as to any subsequent Phase for which it is determined that construction financing cannot be obtained within four (4) years from the Commencement Date, and shall surrender any and all interest in and to such Phase(s) to Landlord, upon Landlord's request therefor.

The following Sentence from Section 1.3 of the Lease:

*The parties hereby acknowledge and agree that such necessary construction financing for the Project may include any, all, or none of the following: (a) the proceeds of bonds issued by any applicable state agency or local housing authority, gap financing, state or local loans, or other local subsidy and (b) a binding commitment for the sale or syndication of the low-income housing tax credits that are issued with bonds, within three (3) years following the Commencement Date*

is hereby amended by changing "three (3) years" to "four (4) years".

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 September 30, 2021".

5. Outside Date for Project Completion. Section 3.4 of the Lease is hereby modified to read as follows:

In addition to any remedies available by law, if Tenant has not received a Certificate of Occupancy for all Phases of the Project within forty-eight (48) months following the Commencement Date for the initial Phase, it shall be an Event of Default, and the Demised Property, excluding (i) portions for which a Certificate of Occupancy has been issued and (ii) removable personal property shall, at Landlord's discretion, revert to Landlord, upon Landlord providing notice to Tenant of its desire to exercise its right of reversion by terminating this Lease after sixty (60) days from the expiration of the forty-eight (48) month period (for a total of fifty (50) months from the Commencement Date), as to that portion(s) of the Demised Property for which the Tenant failed to secure a Certificate of Occupancy. Notwithstanding the foregoing, Landlord may, in its reasonable discretion, extend such forty-eight (48) month period if the Tenant has used and is continuing to use good faith efforts to complete all of the Phases, and Tenant requests such extension in writing. Such request will not be unreasonably withheld or delayed.

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

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

8. 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: \_\_\_\_\_  
Maurice L. Kemp, Deputy Mayor

ATTEST:

HARVEY RUVIN, CLERK

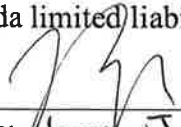
By: \_\_\_\_\_

Approved as to form and legal sufficiency:

By: \_\_\_\_\_  
Assistant County Attorney

TENANT:

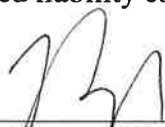
OKEECHOBEE LEASE HOLDINGS, LLC, a  
Florida limited liability company

By:   
Name: Leon J. Wolfe  
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: Leon J. Wolfe  
Title: Manager

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: Leon J. Wolfe  
Title: Manager