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# MIAMI BEACH

City of Miami Beach, 1700 Convention Center Drive, Miami Beach, Florida 33139, [www.miamibeachfl.gov](http://www.miamibeachfl.gov)

## COMMITTEE MEMORANDUM

TO: Finance and Citywide Projects Committee Members

FROM: Jorge M. Gonzalez, City Manager

DATE: September 3, 2009

SUBJECT: **Discussion regarding leaseable space rental in Historic City Hall at 1130 Washington Avenue.**

### ISSUE

Should the City Commission approve leases with prospective tenants for available spaces in Historic City Hall?

### ANALYSIS

On November 2, 2004, a referendum supporting The Building Better Communities General Obligation Bond Program (BBC GOB) was passed, which provided \$2.9 billion to fund more than 300 capital improvements, and included an allocation for the renovation of Historic Old City Hall. Renovations necessitated that the occupants of the building vacate during the construction process. Although substantial completion of the extensive renovations concluded earlier this year, the building did not receive a Certificate of Completion until May 13, 2009. The Miami-Dade Clerk of the Courts moved back into the building earlier this year and resumed services to the public on June 22, 2009. The rest of the building is now available for occupancy by tenants.

In regard to the leasing of space within the building, at the October 21, 2008 meeting of the F&CW Committee it was determined that Historic City Hall would not be fully re-occupied by City offices, resulting in leaseable space availability. The Committee directed the Administration to advertise and market the leaseable ground floor retail space (approximately 5113 sf), and negotiate any potential leases. The Administration did not receive any initial interest in the first floor space for retail use, but received interest in vacant office spaces in the building (approximately 4,000 sf). In a subsequent F&CW meeting on March 10, 2009, a comprehensive overall space utilization and planning item identified that City departments originally intended to re-occupy Historic City Hall would be relocated to other available space in City buildings, increasing the leaseable space in Historic City Hall by approximately 5085 sf, or a total of approximately 14,215 sf, including the ground floor, but exclusive of the second floor space utilized by the Clerk of the Courts.

At that meeting, the Committee approved the Administration's recommendation that the process of developing lease agreements based on supply and demand be utilized for the occupancy of these available spaces, and that any future commercial leases (including renewals and/or extensions) for use of space at Historic City Hall be handled as it is in the private sector and not through a competitive bid process, with the administration ensuring that market rates are negotiated and operating expenses included. All leases would continue to require City Commission approval per City Code.

Staff marketed the location using typical real estate marketing tools. To date, staff has fielded all public queries and has shown the property, resulting in Letters of Interest (LOI). However, based on the fluctuation of the current real estate market in this economic environment, the City requested an

appraisal, which was obtained by Bondarenko & Associates, to determine the market rent value; a revised appraisal was provided on July 7, 2009 to reflect further changing conditions. The Revised Appraisal is attached hereto as Attachment "A". The resulting market rental rates of \$25-\$30 PSF were determined to be based on gross rent, full service. The \$25 PSF market rent for floors 1 – 7 was set as an average, with a premium for the 8<sup>th</sup> floor penthouse set at \$30 PSF. The highest and best use for the entire building was deemed to be "Office," with the notation that the ground floor potential use as retail commercial is not practical due to the restrictions of the Historic designation of the site.

A recent review of LoopNet, the industry's resource for commercial real estate, found that available office spaces in the 33139 zip code area are listed with a range of \$21.60 - \$55.00, with an average rate of \$ 31.60 Gross/Full Service (Attachment B).

### **PROPOSED NEGOTIATED LEASES – LONG TERM**

The following negotiated terms for three lease proposals are submitted for the F&CWP Committee's consideration.

#### 1<sup>st</sup> Floor South

The Miami Beach Cinematheque (MBC) submitted proposed terms for use of the southern portion of the first floor (2,570 sf) to relocate their current cinema. This portion of the first floor is the space previously occupied by the Parking Department. Following negotiations, MBC has agreed to a base rent of \$20 PSF, to include Insurance, Common Area Maintenance and Operating Expenses. The Tenant assumes the cost for Electricity (as the space is separately metered).

The space was not built out by the City after the renovation and has only received partial demolition based on the needs of the construction activity for renovation. The MBC proposes that the City assume responsibility for the demolition of interior walls, with the MBC retaining responsibility for the build out. This build out is estimated by MBC at \$50,000; the City's estimate for demolition costs is \$6,500. Based on the estimated minimal tenant improvement of \$50,000, the Administration is recommending a term of three years with two three year renewals at the City's sole option. As currently proposed, the Tenant would retain all revenues from admission. Direction is requested on whether a tiered structure should be negotiated to offset the City's initial (year one) costs related to accommodating this Tenant in the first floor space.

The proposed lease provides for a Tenant that can diversify the offerings in the immediate area, and provide potential foot traffic. In addition to their current programming schedule, the Miami Beach Film Society's Cinematheque will be expanding present operations to include several daytime activities. Additionally, MBC has proposed the creation of a photographic arts gallery and film museum with changing exhibitions from international sources and from its own archive, which includes one of the world's most complete collections of film history related memorabilia. One of the museum attractions will be the "Made in Miami Beach Movie Tour," which would originate at the space with a digital presentation, and continue around the city visiting the famous movie locations. There will also be matinee screenings of films and other special events, all supplemented by the Cinematheque's concession and coffee service, which would remain open throughout the day and evening.

As previously noted, the viability of securing a commercial retailer for this space is limited, as the historic designation of the building precludes any retailer from placing signage on the façade of the building, and the main entrance is not directly onto the street, but through the lobby. The appraisal secured by the City finds the highest and best use to be designated "Office." This lease would be

subject to the standard three percent escalator, annually.

6<sup>th</sup> Floor

Gemcor is a long standing, established jewelry business in South Beach; the owners have been Miami Beach residents for over 17 years. The proposed rate of \$23.30 PSF (for 1,517 sf) includes Insurance, Common Area Maintenance, Electricity and Operating Expenses. The base rent is below market, but addresses issues raised by the Tenant relating to costs for parking, which cannot be waived by the City. A 10% rent escalator would apply upon each renewal. The Administration recommends an initial term of three (3) years, with two renewal terms of three (3) years each. A three-month rent abatement is also recommended, in keeping with current industry practices, and competitive with what the market is offering at this time. Gemcor is requesting that a cap of \$1,000 per year be placed on all proportionate share increases.

8<sup>th</sup> Floor

Coane & Associates is a law firm practicing Immigration Law with offices in both Houston, Texas and Miami Beach, Florida. They currently have offices at 407 Lincoln Road. Their proposed rate of \$30 PSF (for 1,517 sf) is commensurate with the appraisal, and includes Insurance, Common Area Maintenance, Electricity and Operating Expenses. They have agreed to all the City's terms, will pay for their own parking, and will be able to occupy the space following lease approval. The proposed lease term is three years, plus two three-year renewals at the City's sole option. No abatement was negotiated.

**PROPOSED NEGOTIATED AGREEMENTS – SHORT TERM**

1<sup>st</sup> Floor/additional vacant floor

ESPN has approached the City to request use of space in the building for a minimum of two weeks in January relating to their local coverage of Pro Bowl and Super Bowl events. The amount of space they require is the entire first floor (5,113 sf), with an upper office floor at 1,517 sf; they are not particular about which upper office floor, and will use any available space. The City negotiated market rent for the total space (6,630 sf). At a rent of \$25 PSF, this would amount to \$3,188 per week, or a total of \$6,375 for only two weeks. The City would require ESPN to hire security for the building during that time, as the Courts are on the second floor and the rest of the building is vacant. Additionally, they would need to provide the City's standard insurance requirements and a security deposit. For this short term, ESPN would operate under a letter agreement. MDPL is scheduled to move into the Ocean Front Auditorium prior to that time and any leases for ground floor space would set occupancy no earlier than February, after ESPN vacates the space. This occupancy date is agreeable to MBC.

**CAM/OPERATING COSTS**

The total annual operating costs for the building, exclusive of electricity costs, are \$221,670. Because they are separately metered, Tenants in floors one and two pay their own electrical charges. The cost for electric in floors three to eight are calculated at \$1.88 PSF. Based on the appraised rental rates for leasable space (excluding the second floor space which pays \$1 per year), the potential gross rent for total occupancy of the leasable space is \$362,960. As previously noted, negotiated rents below market are recommended for two of the spaces. CAM ranges from \$10.73 to \$12.61 PSF.

**OTHER INTERESTED PARTIES**

We received the following proposal which is not submitted for approval at this time, but is included for your information.

1<sup>st</sup> Floor North

The Miami Dade Gay & Lesbian Chamber of Commerce (MDGLCC) proposed developing a Welcome Center on the north section of the first floor in the space presently occupied by the Miami Design Preservation League. The organization met with staff and proposed a rate of \$20 PSF, which is below the range for that type of space and average market rent of \$25 PSF. Subsequent to proposing the \$20 PSF rate, MDGLCC requested a revised base rent in the first two years of \$14 PSF, with an increase to \$20 PSF in the third year. Although the \$20 PSF is below the appraised rate of \$25 PSF, and represents a reduction in revenue of \$12,715 a year to the City, staff was agreeable to the reduced rent to \$20 PSF due to the organization's non-profit status and proposed use. Additionally, staff had proposed a two-month rent abatement, a savings of approximately \$8,500 that (combined with the \$20 PSF reduced rent) results in a total benefit to MDGLCC of more than \$21,000 a year, comparable to the support provided to other city-funded Chambers. By comparison, the requested reduction to \$14 PSF represents a reduction in revenue to the City of almost \$28,000 per year; staff does not recommend this proposed reduced rent.

The administration proposed the following alternatives to the Chamber: 1) pay the \$25 PSF market rate and receive \$20,000 in cash support from the City (adjusted each year to be consistent with the level of cash support to other Chambers; 2) pay the \$20 PSF reduced rent and receive \$7,285 in cash support, for a total benefit of \$20,000 (the \$7,285 to be adjusted each year consistent with the level of cash support provided to other Chambers; or 3) pay \$20 PSF with a two month rent abatement, a total benefit of \$21,000 in the first year. Option three is the recommended rent structure.

It is important to note that in addition to the base rent, MDGLCC proposed a revenue share of 50% of gross received by the MDGLCC to the City from any revenues they may gain from transactions of the Welcome Center. The revenues expected would be from booking fees and commissions of items such as ticket sales, hotel rentals, etc. However, at this time MDGLCC has not solidified any agreements with vendors, pending a location. This was proffered by MDGLCC, but was not included as a condition of the lease that was being discussed. The Administration discussed with MDGLCC an initial term of three years with one renewal term of three years.

However, MDGLCC and the City have not reached agreement on terms. We will continue to negotiate options and, hopefully, bring proposed lease terms to the F&CWP Committee as soon as possible. As previously mentioned, a short term agreement with ESPN at market rent is proposed for this space, which means that MDGLCC would not occupy the space until any earlier than February, 2010. As such, time remains to reach agreement on terms and obtain commission approval (two readings required) prior to their ability to potentially access this space.

**CONCLUSION**

Given the limited interest in the available space at this time, and the economic environment that has produced a high inventory of vacant office space in the 33139 zip code (as demonstrated by the LoopNet market research), the Administration recommends that proposed initial terms be accepted for the three long-term leases delineated above, and a letter agreement for the short term use identified. The three negotiated leases will be placed on the next available City Commission agenda and will require two readings as per City Code. The Letter Agreement can be executed following Committee approval.

  
JMG/HMF/AP/ACV

**ATTACHMENT A**

**AMENDED  
REAL ESTATE RENTAL STUDY**

**OF**

**HISTORIC OLD CITY HALL  
1130 WASHINGTON AVE  
MIAMI BEACH, FLORIDA**



**OLD CITY HALL**

**July 7, 2009**

**PREPARED BY**

**BONDARENKO ASSOCIATES, INC.  
201 S. GOLF BLVD., SUITE 2006  
POMPANO BEACH, FLORIDA**

## BONDARENKO ASSOCIATES, INC.

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[hankhrb@comcast.net](mailto:hankhrb@comcast.net)

July 8, 2009

Mrs. Ana Cecilia Velasco  
Asset Manager  
Department Division  
City of Miami Beach  
1700 Convention Center Drive  
Miami Beach, Florida 33139

Re: Amended Market Valuation of Historic City Hall  
1130 Washington Ave  
Miami Beach, Florida 33139

A Market Value Rental Estimate for Office and/or Commerical Retail Units  
of 1130 Washington Ave. at the Highest and Best Use.

Dear Mrs. Velasco::

At your request, we have prepared a fair market rental study for the above referenced property. The purpose of this report is to estimate the market value of the subject property's fair market rental rates. This study is intended for the use of the client and the client's advisors.

The accompanying report of a real estate rental study has been completed in accordance with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice (USPAP), and applicable Federal regulations.

The attached report details the scope of the rental study, level of reporting, definition of value, valuation methodology, Highest and Best Use and pertinent data researched and analyzed in the development of this study.

We certify that we have no present or contemplated future interest in the property beyond this estimate of rental value. Your attention is directed to the Limiting Conditions and Assumptions, located within this report, which constitutes an agreement with these conditions and assumptions.

July 8, 2009

Page 2

In my opinion, the fair gross market rental value at the highest and best use of the subject property, as of July 7, 2009, was as follows:

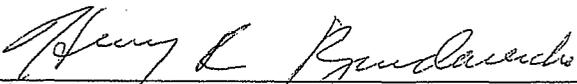
**Value Conclusion**

**Conclusion of Market Rental Rate**

Based on the appraisal analysis, and subject to assumptions and limiting conditions stated within this report, it is concluded that the Gross Market Rent under the highest and best use stated in this report as of the effective date of study, July 7, 2009 as follows:

<u>Floor #</u>	<u>SF Rent Area</u>	<u>Rental Rate</u>	<u>Annual Rent</u>
1	5,113	\$25.00	\$127,825
2	6,437	\$25.00	\$160,925
3	1,475	\$25.00	\$ 36,875
4	1,475	\$25.00	\$ 36,875
5	1,475	\$25.00	\$ 36,875
6	1,475	\$25.00	\$ 36,875
7	1,475	\$25.00	\$ 36,875
8 PH	1,475	\$30.00	<u>\$ 44,250</u>
Estimated Total Annual Market Rent @ Gross Rent			\$517,375

Respectfully submitted,  
Bondarenko Associates, Inc.



Henry R. Bondarenko, SRA, MAI  
State Certified General REA # 508

## Summary of Salient Facts

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**Subject Property:** Historic Old City Hall  
1130 Washingt Ave  
Miami Beach, Florida

**Property Overview:** Site Size: Not applicable  
Building Size: 31,948 Gross Sq. Ft.  
Property Type: Office Building, Historic building, no  
sign or ID signs allowed.  
Net Rentable Size: 20,400 Sq. Ft.

**Interest Appraised:** This appraisal considers the subject's fair market rental  
at the highest and best use.

**Highest and Best Use  
Land As Vacant:** Office Use

**Highest and Best Use  
As Improved:** Office Use

**Land Value:** Not Applicable

**Extraordinary  
Assumptions:** None

**Hypothetical Conditions:** None

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### ***Important Considerations***

It is important to recognise that the subject building is an *Historic* building and the tenants may not post ID signs for advertising locations.

