

MEMORANDUM

Agenda Item No. 11(A)(18)

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

DATE: May 3, 2022

FROM: Geri Bonzon-Keenan
County Attorney

SUBJECT: Resolution approving of and authorizing the County Mayor to execute the third 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 authorizing the County Mayor to exercise all provisions contained in the ground lease

Resolution No. R-448-22

The accompanying resolution was prepared and placed on the agenda at the request of Prime Sponsor Commissioner Rebeca Sosa.



Geri Bonzon-Keenan
County Attorney

GBK/uw



MEMORANDUM

(Revised)

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

DATE: May 3, 2022

FROM: 
Gen Bonzon-Keenan
County Attorney

SUBJECT: Agenda Item No. 11(A)(18)

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 Danielle Lemeux Mayor
Veto _____
Override _____

Agenda Item No. 11(A)(18)
5-3-22

RESOLUTION NO. R-448-22

RESOLUTION APPROVING OF AND AUTHORIZING THE COUNTY MAYOR OR COUNTY MAYOR'S DESIGNEE TO EXECUTE THE THIRD 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 AUTHORIZING THE COUNTY MAYOR OR COUNTY MAYOR'S DESIGNEE TO EXERCISE ALL PROVISIONS 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 the 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 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, on July 20, 2021, this Board adopted Resolution No. R-759-21 authorizing the County Mayor or County Mayor's designee to execute 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, Cornerstone, on behalf of Okeechobee Lease Holdings, has requested that the County agree to a third amendment to the lease for the purpose of (1) extending the financing deadlines from December 31, 2021 to June 30, 2022; (2) clarifying in section 3.4 of the lease that if Okeechobee Lease Holdings has not received a certificate of occupancy for all phases of the

project within 48 months following the “commencement of construction” for the initial phase, then the County, after providing notice to Okeechobee Lease Holdings, can exercise its right of reversion by terminating the lease for that portion(s) of the property in which Okeechobee Lease Holdings has failed to obtain the required certificate of occupancy; (3) providing for more details about each phase of the project; and (4) providing for milestones for the completion of each phase of the project; 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 County Mayor’s designee to execute the third 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 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, to provide the Miami-Dade County Property Appraiser with a copy of the foregoing amendment to the lease.

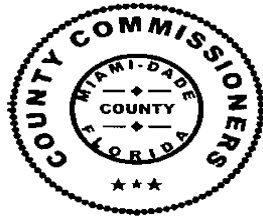
Section 3. This Board directs the County Mayor or County Mayor’s designee, pursuant to Resolution No. R-974-09, to record in the public record the lease or memorandum of the ground

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 Commissioner Rebeca Sosa. It was offered by Commissioner **Rebeca Sosa**, who moved its adoption. The motion was seconded by Commissioner **Raquel A. Regalado** and upon being put to a vote, the vote was as follows:

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

The Chairperson thereupon declared this resolution duly passed and adopted this 3rd day of May, 2022. 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: **Basia Pruna**
Deputy Clerk

Approved by County Attorney as
to form and legal sufficiency.

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

Terrence A. Smith

EXHIBIT A

THIRD LEASE AMENDMENT

This Third Lease Amendment (the “Amendment”) made effective as of the _____ day of _____ 2022 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 “Original 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. The Original Lease has been amended by (i) Lease Amendment dated as of October 30, 2020, and (ii) Second Lease Amendment dated August 5, 2021 (collectively, the “Lease”).

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

C. Tenant has sublet portions of the Demised Property to (a) Metro Grande I Associates, Ltd., a Florida limited partnership (“Phase I Sublessee”), (b) Metro Grande II Associates, Ltd., a Florida limited partnership (“Phase II Sublessee”) and (c) Metro Grande III Associates, Ltd., a Florida limited partnership (“Phase III Sublessee”).

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

E. Phase I Sublessee, Phase II Sublessee and Phase III Sublessee desire to join into this Amendment to evidence their acknowledgement consent hereto. This Amendment may be executed in counterparts by all the parties 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. Financing Deadlines. All references to “December 31, 2021” in Section 1.3 of the Lease are hereby modified, so that “December 31, 2021”, is hereby deleted and replaced with June 30, 2022”.

3. 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 June 30, 2022”.

4. Correction and Modification to 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 of the date of Commencement of Construction 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 date of Commencement of Construction for the initial Phase), as to that portion 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 the Phases, and Tenant requests such extension in writing. Such request shall be subject to the approval of the Board of County Commissioners.

5. Uses of the Demised Property. The following shall be added at the end of subsection 4.1(a):

Once Tenant has achieved Completion of Construction for each Phase of the Project, Tenant shall thereafter during the Term continuously and uninterruptedly use and operate the Demised Property and all such improvements constructed during each Phase in accordance with the income criteria and Area Median Income requirements for development therefor set forth in Section 4.3 of the Lease.

6. Phased Development; Amenities. The following shall be added at the end of the first paragraph in Section 4.3 of the Lease:

Tenant and Landlord agree and acknowledge that Phase Three described below will be the initial Phase and the first of the Phases to achieve the Commencement of Construction. Tenant agrees to and shall effectuate the Commencement of Construction for Phase Three no later than July 31, 2022.

