



COMMITTEE MEMORANDUM

TO: Mayor David Dermer and Members of the City Commission

FROM: City Manager Jorge M. Gonzalez

DATE: February 14, 2007

SUBJECT: **REPORT OF THE FINANCE AND CITYWIDE PROJECTS COMMITTEE MEETING OF JANUARY 10, 2007.**

OLD BUSINESS:

1. DISCUSSION OF A RESOLUTION APPROVING, ON FIRST READING, A FIRST AMENDMENT TO THE DEVELOPMENT AGREEMENT BETWEEN THE CITY OF MIAMI BEACH AND AR&J SOBE, LLC, DATE MAY 18, 2005, FOR THE DEVELOPMENT OF THE PROJECT PRESENTLY REFERRED TO AS "FIFTH AND ALTON"; SAID AMENDMENT AMENDING THE DEFINITION OF THE TERM "OUTSIDE DATE", AS SAID TERM IS DEFINED BY THE DEVELOPMENT AGREEMENT, AND EXTENDING SAID DATE TO FEBRUARY 17, 2007, 2:30 PM.

ACTION

Motion was made by Commissioner Bower and seconded by Chairman Gross to introduce at the February 14, 2007 City Commission meeting, the amended milestone dates to the development agreement between the City of Miami Beach and AR&J SOBE, LLC. The new dates are as follows:

- **February 17, 2007 – Building permit obtained**
- **December 4, 2007 – Construction commencement of project**
- **December 4, 2007 – Lease obtained for grocery store**

City Manager Jorge Gonzalez presented the item regarding the development agreement between the City and AR&J SOBE, LLC. for the Fifth and Alton Project. He advised that the developer is requesting release from certain previously established dates. He also noted there might be a change regarding the higher cost per parking space for the garage and requested the Committee's direction as whether to acquire a new and fair cost per space. The Manager stated that the land for the Alton and Fifth Project is privately owned but the City owns the alley space behind the project. The agreement with the City allows for the alley to be vacated under a reverter clause including the requirement of a grocery store and a mixed use area that would allow for the City to build and own approximately five hundred (500) parking spaces. He advised the current negotiated rate for the City is \$16,000.00 per space. He noted the rate was at a discount.

Mr. Jeff Berkowitz, with the Berkowitz Development Group advised his company has secured several letters of intent from parties intending to occupy the spaces of the project. He advised the project is now at the permitting stage, pending final engineering review. He went on to state that construction should commence in April or May of this year.

Mr. Berkowitz also advised the project would be able to stand on its own in the event the City did not pursue acquiring the five hundred (500) parking spaces. Chairman Gross also noted that the project is being funded by RDA dollars.

Chairman Gross noted his objection to the size of the garage. He advised it would create more congestion at the entrance of Miami Beach and suggested the building of a smaller garage structure.

JMG/PDW/rs/nsl