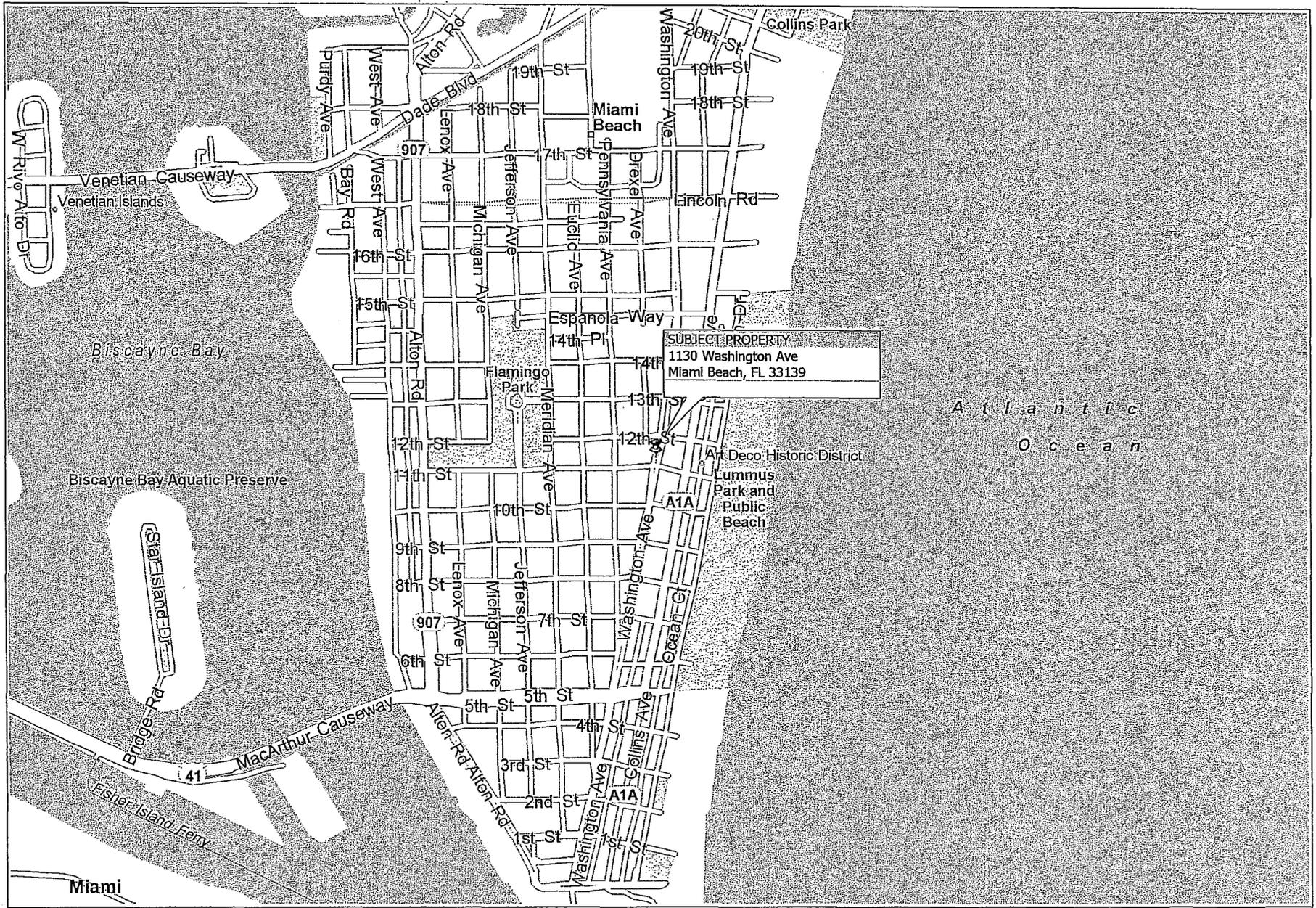
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# SUBJECT PROPERTY LOCATION MAP



## Appraisal Scope

According to the Uniform Standards of Professional Appraisal Practice, it is the appraisers responsibility to determine the appropriate scope of work. USPAP defines the scope of work as:

The amount and type of information researched and the analysis applied in an assignment. Scope of work includes, but is not limited to, the following:

- the degree to which the property is inspected or identified;
- the extent of research into physical or economic factors that could affect the property;
- the extent of data research; and
- the type and extent of analysis applied to arrive at opinions or conclusions.

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### SCOPE OF WORK

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**Appraisal & Report Type:** This is a limited , market rent study report.

**Property Identification and Inspection:** The subject has been identified and inspected by the appraiser(s) as follows:  
A complete interior and exterior inspection of the subject was made, and photographs were taken.

**Analysis of Physical Factors:** All pertinent physical factors were analyzed.

**Analysis of Economic Factors:** All pertinent economic factors were analyzed.

**The Extent of Data Research:** The appraiser(s) maintain a current and comprehensive database of office sales and listings for the Miami Beach market area. In addition to market data developed in the course of previous appraisal work and retained in the appraiser(s) work files, other sources of information include:

- Property Appraisers Office On-line
- RealQuest On-Line data
- ISC On-Line Data
- Data supplied by City of Miami Beach
- Loopnet On-Line rental Data

Where warranted, market data has been confirmed by a source deemed reliable.

**The Type and Extent of Analysis:** The type of analysis is a fair market rental study at the highest and best use.

## ***Appraisal Specifics***

### **Appraisal Purpose**

The purpose of this report is to estimate the fair market rental value at the highest and best use.

### **Intended Use**

The intended use of this appraisal is for asset management.

### **Intended User(s)**

This appraisal is intended for the use of client and the clients advisors.

### **Market Value Definition**

The definition of "Market Value", as defined by the Office of the Comptroller of Currency (OCC) under 12 CFR, Part 34, Subpart C-Appraisals, 34.42 Definitions, the Board of Governors of the Federal Reserve System (FRS) and the Federal Deposit Insurance Corporation in compliance with Title XI of FIRREA, as well as by the Uniform Standards of Appraisal Practice as promulgated by the Appraisal Foundation, is as follows.

Market value means the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby,

1. Buyer and seller are typically motivated;
2. Both parties are will informed or well advised, and acting in what they consider their own best interest;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

## Highest and Best Use

Highest and best use may be defined as

the reasonably probable and legal use of vacant land or improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value.<sup>1</sup>

- **Permissible Use.** What uses are permitted by zoning and other legal restrictions?
- **Possible Use.** To what use is the site physically adaptable?
- **Feasible Use.** Which possible and permissible use will produce any net return to the owner of the site?
- **Maximally Productive.** Among the feasible uses which use will produce the highest net return, (i.e., the highest present worth)?

## Highest and Best Use As Vacant

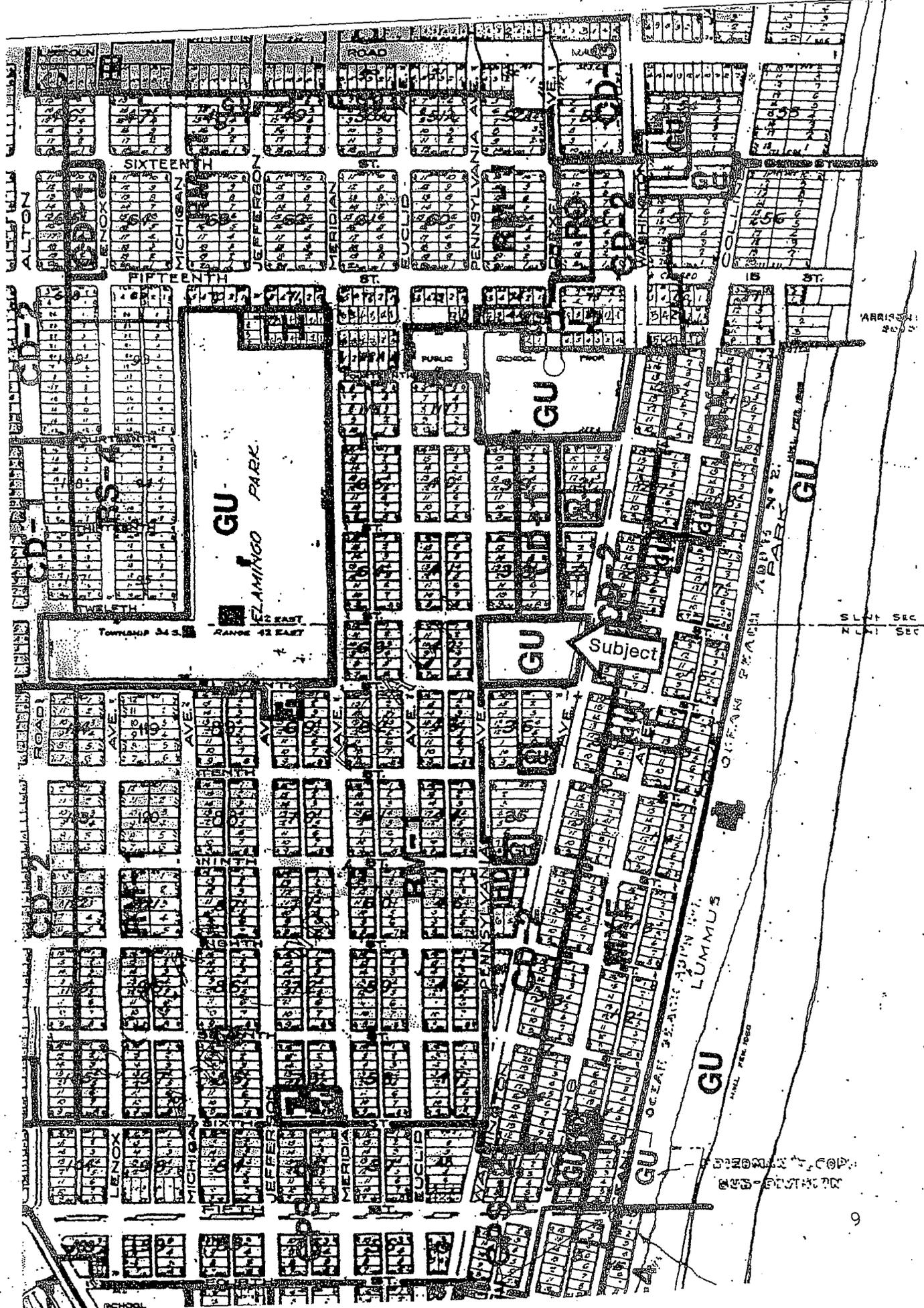
Office Use

## Highest and Best Use As Improved

Office Use. The ground floor potential use as retail commercial is not practical due to the restrictions of the Historic designation of the site.

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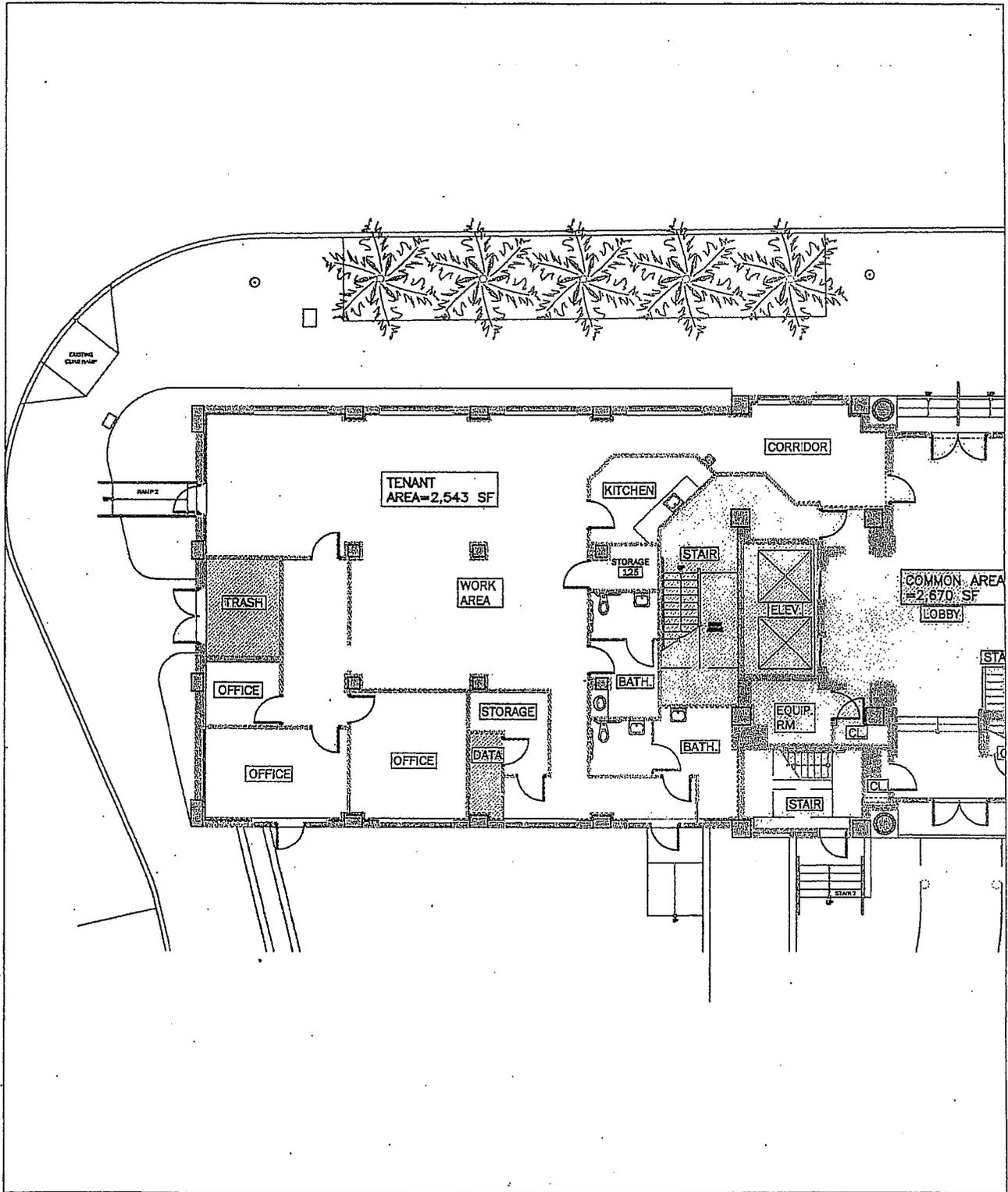
<sup>1</sup> *The Appraisal of Real Estate* 11<sup>th</sup> Edition, Page 297, Appraisal Institute



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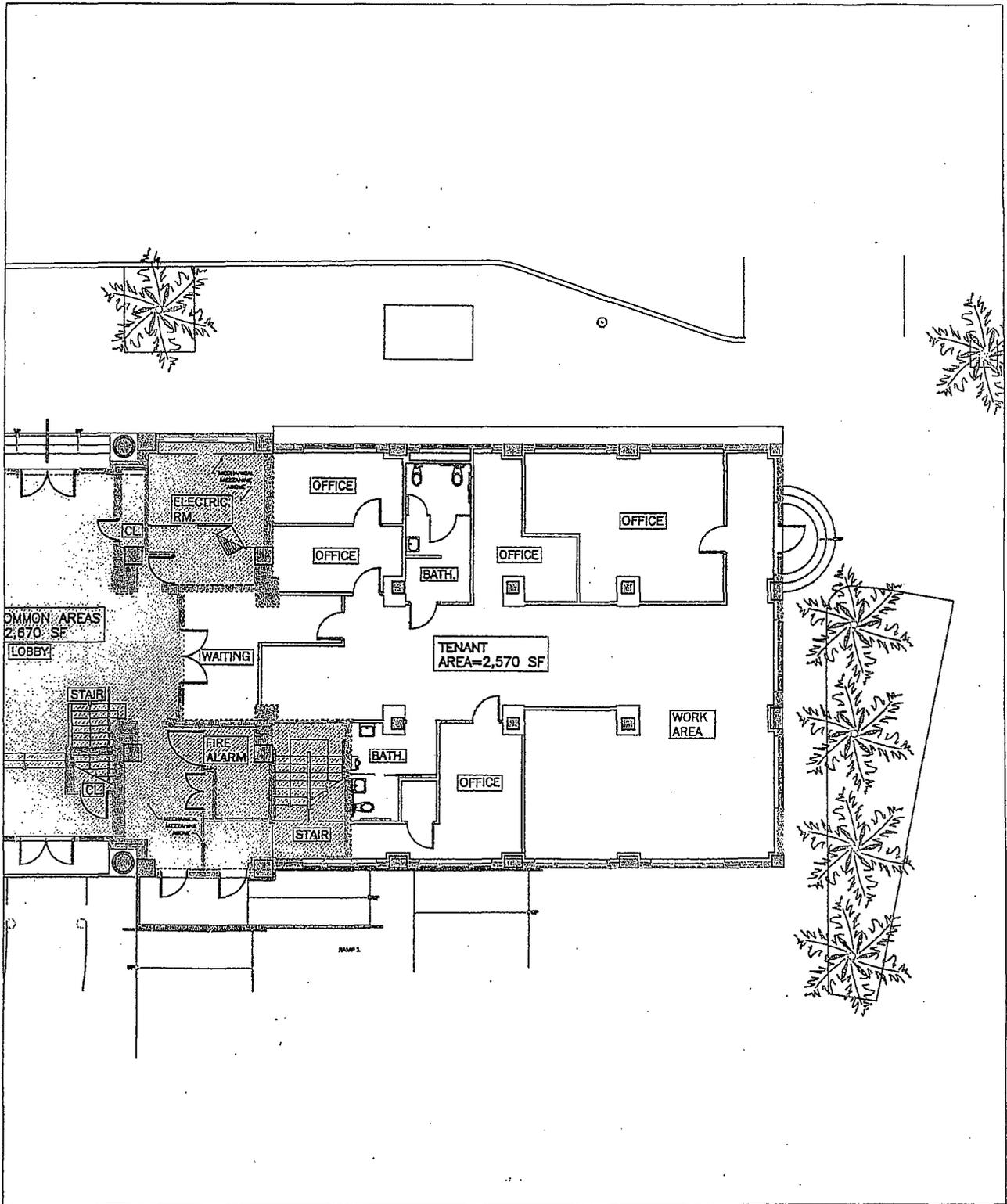