7. Phased Development; Phase One. Section 4.3 (a)(i) of the Lease is hereby modified to read as follows:

Phase One (aka Metro Grande I) – an approximate 108-unit multifamily high rise rental Building, with approximately ninety percent (90%) of the units allocated for tenants holding Vouchers and Phase One serving household earning an average sixty percent (60%) (overall average) of the Area Median Income of Miami-Dade County, adjusted for household size. The construction of the Building may include a structured parking garage which will accommodate all the required parking for the residential units in Phase One of the Project as prescribed by the applicable zoning code. Phase One shall also include approximately 3,580 square feet of retail space, and approximately 4,730 square feet of common area space. Common area spaces includes both amenity space, and a lobby, mailroom, electrical room, and maintenance room. As a result, the Building will have approximately 3,000 square feet of amenity space, which will include a business center, fitness center, library, activity room and social room. Tenant agrees that Completion of Construction for Phase One will be within forty-eight (48) months of the date of Commencement of Construction for the initial Phase (i.e., no later than July 30, 2026). Should Completion of Construction for Phase One fail to occur within forty-eight (48) months from the date of Commencement of Construction for the initial Phase it shall be an Event of Default, and the Landlord shall be permitted to immediately terminate 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 date of Commencement of Construction for the initial Phase) for Phase One, as well as for the undeveloped portion of the Demised Property (i.e., Phases not having been issued building permits), without any compensation to the Tenant, and Phase One, along with the undeveloped portion Demised Property, shall immediately revert to the possession of the Landlord.

8. Phased Development; Phase Two. Section 4.3 (a)(ii) of the Lease is hereby modified to read as follows:

Phase Two (aka Metro Grande II) – an approximate 94-unit multifamily high rise rental Building, with approximately fifty-eight percent (58%) of the units allocated for tenants holding Vouchers and Phase Two serving a mix of average household incomes within the Area Median Incomes of Miami-Dade County, adjusted for household size. Phase Two will also include a dining room measuring approximately 2,800 square feet which will be made available by Tenant to the Hialeah Housing Authority for serving free lunches to residents of the Project and to other propel residing within the zip code in which the Project is located. The construction of Phase Two may include a structured parking garage which will accommodate all the required parking for the residential units in Phase Two of the Project as prescribed by the applicable zoning code. Phase Two shall also include approximately 3,580 square feet of retail space, and approximately 5,000 square feet of common area space and amenities. Included in the amenity space shall be a business center, library, and social room. Tenant agrees that Completion of Construction for Phase Two will be within forty-eight (48) months of the date of Commencement of Construction

for the initial Phase (i.e., no later than July 30, 2026). Should Completion of Construction for Phase Two fail to occur within forty-eight (48) months from the date of Commencement of Construction for the initial Phase it shall be an Event of Default, and the Landlord shall be permitted to immediately terminate 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 date of Commencement of Construction for the initial Phase) for Phase Two, as well as for the undeveloped portion of the Demised Property (i.e., Phases not having been issued building permits), without any compensation to the Tenant, and Phase Two, along with the undeveloped portion Demised Property, shall immediately revert to the possession of the Landlord.

9. Phased Development; Phase Three. Section 4.3 (a)(iii) of the Lease is hereby modified to read as follows:

Phase Three (aka Metro Grande III) – an approximate 84-unit multifamily high rise mixed-income rental Building, with: (a) twenty-eight (28) of the units are for tenants for households at or below thirty percent (30%) of Area Median Income, adjusted for household size; (b) six (6) of the units are for tenants for households at or below sixty percent (60%) of Area Median Income, adjusted for household size; (c) twenty-seven (27) of the units are for tenants for households at or below seventy percent (70%) of Area Median Income, adjusted for household size; and (d) twenty-three (23) of the units are for tenants for households at or below eighty percent (80%) of Area Median Income, adjusted for household size. The construction of Phase Three may include a structured parking garage which will accommodate all the required parking for the residential units in Phase Three of the Project as prescribed by the applicable zoning code. Phase Three shall also include approximately 3,065 square feet of storefront retail space, approximately 8,300 square feet of common area space and amenity space. Common area amenities will include a social room, internet café, fitness center, and an activity room. Tenant agrees that Completion of Construction for Phase Three will be on or before December 31, 2023. Should Completion of Construction for Phase Three fail to occur on or before December 31, 2023, it shall be an Event of Default, and the Landlord shall be permitted to immediately terminate the entirety of this Lease, after sixty (60) days' advance written notice, without any compensation to the Tenant, and all the Demised Property shall immediately revert to the possession of the Landlord.

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

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

12. 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.

#10495523 v1
11944-0095

SIGNATURES APPEAR ON FOLLOWING PAGES

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

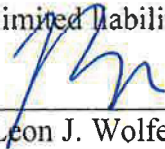
By: _____
Deputy Clerk

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: 
Leon J. Wolfe
Manager

Acknowledged by Phase I Sublessee:

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

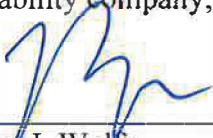
By: Cornerstone Metro Grande I, LLC,
a Florida limited liability company, its general partner

By: 
Name: Leon J. Wolfe
Title: Manager

Acknowledged by Phase 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

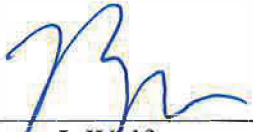
By: 
Name: Leon J. Wolfe
Title: Manager

[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: Leon J. Wolfe
Title: Manager