NORTH



# FIRST FLOOR PLAN TENANT AND COMMON AREAS

SCALE: 1/16" = 1'-0"

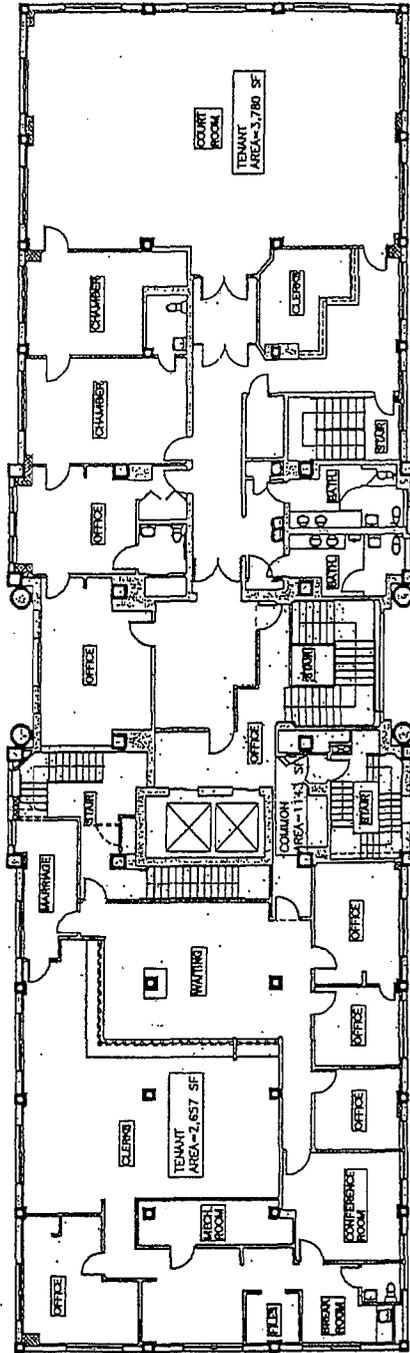


SOUTH



# FIRST FLOOR PLAN TENANT AND COMMON AREAS

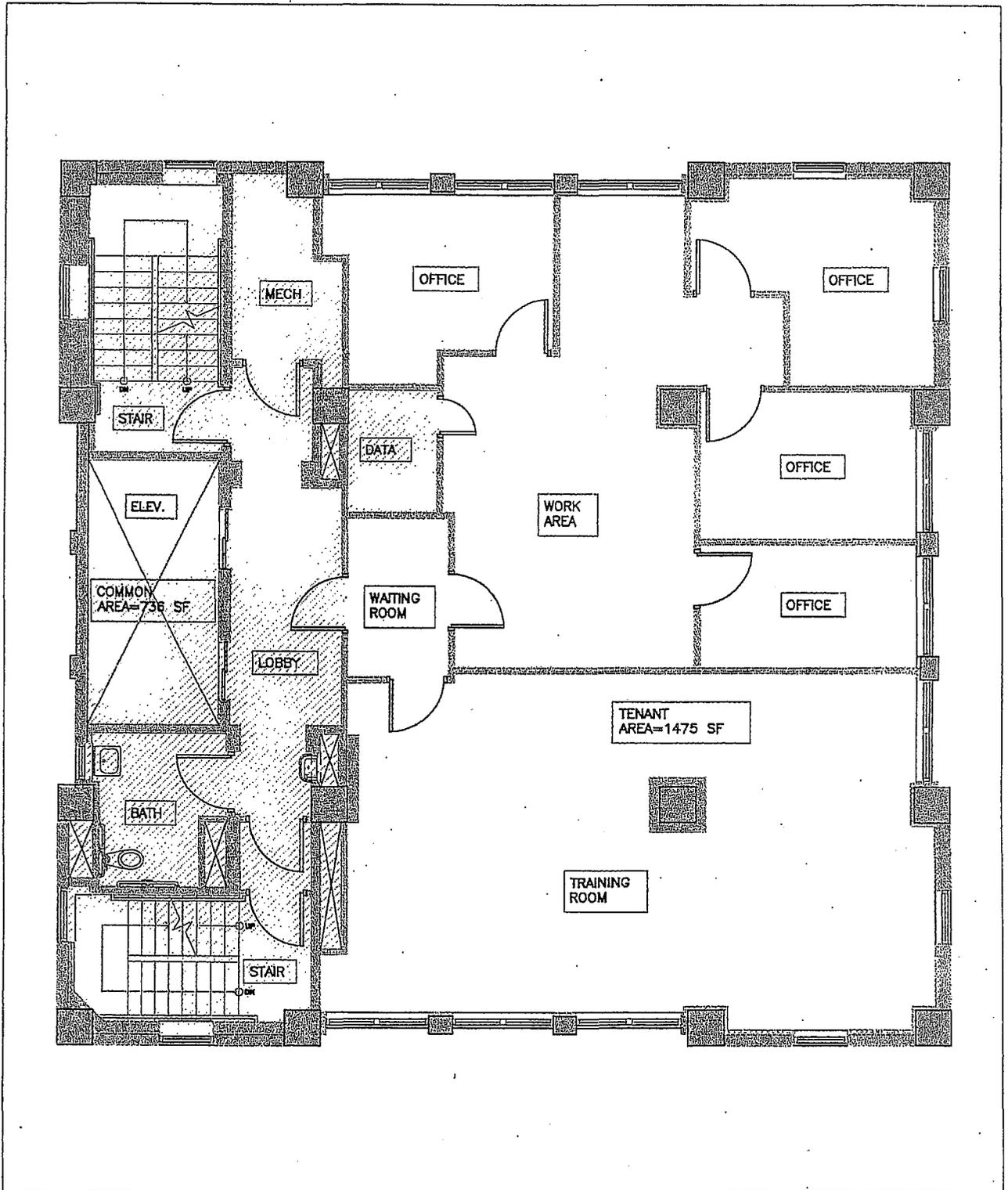
SCALE: 1/16"=1'-0"



NORTH  
 SECOND FLOOR PLAN TENANT AND COMMON AREAS  
 SCALE: 1/8"=1'-0"

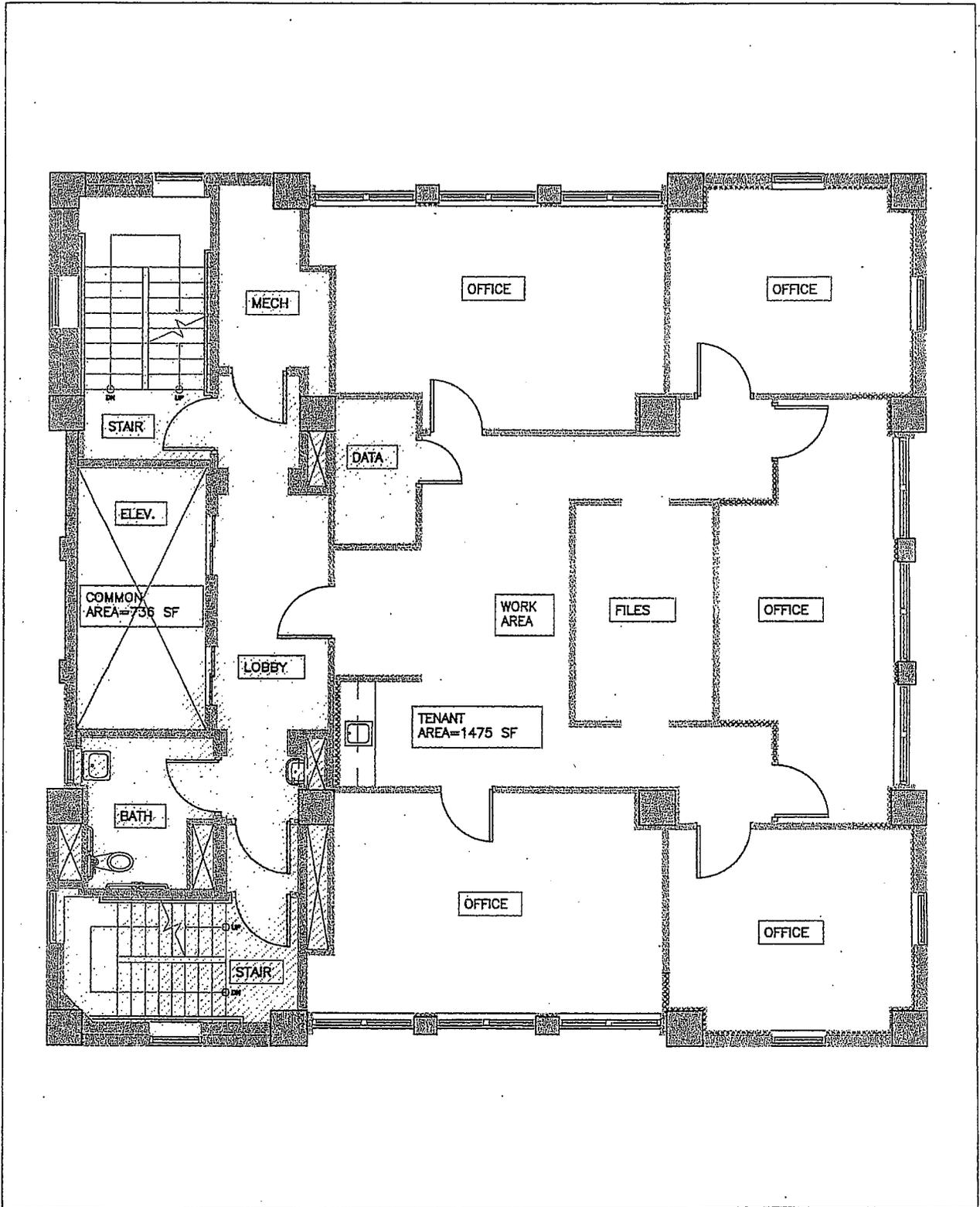
TOTAL AREA COMPUTATIONS:

NORTH TENANT	2,657 S.F.
SOUTH TENANT	3,780 S.F.
COMMON AREAS	1,143 S.F.
TOTAL SECOND FLOOR AREA	7,580 S.F.



### THIRD FLOOR PLAN TENANT AND COMMON AREAS

SCALE: 1/8"=1'-0"

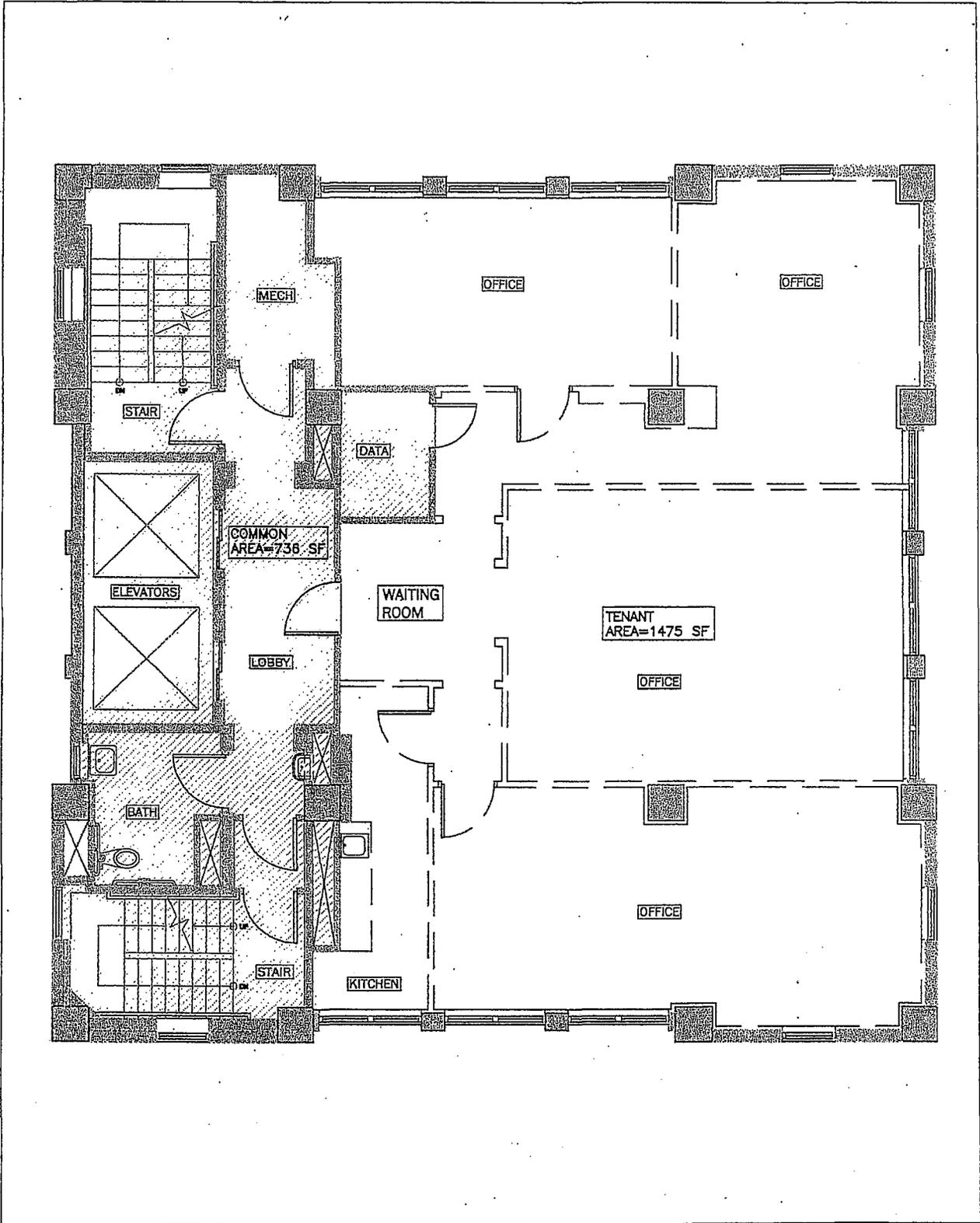


NORTH



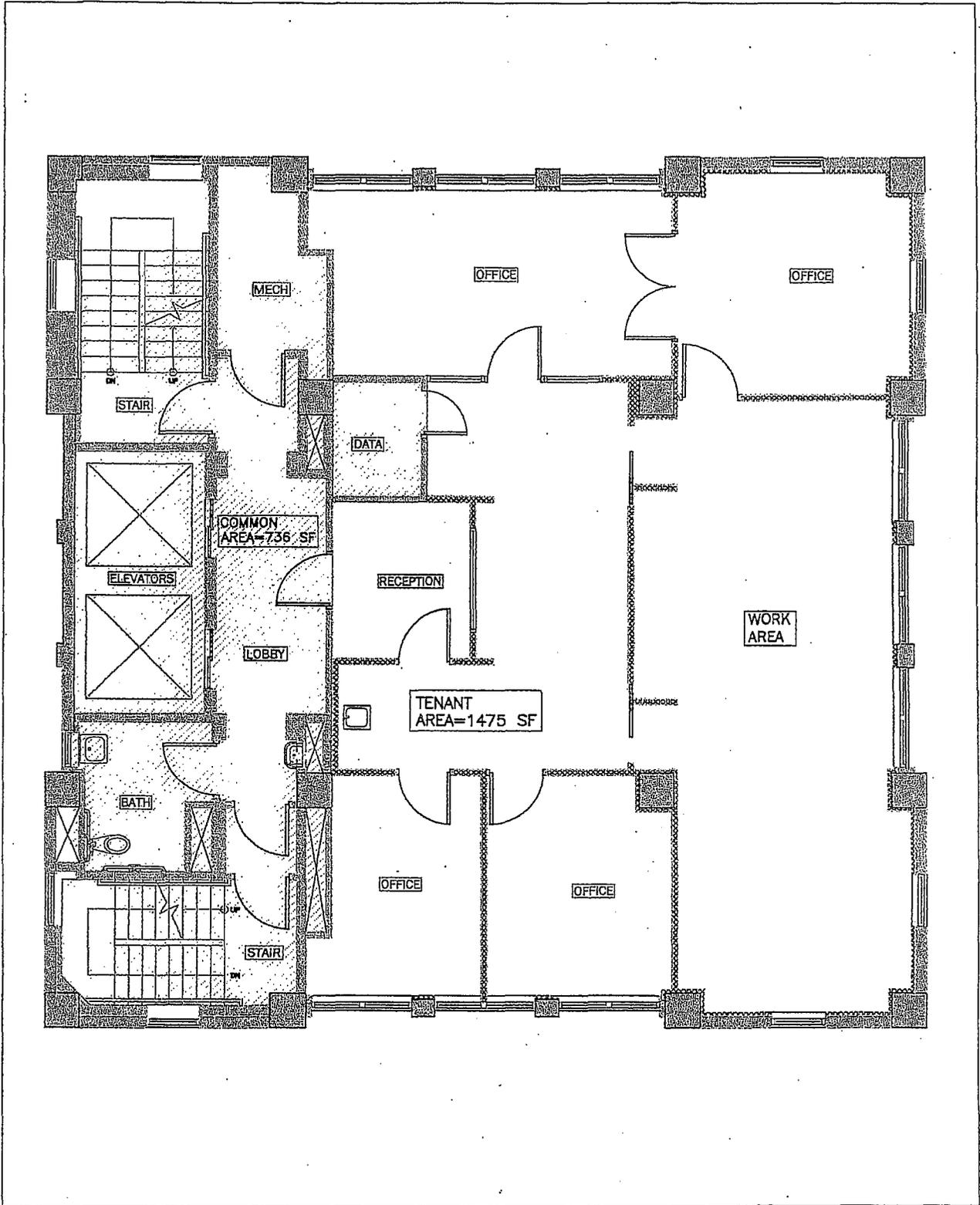
# FOURTH FLOOR PLAN TENANT AND COMMON AREAS

SCALE: 1/8"=1'-0"



# FIFTH FLOOR PLAN TENANT AND COMMON AREAS

SCALE: 1/8"=1'-0"

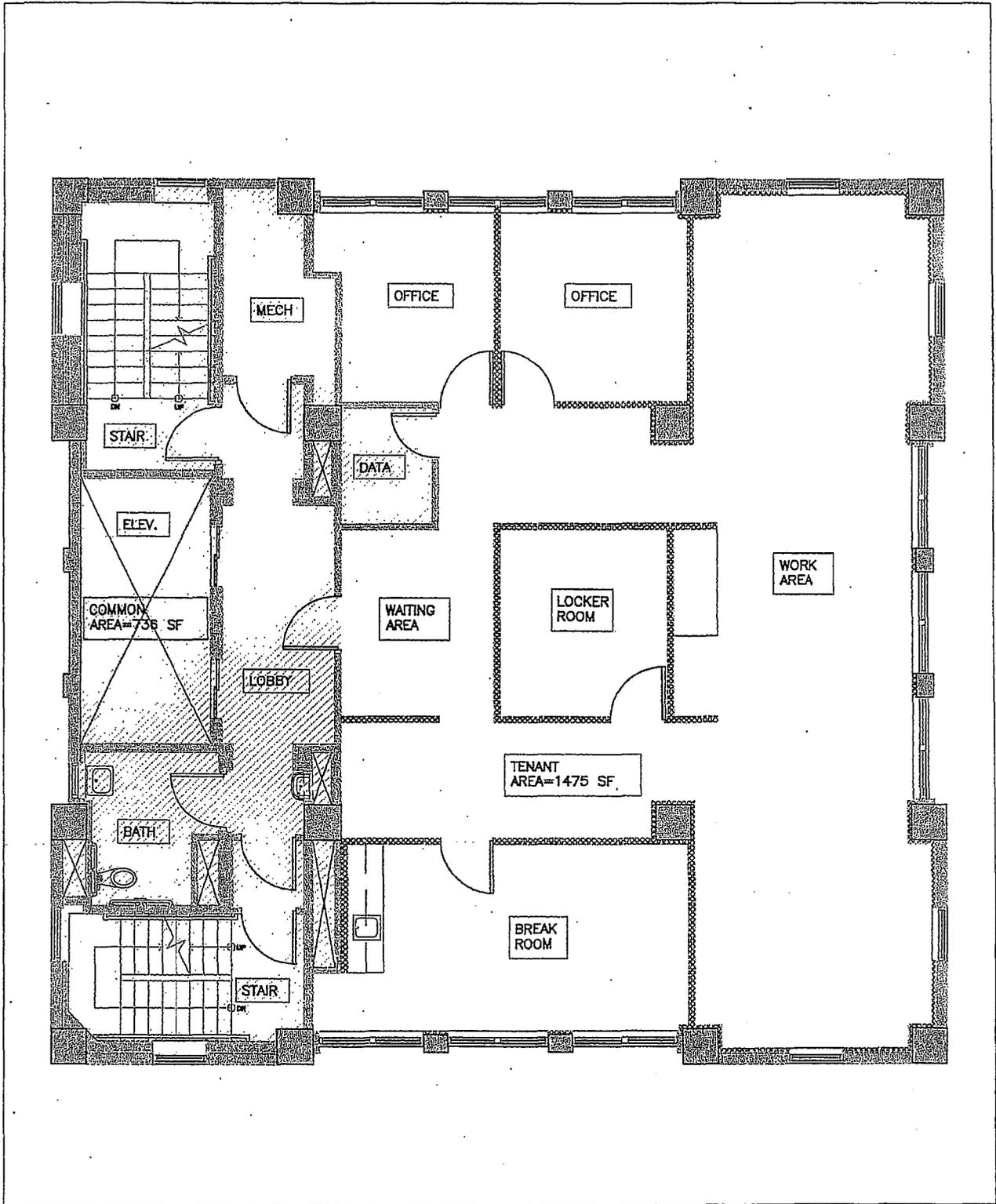


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# SIXTH FLOOR PLAN TENANT AND COMMON AREAS

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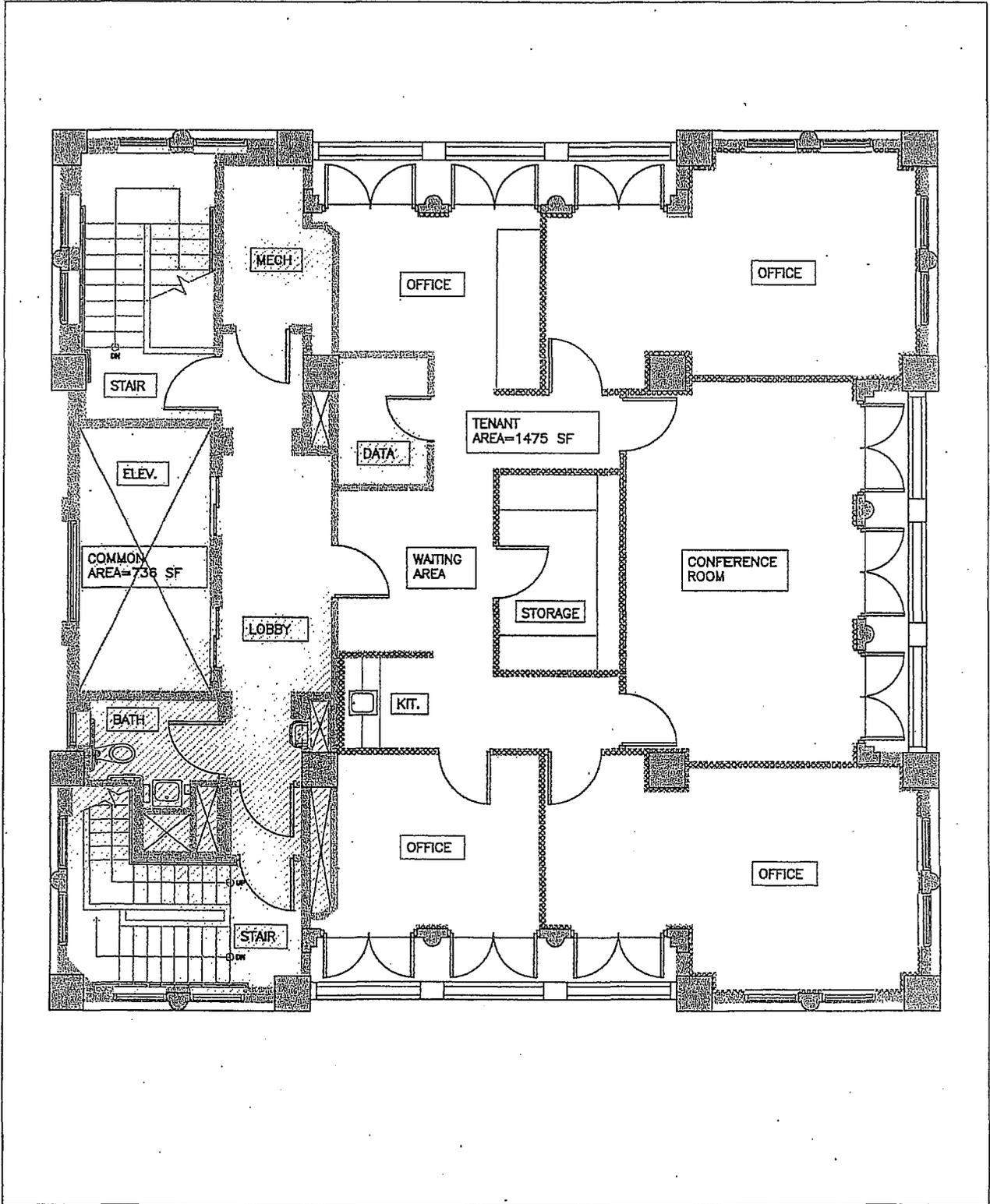


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# SEVENTH FLOOR PLAN TENANT AND COMMON AREAS

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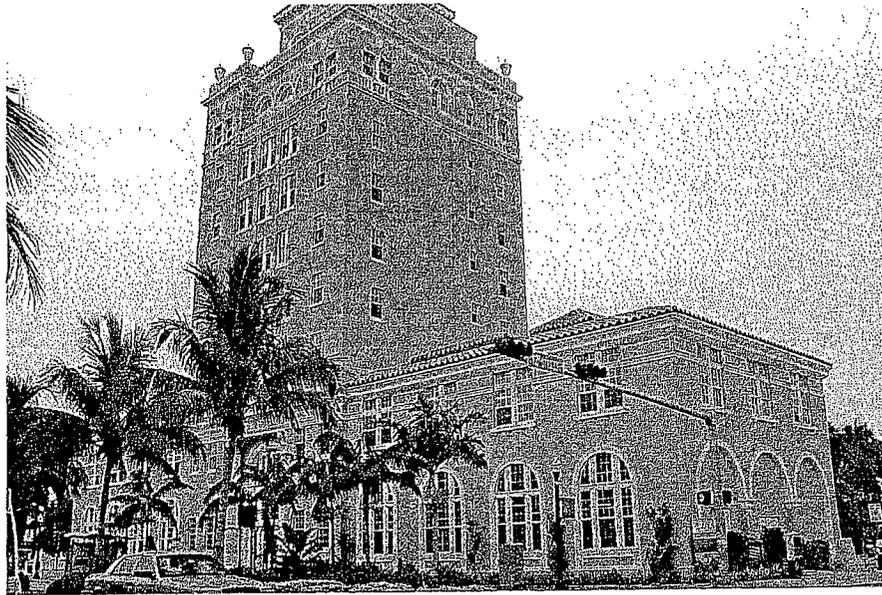


NORTH

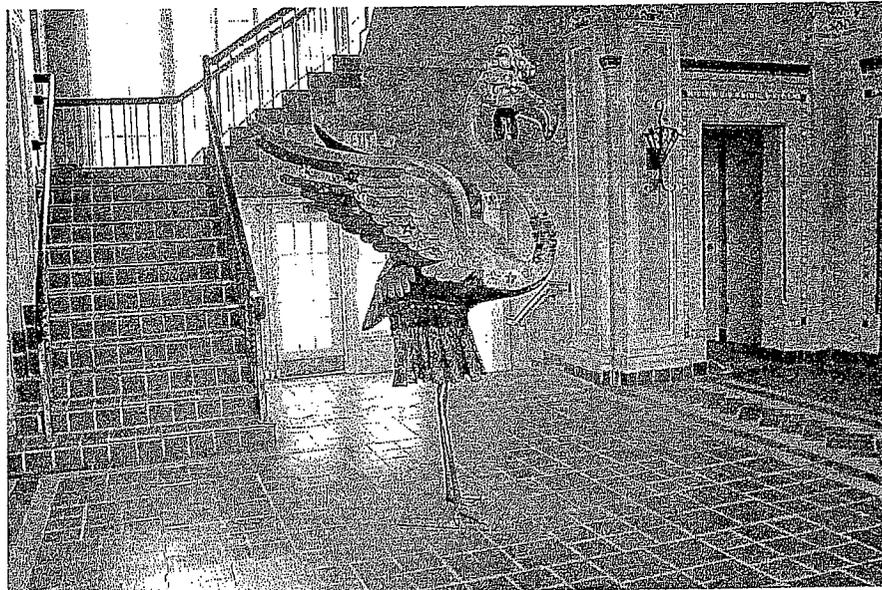


# EIGHTH FLOOR PLAN TENANT AND COMMON AREAS

SCALE: 1/8"=1'-0"



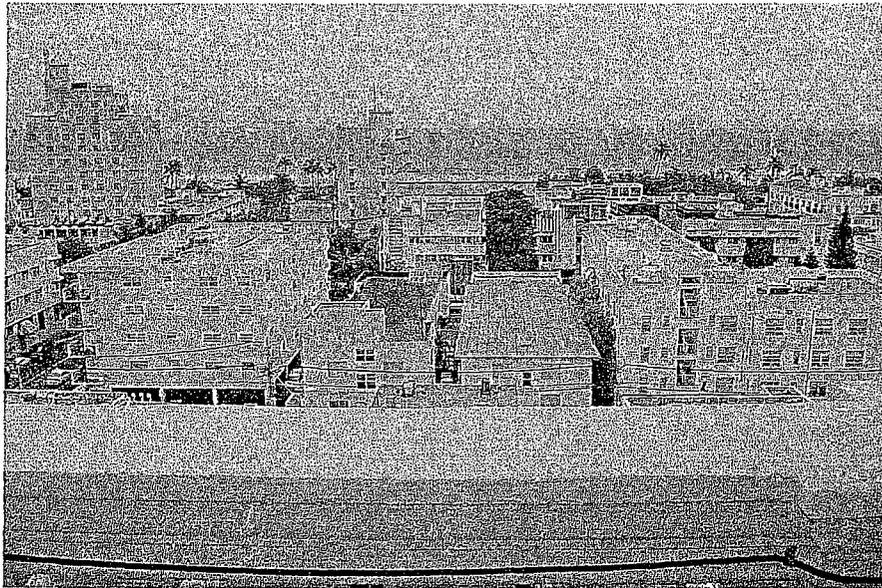
**SUBJECT PROPERTY EAST PROFILE**



**FIRST FLOOR LOBBY**



TYPICAL INTERIOR FINISH -- UPPER FLOORS



OCEAN VIEW FROM 8<sup>TH</sup> FLOOR

## **FAIR MARKET RENT ANALYSIS**

An extensive market research was made of office rentals along the Washington Ave. corridor which includes Collins Ave. and Ocean Drive from 5<sup>th</sup> Street to NW 17<sup>th</sup> Street.

Lincoln Road Mall reflects a pedestrian only, retail commercial, restaurant and office profile, and spans from Washington Ave to Alton Road to the west. The pedestrian friendly, open mall attracts locals and visitors to shop, eat, drink and visit various art exhibits and venues, including events at the Regal Cinema Theatre, the City owned Colony theatre, and the events at the Lincoln Theatre. The Lincoln Road Mall has 175 boutiques, fashion stores, local jewelry, electronic and national brand merchants totaling over 1 million square feet, who cater to the increasing popularity of the overall atmosphere of the Mall. Upscale retailers include BeBe, Victoria Secrets, William Sonoma and Jonathon Adler to name a few. A survey of retail users with proximity to the subject included general retailer, full service restaurants as well as limited service restaurants and liquor lounges.

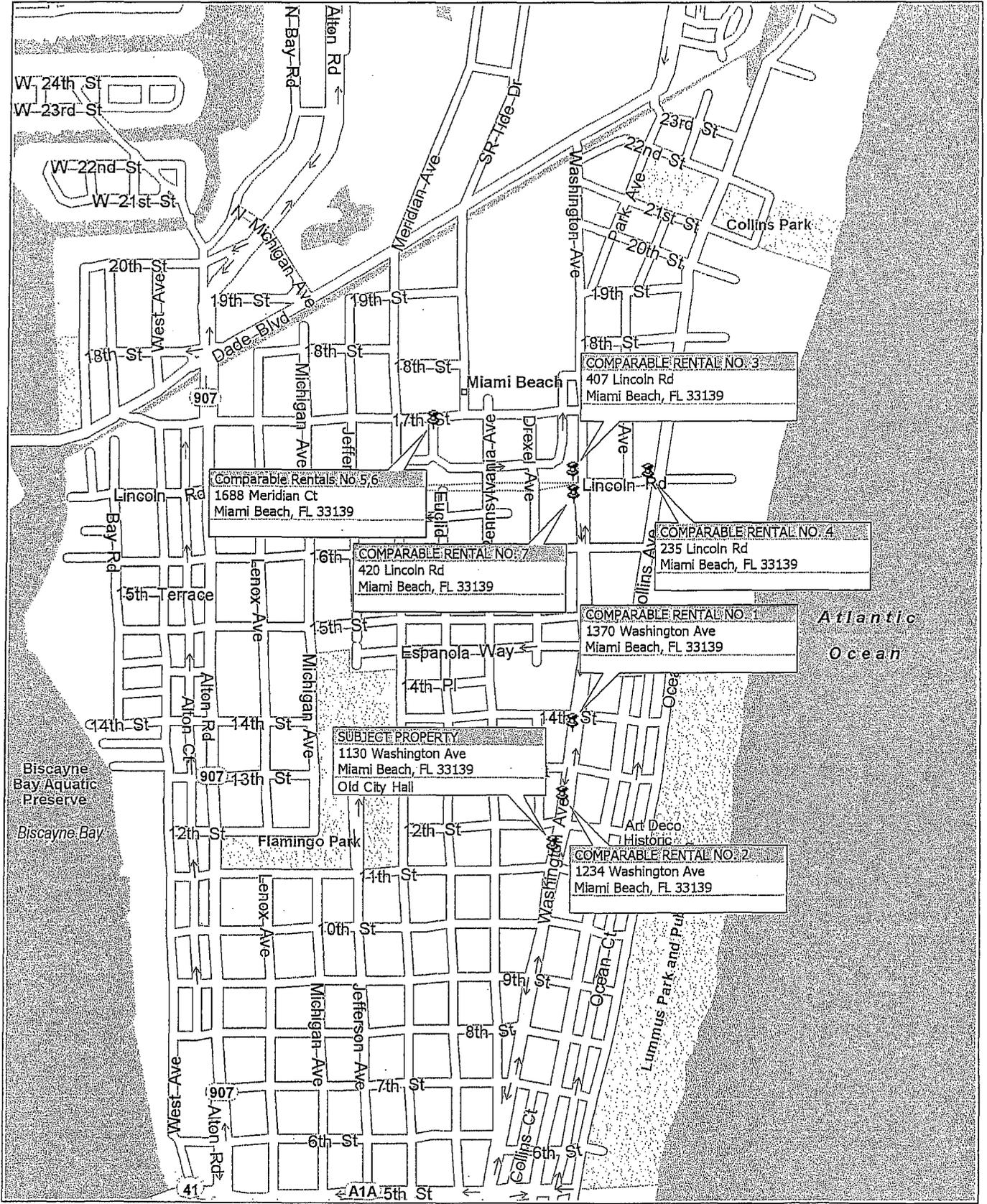
The market survey reflects a relatively narrow range of base rents for office space. The subject will be responsible for the real estate taxes, insurance and utilities, on a gross rent basis. No janitorial service will be supplied. Parking is available next door to the west, the cost is not provided in the rental

Details of 10 recently leased properties located in 5 buildings and three offerings to lease are located in the summary grid on the following page along with a location map of the properties and photos of the comparables, with an analysis and conclusion following.

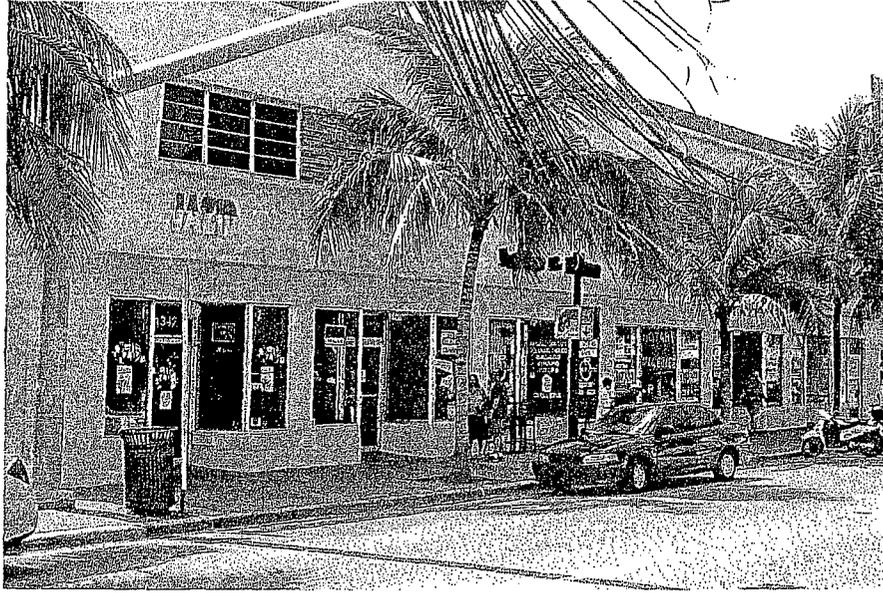
**OLD CITY HALL**  
**1130 WASHINGTON AVE**  
**MIAMI BEACH, FLORIDA**  
**OFFICE RENTAL COMPARABLES**

<u>Rental No</u>	<u>OFFICE LOCATION</u>	<u>Suite No.</u>	<u>SF Area</u>	<u>Lease Type</u>	<u>Building Class</u>	<u>Rental Rate</u> <u>Date Leased</u>
1 (Asking)	1370 Washington Ave	314	1,000	Full Serv. Gross	B	\$21.60/SF/Year
(Asking)	1370 Washington Ave	214	400	Full Serv. Gross	B	\$27.00/SF/Year
Leased	1370 Washington Ave	Second Floor	256	Full Serv. Gross	B	\$23.44/SF/Year 6-1-09
2 (Asking)	1234 Washington Ave	Tower	950	NNN	B	\$20.84/SF/Year
3 Leased	Washington Ave at 407 Lincoln Road	500	1,928	Gross EuroAmerican Grp Danelia Hoga	B	\$32.37/SF/Year 1-Jun-09
Leased	"	312	560	Gross	B	\$28.93/SF/Year 1-Jun-09
Leased	"	6B	396	Gross	B	\$33.33/SF/Year 1-Jun-09
Leased	"	6302	1,285	Gross	B	\$30.82/SF/Year Mar. 1-09
Leased	"	6E	396	Gross	B	\$30.30/SF/Year April 1-09
4 Leased	235 Lincoln Rd Tony Cho (305) 571-9991	xxx	1,000	Gross	B	\$29.00/SF/Year April-09
5 Leased	1688 Meridian Johnathan Oleinick Evolution Ventures	xxx	9,700	Gross (561)400-4370 Next Model Mgt.	B	\$25.00/SF/Year Jan. 09
6 Leased	1688 Meridian Johnathan Oleinick Evolution Ventures	xxx	9,700	Gross SB2N Entertainment	B	\$27.50/SF/Year Jan. 09
7 Leased	Washington Ave. at 420 Lincoln Road	xxx	1,000/ 2,000	Gross General Office	B	\$25.00 to \$30.00/SF/Year
Leased	420 Lincoln Road Mrs. Vivian Garcia Property Manager and Johnathan Oleinick Evolution Ventures	xxx	3,088	Gross	B	\$26.00/SF/Year April - 09 3 Year Lease

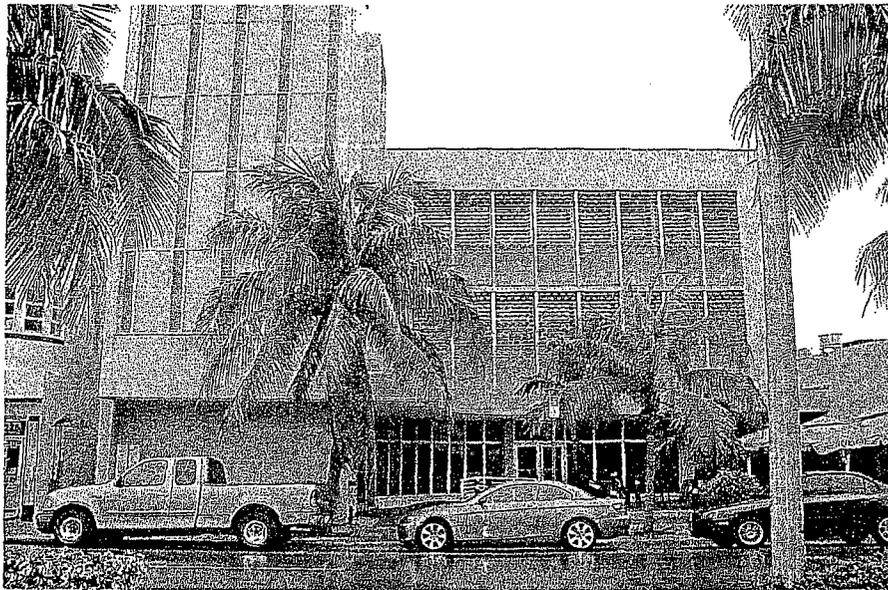
# COMPARABLE RENTAL LOCATION MAP



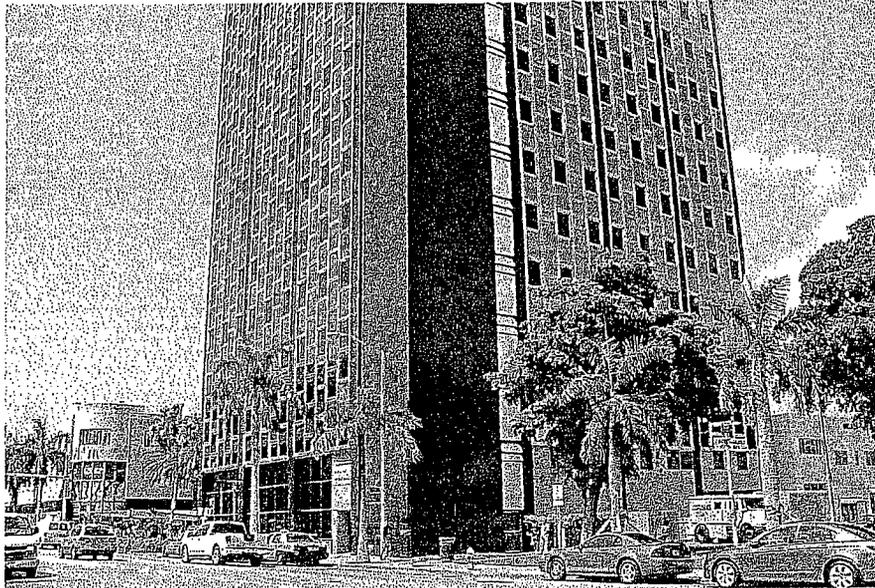
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**COMPARABLE RENTAL NO. 1 1370 WASHINGTON AVE**



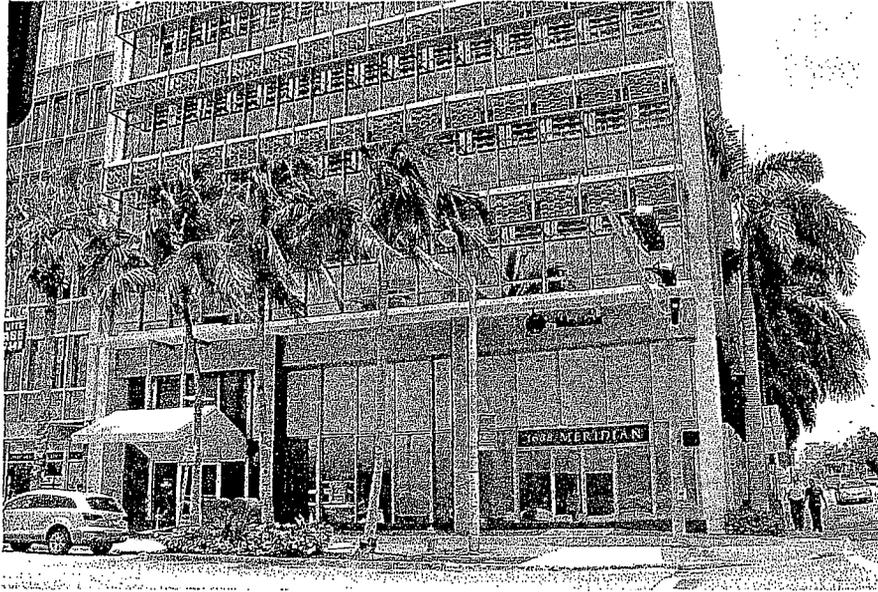
**COMPARABLE RENTAL NO. 2 1234 WASHINGTON AVE**



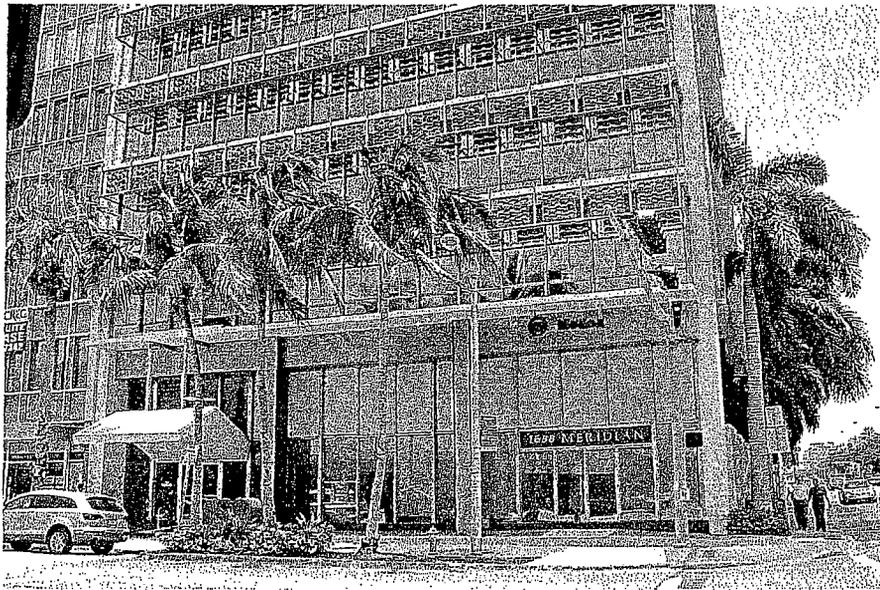
**COMPARABLE RENTAL NO. 3 WASHINGTON AVE AT  
407 LINCOLN ROAD**



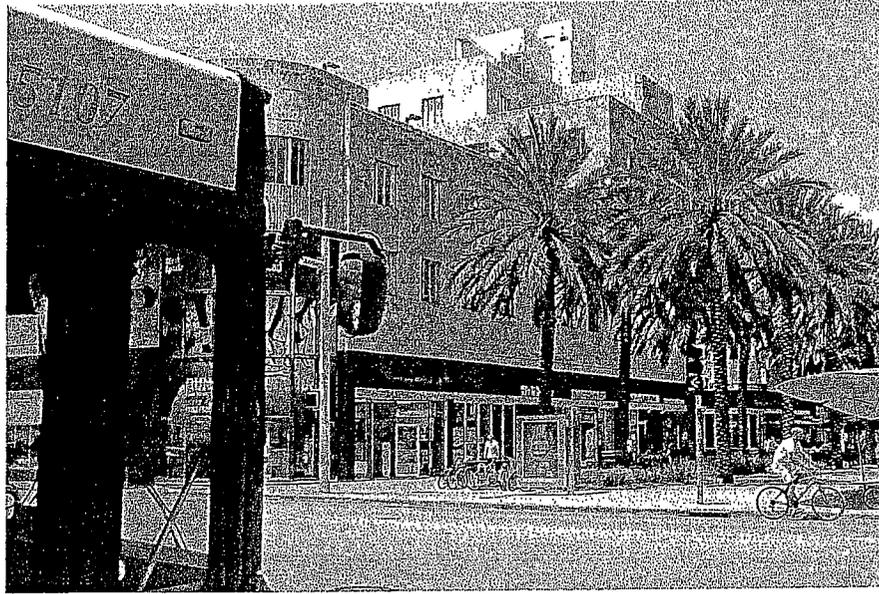
**COMPARABLE RENTAL NO. 4 235 LINCOLN ROAD**



COMPARABLE RENTAL NO. 5 1688 MERIDIAN AVE



COMPARABLE RENTAL NO. 6 1688 MERIDIAN ROAD



**COMPARABLE RENTAL NO. 7 WASHINGTON AVE AT  
420 LINCOLN ROAD.**

### Analysis of Fair Market Rent

The subject property Historic Old City Hall has 20,400 total square feet of rentable area in 8 floors. The basis for comparison is assuming that the subject will be leased on a gross lease basis. The city would be responsible for the real estate taxes, repair and maintenance, insurance and utilities. No janitorial service will be supplied. The upper 6 floors have 1,475 SF of rentable area each. A view of the Atlantic Ocean is possible from the 5<sup>th</sup> floor and up. There are two elevators to service the upper floors. Each of the upper floors is best suited to rent to one individual tenant. Each of the upper floors have windows on outer walls. Offices with a window are choice offices.

The better comparable rentable comparables for the subject offices is Rental No. 1, 3, 5, 6 and 7.

Comparable Rental No. 1 is located two blocks north of the subject property. It is a combination retail and office complex with retail on the ground floor and offices on the upper floors. There are three rentals listed here starting at \$21.60/SF, then \$23.44/SF and \$27.00/SF. The subject property is a superior property for office use, a higher quality property. Two of these rentals are offerings to lease, the one at \$23.44/SF/Year is an actual lease as of 6-1-09.

Comparable Rental No. 2 is located one block north of the subject property. It is an upper floor office site offered at \$20.84/SF/Year at triple net. An upward adjustment is warranted for a gross rental.

Comparable Rental No. 3 is a series of 5 recent executions of leases of office space in the 407 Building located at Washington Ave at Lincoln Road, 5 blocks north of the subject property. The Lincoln Road location is rated superior to the subject location due to the shopping mall along Lincoln Road.

Comparable Rental No. 4 is located 5 blocks north of the subject property. The subject building is rated superior, but the comparable location is rated superior.

Comparable Rental No. 5 is located 6 blocks northwest of the subject location on the corner of 17<sup>th</sup> Street at Meridian Ave. The building and the location is rated similar. An upward adjustment is warranted for the considerable larger size of the rental.

Comparable Rental No. 6 is located 6 blocks northwest of the subject location on the corner of 17<sup>th</sup> Street at Meridian Ave. The building and the location is rated similar. An upward adjustment is warranted for the considerable larger size of the rental.

Comparable Rental No. 7 is located across the street from the 407 Building (Comparable Rental No. 3). This building has commercial units on the ground floor and offices on the upper floors. Mr. Johnathan Oleinick, Evolution Ventures, stated that the office rentals ranged from \$25.00 to \$30.00/SF/Year for this building. Mrs. Vivian Garcia, property manager, was also interviewed. This building is located at the Lincoln Mall area for a downward adjustment to the subject location.

Conclusion of Market Rental Rate

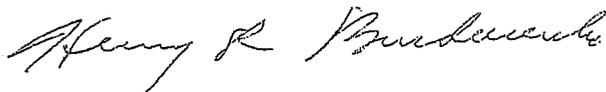
Based on the appraisal analysis, and subject to assumptions and limiting conditions stated within this report, it is concluded that the Market Rent at gross rent before sales tax, under the highest and best use stated in this report as of the effective date of appraisal July 7, 2009 as follows:

<u>Floor #</u>	<u>SF Rent Area</u>	<u>Rental Rate</u>	<u>Annual Rent</u>
1	5,113	\$25.00	\$127,825
2	6,437	\$25.00	\$160,925
3	1,475	\$25.00	\$ 36,875
4	1,475	\$25.00	\$ 36,875
5	1,475	\$25.00	\$ 36,875
6	1,475	\$25.00	\$ 36,875
7	1,475	\$25.00	\$ 36,875
8 PH	1,475	\$30.00	<u>\$ 44,250</u>

Estimated Total Annual Market Rent @ Gross Rent      \$517,375

Based upon my independent appraisal and the exercise of my professional judgment.

Bondarenko Associates, Inc.



Henry R. Bondarenko, SRA, MAI  
State Certified General REA # 508

**ADDENDUM**

## ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal is subject to the following assumptions and limiting conditions:

1. The legal description and maps are assumed to be correct.
2. No responsibility is assumed for matters which are legal in character, nor is any opinion rendered as to title, which is assumed to be good and marketable. Any existing liens or encumbrances have been disregarded, and the property is appraised as free and clear. This appraisal is made, assuming that all public improvements of any kind affecting the property appraised are fully paid for, unless otherwise specifically set forth in the property description.
3. No survey has been made of the property on behalf of the appraisers and no responsibility is assumed in connection with such matters. The sketches contained in this report are for illustrative purposes only and are included to assist the reader to better visualize the property. The information furnished by others is believed to be reliable and no responsibility is assumed for its accuracy.
4. In this report, the distribution of the total valuation between land and improvements applies only under the existing program of utilization. The separate valuations for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used.
5. Possession of this report, or a copy thereof, does not carry with it the right of publication, nor may it be used for any purpose by any but the recipient without written consent of the appraiser.
6. The contract for appraisal, consultation, or analytical service is fulfilled and total fee is payable upon completion of the report. The appraisers will not be required to give testimony in court or hearing because of having made the appraisal in full or in part, nor engage in post-appraisal consultation with the client or third parties, except under separate and special arrangement and at additional fee.
7. The appraisers may not divulge material contents of the report, analytical findings or conclusions or give a copy of the report to anyone other than the client or his designee as specified in writing, except as may be required by the Appraisal Institute as it may request in confidence for ethics enforcement or by a court of law of body with the power of subpoena.
8. Liability of Bondarenko Associates, Inc., Henry R. Bondarenko and its employees or subcontractors is limited to the fee collected for preparation of this appraisal. There is no accountability or liability to any third party.
9. It is assumed there are no hidden or unapparent conditions of the property, subsoil or structures which make it more or less valuable. The appraiser assumes no responsibility for such conditions or engineering, which might be required to cover these facts. No topographical survey was provided.
10. No environmental impact study, special market study or analysis, highest and best use analysis or feasibility study has been requested or made unless otherwise specified in an agreement for services or in the report. The appraiser reserves the unlimited right to alter, amend, revise or rescind any of the statements, findings, opinions, values, estimates or conclusions upon any subsequent such study or analysis or previous study or analysis subsequently becoming known to him.
11. The market value estimated and the cost used are as of the date of the estimate of value. All dollar amounts are based on the purchasing power and price of the dollar as of the date of the value estimate.
12. This appraisal expresses my opinion and employment to make this appraisal was in no way contingent upon reporting a predetermined value or conclusion. The fee for this appraisal or study is for the service rendered and not for time spent on the physical report.

ASSUMPTIONS AND LIMITING CONDITIONS (continued)

13. The value estimated in this appraisal report is gross without consideration given to any encumbrance, restriction, or question of title unless specifically defined. The estimate of value in the appraisal report is not based in whole or in part upon race, color or national origin of the present owners or occupants of properties in the vicinity of the property appraised.

14. Responsible ownership and competent property management are assumed.

15. It is assumed that there is full compliance with all applicable federal, state and local environmental regulations and laws, unless noncompliance is stated, defined and considered in the appraisal report.

16. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined and considered in the appraisal report.

17. It is assumed that all required licenses, certificates of occupancy and consents or other legislative or administrative authority from any local, state or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.

18. It is assumed that the utilization of the land and improvements is within the boundaries of the property lines, that the property described in that there is no encroachment or trespass unless noted in the report.

19. Authentic copies of this report are signed in ink.

20. Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyls, petroleum leakage, or agricultural chemicals, which may or may not be present on the property, or other environmental conditions, were not called to the attention of nor did the appraiser become aware of such during the appraiser's inspection. The appraiser has no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraiser, however, is not qualified to test such substances or conditions. If the presence of such substances, such as asbestos, urea formaldehyde foam insulation, or other hazardous substances or environmental conditions may affect the value of the property, the value estimated is predicated on the assumption that there is no such condition on or in the property or in such proximity thereto that it would cause a loss in value. No responsibility is assumed for any such conditions, nor for any expertise or engineering knowledge required to discover them.

21. The Americans with Disabilities Act (ADA) became effective January 26, 1992. The appraisers have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect upon value of the property. Since the appraisers have no direct evidence relating to this issue, possible noncompliance with the requirements of ADA in estimating the value of the property has not been considered.

22. The report may contain estimates of prospective value for the subject property. Forecasts and prospective values are based upon current market conditions and trends. We cannot be held responsible for unforeseeable events that alter market conditions prior to the prospective dates.

23. Acceptance and/or use of this appraisal report constitutes acceptance of the preceding conditions.

APPRAISER QUALIFICATIONS 2009 HENRY R. BONDARENKO SRA, MAI  
State Certified General Real Estate Appraiser #RZ-0000508

**BUSINESS ADDRESS**

201 South Golf Boulevard, Suite 2006  
Pompano Beach, Florida 33064  
Telephone Fax(954) 942-8471 Off.(954) 942-3353  
[hankhrb@comcast.net](mailto:hankhrb@comcast.net)

**EXPERIENCE**

48 Years in Real Estate Appraising, Expert Witness in Circuit Courts in Florida, Indiana and Michigan

**MEMBER**

Life Member, Appraisal Institute, SRA, MAI Boca  
Raton Board of Realtors - Affiliate Member

**EDUCATION**

B.S. Degree, Michigan State University, East Lansing, Michigan, Courses I, II, W, Standards of Professional Practice, American Institute of Real Estate Appraisers, Principles and Practice Course, Course 102, 202, Society of Real Estate Appraisers; Seminar - Appraisal Institute, Hotel Valuation, March 1992, Appraisal Institute, USPAP April 1992, 1996, Core Law 1993, 1996. Standards A and B, 1995, Market Comparison 1995, Fair Lending Practices 1996, Standards Part A, 1996. litigation 1997. Core Law 1997. Market Analysis Appraisal Institute 1998 Standards Part C, 430 Appraisal Inst2000, Core Law 2001, Scope of the Appraisal 2003, Course 400 USPAP Update 2005, FL State. Law 2006, USPAP Update 2006, Appraisal Consulting 2006, Real Estate Finance 2006, Appraising the Tough Ones 2006, 420 Business Practices and Ethics 2006 and 2007, Course 420 USPAP Update 2007, FL., Florida Law for Real Estate Appraisers, 2008, Supervisor Trainee Roles and Rules, 2008, Spotlight on USPAP: Hypothetical Conditions and Extraordinary Assumptions 2008. New Residential Market Conditions Form 2009.

**LICENSES**

State Certified General Real Estate Appraiser - State of Florida #RZ-0000508

**APPRAISAL ASSIGNMENTS (Governmental)**

City of Fort Lauderdale, FL; City of Pompano Beach, FL; Broward County, FL; Broward County School Board; Broward Community College, FDIC, RTC, US Army Corps of Engineers, Department of Interior, Special Magistrate of Valuation Adjustment Board, Palm Beach County. City of Tamarac. City of Miami Beach.

**APPRAISAL ASSIGNMENTS (Other)**

Coral Ridge Presp. Church, Ft. Lauderdale, FL, Hilton Hotels; Holiday Inn Motels; The Southernmost Motel, Key West, FL; The Pier House, Key West, FL; Executive Suite Hotel, White Plains, New York; Bank of America; Marine Bank; Radisson Suites Hotel; Sheraton Motor Inn, Manitowoc, Wisconsin; Marriott Inn, Roanoke, VA; Marriott Inn, Trumbull, CT; Marriott Hotel, Pittsburgh, PA; Industrial Parks, Shopping Centers and Office Complexes in Ft. Lauderdale and Boca Raton area; golf courses; High Tech Industrial Parks;; Art Deco Hotels, Miami Beach; restaurants; marinas; marina at Pine Island, Pointe Bank, South Trust Apts. HSA Wexford Banc, Inc, Chicago, Illinois Marina at Panacea, Florida. American National Bank. Mellon Bank, Republic Bank, Bank United. Gulf Harbor Marina, Nokomis, FL, Travel Lodge, Ft. Lauderdale, American Off Shore Marina, Dania, Pan American Bank-Strip Center, FL, Ocean Front Condominium-Palm Bay, Parking Garage-Deerfield Beach, City Inn, Miami-Ocean Bank, Touch Restaurant, Miami Beach. Trump Resort, Ft. Lauderdale. Condominium conversion Miami Beach. Marina/Hotel Hollywood, FL. Marina-Miami, FL. Loft Complex-Ft. Lauderdale, FL., Sonesta Hotel, Dania Beach, FL, Acreage is Baker County, FL, Nassau County, FL, Dade County, FL, Hamilton County, FL, Lee County, FL, Collier County, FL, Broward County, FL, Palm Beach County, FL, Indian River County, FL, St. Lucie County, FL, Shopping Center, Thomasville, GA, Marina, Monroe County, FL, Warehouse Project, Dania Beach, FL, Hotel/Condominium, Panama City, Panama, Horse Farm, Homestead, FL, Hotel, West Palm Beach, FL..

NO# 4060768

STATE OF FLORIDA

DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION  
FLORIDA REAL ESTATE APPRAISAL BOARD

SEQ# L0809300

DATE	BATCH NUMBER	LICENSE NBR
09/30/2008	080178258	RZ508

The CERTIFIED GENERAL APPRAISER  
Named below IS CERTIFIED  
Under the provisions of Chapter 475 FS.  
Expiration date: NOV 30, 2010

BONDARENKO, HENRY R.  
201 S GOLF BLVD #2006  
DORRANO BEACH FL 33064

CHARLIE CRIST  
GOVERNOR

DISPLAY AS REQUIRED BY LAW

CHARLES W. DRAGO  
SECRETARY

# Property For Lease

Ana Cecilia Velasco · (305) 970-6487 · avelasco@miamibeachfl.gov

City of Miami Beach

Property Name City, State	Suite/Floor, Date Avail, Lease Type	Space Available Rental Rate	Property Type
420 Lincoln Road Miami Beach, FL	2C; Immediate Direct Lease; Full Service Gross	2,081 SF \$32.00/SF/Year	Office Office Building
420 Lincoln Road Miami Beach, FL	230; Immediate Direct Lease; Full Service Gross	2,058 SF \$30.00/SF/Year	Office Office Building
420 Lincoln Road Miami Beach, FL	257; Immediate Direct Lease; Full Service Gross	2,171 SF \$30.00/SF/Year	Office Office Building
420 Lincoln Road Miami Beach, FL	300; Immediate Direct Lease; Full Service Gross	2,728 SF \$26.00/SF/Year	Office Office Building
420 Lincoln Road Miami Beach, FL	240; Immediate Direct Lease; Full Service Gross	1,860 SF \$29.00/SF/Year	Office Office Building
420 Lincoln Road Miami Beach, FL	356; Immediate Direct Lease; Full Service Gross	888 SF \$30.00/SF/Year	Office Office Building
420 Lincoln Road Miami Beach, FL	374; Immediate Direct Lease; Full Service Gross	688 SF \$30.00/SF/Year	Office Office Building
420 Lincoln Road Miami Beach, FL	430; Immediate Direct Lease; Full Service Gross	6,130 SF \$28.00/SF/Year	Office Office Building
420 Lincoln Road Miami Beach, FL	320; Immediate Direct Lease; Full Service Gross	6,752 SF \$35.00/SF/Year	Office Office Building
420 Lincoln Road Miami Beach, FL	222; Immediate Direct Lease; Full Service Gross	3,088 SF \$30.00/SF/Year	Office Office Building
420 Lincoln Road Miami Beach, FL	450; Immediate Direct Lease; Full Service Gross	940 SF \$30.00/SF/Year	Office Office Building

ATTACHMENT B

# Property For Lease

Ana Cecilia Velasco · (305) 970-6487 · avelasco@miamibeachfl.gov

City of Miami Beach

Property Name City, State	Suite/Floor, Date Avail, Lease Type	Space Available Rental Rate	Property Type
420 Lincoln Road Miami Beach, FL	500; Immediate Direct Lease; Full Service Gross	3,349 SF \$35.00/SF/Year	Office Office Building
420 Lincoln Road Miami Beach, FL	225; Immediate Direct Lease; Full Service Gross	1,103 SF \$28.00/SF/Year	Office Office Building
420 Lincoln Road Miami Beach, FL	444; Immediate Direct Lease; Full Service Gross	547 SF \$29.00/SF/Year	Office Office Building
420 Lincoln Road Miami Beach, FL	244; Immediate Direct Lease; Full Service Gross	1,425 SF \$29.00/SF/Year	Office Office Building
420 Lincoln Road Miami Beach, FL	353; Immediate Direct Lease; Full Service Gross	1,381 SF \$28.00/SF/Year	Office Office Building
420 Lincoln Road Miami Beach, FL	365; Immediate Direct Lease; Full Service Gross	2,292 SF \$29.00/SF/Year	Office Office Building
420 Lincoln Road Miami Beach, FL	448; Immediate Direct Lease; Full Service Gross	1,708 SF \$29.00/SF/Year	Office Office Building
420 Lincoln Road Miami Beach, FL	1610; Immediate Direct Lease; NNN	1,900 SF \$60.00/SF/Year	Retail Street Retail
420 Lincoln Road Miami Beach, FL	1612; Immediate Direct Lease; NNN	1,960 SF \$60.00/SF/Year	Retail Street Retail
420 Lincoln Road Miami Beach, FL	216; Immediate Direct Lease; Full Service Gross	4,114 SF \$30.00/SF/Year	Office Office Building
420 Lincoln Road Miami Beach, FL	340; Immediate Direct Lease; Full Service Gross	1,700 SF \$28.00/SF/Year	Office Office Building

# Property For Lease

Ana Cecilia Velasco · (305) 970-6487 · avelasco@miamibeachfl.gov

City of Miami Beach

Property Name City, State	Suite/Floor, Date Avail, Lease Type	Space Available Rental Rate	Property Type
555 Washington Miami Beach, FL	1st/ Suite C; Immediate Direct Lease; NNN	2,782 SF \$65.00/SF/Year	Office Office Building
555 Washington Miami Beach, FL	3rd/350; Immediate Direct Lease; Modified Gross	1,496 SF \$36.00/SF/Year	Office Office Building
555 Washington Miami Beach, FL	2nd/270; Immediate Direct Lease; Modified Gross	767 SF \$36.00/SF/Year	Office Office Building
ESPANOLA WAY Miami Beach, FL	Space 1; Immediate Direct Lease; Modified Gross	500 SF \$24.00/SF/Year	Office Creative/Loft
ESPANOLA WAY Miami Beach, FL	Suite 307; Immediate Direct Lease; Modified Gross	500 SF \$36.00/SF/Year	Office Creative/Loft
1370 Washington Miami Beach, FL	314; Immediate Direct Lease; Full Service Gross	1,000 SF \$21.60/SF/Year	Office Office Building
1370 Washington Miami Beach, FL	221; Immediate Direct Lease; N/A	330 SF \$23.64/SF/Year	Office Office Building
1370 Washington Miami Beach, FL	Immediate Direct Lease; Full Service Gross	1,350 SF \$31.11/SF/Year	Retail Street Retail
1370 Washington Miami Beach, FL	214; Immediate Direct Lease; Full Service Gross	400 SF \$27.00/SF/Year	Office Office Building
1370 Washington Miami Beach, FL	5/1/2009 Direct Lease; Full Service Gross	1,300 SF \$64.62/SF/Year	Retail Street Retail
830 Lincoln Rd Miami Beach, FL	Space 1; Immediate Direct Lease; Other	1,000 SF \$36.00/SF/Year	Office Office Building

# Property For Lease

Ana Cecilia Velasco · (305) 970-6487 · avelasco@miamibeachfl.gov

City of Miami Beach

Property Name City, State	Suite/Floor, Date Avail, Lease Type	Space Available Rental Rate	Property Type
1680 Michigan Ave Suite 910 Miami Beach, FL	Space 1; Immediate Direct Lease; N/A	1,085 SF \$36.50/SF/Year	Office Office Building
<b>PH7: 1680 MICHIGAN AVE</b> Miami Beach, FL	Space 1; Immediate Direct Lease; Other	2,277 SF \$31.00/SF/Year	Office Office Building
Shoppes of IL Villaggio - Suite 205 Miami Beach, FL	Space 1; 5/1/2009 Direct Lease; NNN	2,228 SF \$38.00/SF/Year	Office Office Building
<b>Industry Lofts</b> Miami Beach, FL	Space 1; Immediate Direct Lease; NNN	2,385 SF \$35.00/SF/Year	Office Medical Office
1680 Michigan Ave Suite 700 Miami Beach, FL	Space 1; Immediate Direct Lease; Full Service Gross	7,074 SF \$39.00/SF/Year	Office Office Building
<b>The Color House</b> Miami Beach, FL	Space 1; Immediate Direct Lease; Modified Gross	2,272 SF \$22.00/SF/Year	Office Office Building
The Waverly Of South Beach Miami Beach, FL	Space 1; Immediate Direct Lease; N/A	1,273 SF \$30.16/SF/Year	Office Office R&D
<b>Industry Lofts</b> Miami Beach, FL	Space 1; Immediate Direct Lease; N/A	1,085 SF \$38.71/SF/Year	Office Creative/Loft
560 Lincoln Road Miami Beach, FL	Space 1; Immediate Direct Lease; Modified Gross	1,535 SF \$25.00/SF/Year	Office Office Building
<b>Historic City Hall</b> Miami Beach, FL	Space 1; Immediate Direct Lease; NNN	8,358 SF \$32.00/SF/Year	Office Office Building
<b>Office Space &amp; Medical Suites For Lease</b> Miami Beach, FL	208; Immediate Direct Lease; Full Service Gross	2,239 SF \$28.00/SF/Year	Office Office Building

# Property For Lease

Ana Cecilia Velasco · (305) 970-6487 · avelasco@miamibeachfl.gov

City of Miami Beach

Property Name City, State	Suite/Floor, Date Avail; Lease Type	Space Available Rental Rate	Property Type
<b>Office Space &amp; Medical Suites For Lease</b> Miami Beach, FL	6 Floor; Immediate Direct Lease; Full Service Gross	6,000 SF \$26.00/SF/Year	Office Office Building
<b>Office Space &amp; Medical Suites For Lease</b> Miami Beach, FL	806; Immediate Direct Lease; Full Service Gross	2,650 SF \$28.00/SF/Year	Office Office Building
<b>Office Space &amp; Medical Suites For Lease</b> Miami Beach, FL	900; Immediate Sublease; Full Service Gross	2,661 SF \$26.00/SF/Year	Office Office Building
<b>1680 Michigan Penthouse</b> Miami Beach, FL	Space 1; Immediate Direct Lease; Modified Gross	4,534 SF \$33.00/SF/Year	Office Office Building
<b>826 Collins Avenue</b> Miami Beach, FL	Space 1; Immediate Direct Lease; NNN	1,200 SF Negotiable	Office Creative/Loft
<b>815 Washington Ave</b> Miami Beach, FL	Space 1; Immediate Direct Lease; NNN	1,400 SF \$55.00/SF/Year	Retail Street Retail
<b>815 Washington Ave</b> Miami Beach, FL	; Immediate Direct Lease; NNN	800 SF \$55.00/SF/Year	Retail Street Retail
<b>815 Washington Ave</b> Miami Beach, FL	; Immediate Direct Lease; NNN	1,750 SF Negotiable	Office Creative/Loft
<b>THE MARTHA</b> Miami Beach, FL	Space 1; Immediate Direct Lease; Industrial Gross	1,500 SF \$26.40/SF/Year	Office Creative/Loft
<b>844 Alton Rd</b> Miami Beach, FL	Space 1; Immediate Direct Lease; NNN	2,850 SF \$25.00/SF/Year	Office Office Building
<b>844 Alton Rd</b> Miami Beach, FL	Space 1; Immediate Direct Lease; NNN	2,850 SF \$25.00/SF/Year	Office Office Building

# Property For Lease

Ana Cecilia Velasco · (305) 970-6487 · avelasco@miamibeachfl.gov

City of Miami Beach

Property Name City, State	Suite/Floor; Date Avail; Lease Type	Space Available Rental Rate	Property Type
Industry Lofts Miami Beach, FL	Space 1; Immediate Direct Lease; N/A	1,100 SF \$38.18/SF/Year	Office Creative/Loft
Industry Lofts Miami Beach, FL	Space 1; Immediate Direct Lease; Full Service Gross	1,100 SF \$32.73/SF/Year	Office Creative/Loft
1542-1544 Washington Avenue Miami Beach, FL	1; Immediate Direct Lease; NNN	5,108 SF \$60.00/SF/Year	Retail Free Standing Bldg
Miami Beach Center Miami Beach, FL	4th Floor; Immediate	2,500 SF Negotiable	Office Office Building
1111 LINCOLN ROAD-VIACOM SUBLET (SUNTRUST BUILDING) Miami Beach, FL	330,385,390 & 700; Immediate Sublease; Full Service Gross	8,385 SF \$30.00/SF/Year	Office Office Building
1111 LINCOLN ROAD-VIACOM SUBLET (SUNTRUST BUILDING) Miami Beach, FL	3rd floor; Immediate Direct Lease; N/A	20,000 SF \$35.00/SF/Year	Office Office Building
1111 LINCOLN ROAD-VIACOM SUBLET (SUNTRUST BUILDING) Miami Beach, FL	8th floor; Immediate Direct Lease; N/A	8,100 SF \$35.00/SF/Year	Office Office Building
Sony Building Miami Beach, FL	Space 1; Immediate Direct Lease; Full Service Gross	2,766 SF \$34.00/SF/Year	Office Office Building
The Lincoln Miami Beach, FL	Ste 365; Immediate Direct Lease; Modified Net	487 SF \$37.00/SF/Year	Office Office Building
The Lincoln Miami Beach, FL	Ste 420; Immediate Direct Lease; Modified Net	1,047 SF \$37.00/SF/Year	Office Office Building

# Property For Lease

Ana Cecilia Velasco · (305) 970-6487 · avelasco@miamibeachfl.gov

City of Miami Beach

Property Name City, State	Suite/Floor, Date Avail, Lease Type	Space Available Rental Rate	Property Type
The Lincoln Miami Beach, FL	Ste Lobby; Immediate Direct Lease; NNN	1,060 SF \$60.00/SF/Year	Office Office Building
The Lincoln Miami Beach, FL	Ste 345; Immediate Direct Lease; Modified Net	1,287 SF \$37.00/SF/Year	Office Office Building
The Lincoln Miami Beach, FL	Ste 135; Immediate Direct Lease; NNN	1,870 SF \$60.00/SF/Year	Office Office Building
The Lincoln Miami Beach, FL	Ste 110; Immediate Direct Lease; NNN	2,200 SF \$60.00/SF/Year	Office Office Building
The Lincoln Miami Beach, FL	Ste 300; Immediate Direct Lease; Modified Net	3,448 SF \$37.00/SF/Year	Office Office Building
The Lincoln Miami Beach, FL	Ste 260; Immediate Direct Lease; Modified Net	470 SF \$37.00/SF/Year	Office Office Building
1688 Meridian Miami Beach, FL	304; Immediate Direct Lease; NNN	2,595 SF \$22.00/SF/Year	Office Office Building
1688 Meridian Miami Beach, FL	301; Immediate Direct Lease; NNN	2,097 SF \$22.00/SF/Year	Office Office Building
1688 Meridian Miami Beach, FL	404; Immediate Direct Lease; NNN	2,720 SF \$22.00/SF/Year	Office Office Building
1688 Meridian Miami Beach, FL	508; Immediate Direct Lease; NNN	1,160 SF \$22.00/SF/Year	Office Office Building
1688 Meridian Miami Beach, FL	507; Immediate Direct Lease; NNN	355 SF \$22.00/SF/Year	Office Office Building

# Property For Lease

Ana Cecilia Velasco · (305) 970-6487 · avelasco@miamibeachfl.gov

City of Miami Beach

Property Name City, State	Suite/Floor, Date Avail; Lease Type	Space Available Rental Rate	Property Type
1688 Meridian Miami Beach, FL	800A; Immediate Direct Lease; NNN	604 SF \$22.00/SF/Year	Office Office Building
The 235 Lincoln Rd Building Miami Beach, FL	S201B; Immediate Direct Lease; N/A	235 SF \$42.00/SF/Year	Office Office Building
The 235 Lincoln Rd Building Miami Beach, FL	S308; Immediate Direct Lease; N/A	795 SF \$38.00/SF/Year	Office Office Building
The 235 Lincoln Rd Building Miami Beach, FL	S301; Immediate Direct Lease; N/A	822 SF \$35.00/SF/Year	Office Office Building
The 235 Lincoln Rd Building Miami Beach, FL	s212; Immediate Direct Lease; N/A	855 SF \$35.00/SF/Year	Office Office Building
The 235 Lincoln Rd Building Miami Beach, FL	S201; Immediate Direct Lease; N/A	973 SF \$26.00/SF/Year	Office Office Building
The 235 Lincoln Rd Building Miami Beach, FL	S200; Immediate Direct Lease; N/A	1,048 SF \$26.00/SF/Year	Office Office Building
The 235 Lincoln Rd Building Miami Beach, FL	S400; Immediate Direct Lease; N/A	2,785 SF \$35.00/SF/Year	Office Office Building
THE VAN DYKE Miami Beach, FL	1; Immediate Direct Lease; NNN	3,225 SF \$25.00/SF/Year	Office Office Building
The Lincoln Miami, FL	Space 1; Immediate Sublease; N/A	5,937 SF \$35.00/SF/Year	Office Creative/Loft
Multi-Level Flagship - Prime South Beach Retail Miami, FL	Ground Floor; Immediate Direct Lease; NNN	10,000 SF \$175.00/SF/Year	Retail Street Retail

## Property For Lease

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City of Miami Beach

Property Name City, State	Suite/Floor; Date Avail; Lease Type	Space Available Rental Rate	Property Type
Multi-Level Flagship - Prime South Beach Retail Miami, FL	Mezzanine; Immediate Direct Lease; NNN	4,000 SF \$35.00/SF/Year	Retail Street Retail
Multi-Level Flagship - Prime South Beach Retail Miami, FL	2nd Floor; Immediate Direct Lease; NNN	10,000 SF \$50.00/SF/Year	Retail Street Retail
Multi-Level Flagship - Prime South Beach Retail Miami, FL	3rd Floor; Immediate Direct Lease; NNN	10,000 SF \$35.00/SF/Year	Office Office Building
Multi-Level Flagship - Prime South Beach Retail Miami, FL	4th Floor; Immediate Direct Lease; NNN	10,000 SF \$35.00/SF/Year	Office Office Building
Multi-Level Flagship - Prime South Beach Retail Miami, FL	5th Floor; Immediate Direct Lease; N/A	10,000 SF \$35.00/SF/Year	Office Office Building
555 Washington Avenue Miami Beach, FL	Ground; Immediate Direct Lease; NNN	2,782 SF \$60.00/SF/Year	Retail Street Retail
555 Washington Avenue Miami Beach, FL	250; Immediate Direct Lease; N/A	1,579 SF \$36.00/SF/Year	Office Office Building
555 Washington Avenue Miami Beach, FL	350; Immediate Direct Lease; Modified Net	1,496 SF \$36.00/SF/Year	Office Office Building
LINCOLN PLACE Miami Beach, FL	195; Immediate	139,442 SF Negotiable	Office Office Building
Sony Building Miami Beach, FL	Space 1; Immediate Direct Lease; NNN	665 SF \$50.53/SF/Year	Office Office Building
MERIDIAN CENTER Miami Beach, FL	1; Immediate	36,875 SF \$35.00/SF/Year	Office Office Building

## Property For Lease

Ana Cecilia Velasco · (305) 970-6487 · avelasco@miamibeachfl.gov

City of Miami Beach

Property Name City, State	Suite/Floor; Date Avail; Lease Type	Space Available Rental Rate	Property Type
1674 Meridian Miami Beach, FL	208; Immediate Direct Lease; NNN	872 SF \$22.00/SF/Year	Office Office Building
1674 Meridian Miami Beach, FL	204; Immediate Direct Lease; NNN	3,040 SF \$22.00/SF/Year	Office Office Building

**LEASE AGREEMENT BETWEEN  
THE CITY OF MIAMI BEACH AND  
MIAMI BEACH FILM SOCIETY AND  
MIAMI BEACH CINEMATHEQUE**

**PROPOSED SUMMARY OF KEY TERMS**

**Landlord:** City of Miami Beach ("City")

**Tenant:** Miami Beach Film Society, Inc. / Miami Beach Cinematheque, a 501(c)3 not-for-profit organization.

**Tenant's Address:** 512 Española Way  
Miami Beach, Florida  
(mailing address: P.O. Box 19-1876 MB, FL 33119)

**Leased Premises:** 2,570 rentable square feet subject to BOMA survey for justification.  
**1<sup>st</sup> Floor South**

**Term:** The Tenant shall be entitled to have and to hold the Demised Premises for a term of three (3) years, commencing 1<sup>st</sup> day of \_\_\_\_\_ 2010, and ending on the 31<sup>st</sup> day of \_\_\_\_\_.

**Renewal Option(s):** two (2) additional three (3) year renewal terms.

**Security Deposit:** N/A due to build-out investment/restoration of the building's interior.

**Permitted Uses:** The Demised Premises shall be used by the Tenant as a Cultural Cinematheque, Cinema Tours and Museum.

**Base Rent:** \$20 psf (\$4,283.33 per month) – includes Insurance and Common Area Maintenance.

**Build Out:** Tenant requests the City be responsible for the demolition as per Tenant's plan. Tenant intends on salvaging and reusing the sprinklers, HVAC and fire alarm system as well as some trade fixtures including but not limited to doors and sinks. Tenant intends to renovate the Demised Premises in an environmental friendly manner and to reuse as many items as possible. Tenant may construct or cause to be constructed, such interior and exterior improvements to the Demised Premises, as reasonably necessary for it to carry on its permitted use(s); provided, however, that any plans for such improvements shall be first submitted to the City Manager for his prior received written approval, which approval, if granted at all, shall be at the City Manager's sole and absolute discretion.

**Rent Abatement:** Tenant will be given a two month Tenant Improvement Credit to complete improvements.

**Parking:** Tenant may request, from the City's Parking Department, the use of one (1) parking space per every 400 sf of leased space, if available, at Municipal Parking Garage G-2 located on 12<sup>th</sup> Street and Drexel. Rates for said spaces are subject to change, and are currently \$70 per month plus applicable sales tax.

**Insurance:** Comprehensive General Liability in the minimum amount of \$1,000,000 per occurrence for bodily injury and property damage. The City of Miami Beach must be named as additional insured parties on this policy, **subject to adjustment for inflation.**

Workers Compensation and Employers Liability coverage in accordance with Florida statutory requirements.

All-Risks property and casualty insurance, written at a minimum of 80% of replacement cost value and with replacement cost endorsement, covering all of Tenant's personal property in the Demised Premises (including, without limitation, inventory, trade fixtures, floor coverings, furniture and other property removable by Tenant under the provisions of this Agreement) and all leasehold improvements installed in the Demised Premises by or on behalf of Tenant, **subject to adjustment for inflation.**

**Utilities & Services:** Tenant retains sole responsibility for garbage service, janitorial, internet and telephone.

**Hours of Operation:** Approximately 9am daily to approximately midnight or end of last screening.

Any change in the days or hours of operation requires the prior written consent of the City Manager including, but not limited to, changes in the days and hours of operation requested pursuant to the Agreement.

**Common Area:** Any increase to the CAM will result in a proportionate share increase to the base rent after the first year.

**Taxes; Impositions:** Tenant shall be responsible for Property Taxes and other impositions in connection with the Demised Premises, to the extent that such Property Taxes and other impositions become due.

**Operating Expenses:** Tenant shall be responsible for all operating costs and expenses related to ownership, maintenance and operation. Electricity is separately metered for this space and will be the responsibility of the Tenant.

**Sales Tax:** Tenant shall pay any and all applicable sales and use tax, except when Tenant is not required to do as per Tenant's Non-Profit status.

**Improvements – Required Approvals/Procedures:** Capital improvements contemplated for the Demised Premises require and are subject to the City's prior written consent. Plans for such improvements are also subject to the City's review and approval in writing.

**Maintenance Obligations:** Tenant shall be responsible for day-to-day maintenance and repairs of the Demised Premises. The Tenant must supply and maintain, at its own cost and expense, all facilities (including, without limitation, the Demised Premises), equipment and furnishings.

**LEASE AGREEMENT BETWEEN  
THE CITY OF MIAMI BEACH AND  
Gemcor, Inc.**

**PROPOSED SUMMARY OF KEY TERMS**

**Landlord:** City of Miami Beach ("City")

**Tenant:** Gemcor, Inc.

**Tenant's Address:** 930 Washington Avenue, Suite 201  
Miami Beach, Florida 33139

**Leased Premises:** 1517 rentable square feet subject to BOMA survey for justification.  
**6<sup>TH</sup> Floor**

**Term:** The Tenant shall be entitled to have and to hold the Demised Premises for a term of three (3) years, commencing 1st day of (Commencement Date), and ending on the 31 day of

**Renewal Option(s):** two (2) additional three year renewal term

**Security Deposit:** Equal to two (2) months monthly rent.

**Permitted Uses:** The Demised Premises shall be used by the Tenant as office space.

**Base Rent:** \$23.30 psf (\$2,945.50 per month) – includes Insurance, Common Area Maintenance and Operating Expenses. Electricity is included.

**Build Out:** Tenant accepts the Demised Premises in their present "**AS IS**" condition and may construct or cause to be constructed, such interior and exterior improvements to the Demised Premises, as reasonably necessary for it to carry on its permitted use(s); provided, however, that any plans for such improvements shall be first submitted to the City Manager for his prior received written approval, which approval, if granted at all, shall be at the City Manager's sole and absolute discretion.

**Rent Abatement:** Tenant will receive three months rent abatement.

**Parking:** Tenant will secure from the City's Parking Department, the use of one (1) parking space per every 400 sf of leased space, if available, at Municipal Parking Garage G-2 located on 12<sup>th</sup> Street and Drexel. Rates for said spaces are subject to change, and are currently \$70.00 per month, plus applicable sales and use tax per space.

**Insurance:** Comprehensive General Liability in the minimum amount of \$1,000,000 per occurrence for bodily injury and property damage. The City of Miami Beach must be named as additional insured parties on this policy, **subject to adjustment for inflation.**

Workers Compensation and Employers Liability coverage in accordance with Florida statutory requirements.

All-Risks property and casualty insurance, written at a minimum of 80% of replacement cost value and with replacement cost endorsement, covering all of Tenant's personal property in the Demised Premises (including, without limitation, inventory, trade fixtures, floor coverings, furniture and other property removable by Tenant under the provisions of this Agreement) and all leasehold improvements installed in the Demised Premises by or on behalf of Tenant, **subject to adjustment for**

**inflation.**

- Utilities & Services:** Tenant retains sole responsibility for garbage service, janitorial, internet and telephone. Landlord is responsible for electricity.
- Sublet:** No right to sublet or assign.
- Hours of Operation:** Any change in the days or hours of operation requires the prior written consent of the City Manager including, but not limited to, changes in the days and hours of operation requested pursuant to the Agreement.
- Common Area:** Any increase to the CAM will result in a proportionate share increase to the base rent after the first year. Gemcor requests that any proportionate share increase be capped at \$1000 per each year.
- Taxes; Impositions:** Tenant shall be responsible for Property Taxes and other impositions in connection with the Demised Premises, to the extent that such Property Taxes and other impositions become due.
- Operating Expenses:** Landlord shall be responsible for all operating costs and expenses related to ownership, maintenance and operation.
- Sales Tax:** Tenant shall pay any and all applicable sales and use tax.
- Improvements – Required Approvals/Procedures:** Capital improvements contemplated for the Demised Premises require and are subject to the City's prior written consent. Plans for such improvements are also subject to the City's review and approval in writing.
- Maintenance Obligations:** Tenant shall be responsible for day-to-day maintenance and repairs of the Demised Premises. The Tenant must supply and maintain, at its own cost and expense, all facilities (including, without limitation, the Demised Premises), equipment and furnishings.

**LEASE AGREEMENT BETWEEN  
THE CITY OF MIAMI BEACH AND  
Coane and Associates**

**PROPOSED SUMMARY OF KEY TERMS**

**Landlord:** City of Miami Beach ("City")

**Tenant:** Coane and Associates

**Tenant's Address:** 407 Lincoln Road, Suite 306  
Miami Beach, FL 33139

**Leased Premises:** 1517 rentable square feet subject to BOMA survey for justification.  
**8<sup>TH</sup> floor**

**Term:** The Tenant shall be entitled to have and to hold the Demised Premises for a term of three (3) years, commencing 1st day of (Commencement Date), and ending on the 31 day of

**Renewal Option(s):** two (2) additional three (3) year renewal terms.

**Security Deposit:** Equal to two (2) months rent.

**Guaranty:** Corporate guaranty from Parent Company or personal guaranty from owner demonstrating three years of financial sufficiency required.

**Permitted Uses:** The Demised Premises shall be used by the Tenant as a law office.

**Base Rent:** \$30 per rentable square foot – includes Insurance, Common Area Maintenance and Operating Expenses. Electricity is included.

**Build Out:** Tenant accepts the Demised Premises in their present "**AS IS**" condition and may construct or cause to be constructed, such interior and exterior improvements to the Demised Premises, as reasonably necessary for it to carry on its permitted use(s); provided, however, that any plans for such improvements shall be first submitted to the City Manager for his prior received written approval, which approval, if granted at all, shall be at the City Manager's sole and absolute discretion.

**Rent Abatement:** The subject Demised Premises has been built-out. Any remodeling must be done by the Tenant and is not subject to abatement.

**Parking:** Tenant may request, from the City's Parking Department, the use of one (1) parking space per every 400 sf of leased space, if available, at Municipal Parking Garage G-2 located on 12<sup>th</sup> Street and Drexel. Rates for said spaces are subject to change, and are currently Seventy (\$70.00) Dollars per month, plus applicable sales and use tax per space.

**Insurance:** Comprehensive General Liability in the minimum amount of \$1,000,000 per occurrence for bodily injury and property damage. The City of Miami Beach must be named as additional insured parties on this policy, **subject to adjustment for inflation**.

Workers Compensation and Employers Liability coverage in accordance with Florida statutory requirements.

All-Risks property and casualty insurance, written at a minimum of

80% of replacement cost value and with replacement cost endorsement, covering all of Tenant's personal property in the Demised Premises (including, without limitation, inventory, trade fixtures, floor coverings, furniture and other property removable by Tenant under the provisions of this Agreement) and all leasehold improvements installed in the Demised Premises by or on behalf of Tenant, **subject to adjustment for inflation.**

- Utilities & Services:** Tenant retains sole responsibility for garbage service, janitorial, internet and telephone. Landlord is responsible for electricity.
- Hours of Operation:** Any change in the days or hours of operation requires the prior written consent of the City Manager including, but not limited to, changes in the days and hours of operation requested pursuant to the Agreement.
- Common Area:** Any increase to the CAM will result in a proportionate share increase to the base rent after the first year.
- Taxes; Impositions:** Tenant shall be responsible for Property Taxes and other impositions in connection with the Demised Premises, to the extent that such Property Taxes and other impositions become due.
- Operating Expenses:** Landlord shall be responsible for all operating costs and expenses related to ownership, maintenance and operation.
- Sales Tax:** Tenant shall pay any and all applicable sales and use tax.
- Improvements – Required Approvals/Procedures:** Capital improvements contemplated for the Demised Premises require and are subject to the City's prior written consent. Plans for such improvements are also subject to the City's review and approval in writing.
- Maintenance Obligations:** Tenant shall be responsible for day-to-day maintenance and repairs of the Demised Premises. The Tenant must supply and maintain, at its own cost and expense, all facilities (including, without limitation, the Demised Premises), equipment and furnishings.