



MIAMI BEACH

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NO. LTC # **162-2010**

LETTER TO COMMISSIONER'S OFFICE

TO: Mayor Matti Herrera Bower and Members of the City Commission

FROM: Jorge M. Gonzalez, City Manager

DATE: May 27, 2010

SUBJECT: **City's Offer to Purchase an Easement through 1231-1251 17th Street.**

The purpose of this LTC is to transmit to the Mayor and City Commission the attached letter from the Housing Authority of the City of Miami Beach (HACOMB), accepting the City's offer to purchase an easement through 1231-1251 17th Street. On May 18, 2010, the Board of Directors of the HACOMB reviewed the revised offer of the City of Miami Beach dated May 11, 2010 (attached). The HACOMB Board voted to accept the offer and directed staff to work with the City to prepare the appropriate documents.

The City's revised offer to the HACOMB was for the purchase of a perpetual, non-revocable easement through a portion of the HACOMB property located at 1231-1251 17th Street, for the purpose of providing right-of-way access for the construction of the proposed West Avenue Bridge, pursuant to the direction of the Finance and Citywide Projects Committee at its March 25, 2010 meeting. The City's offer is to purchase the easement for the appraised value of \$1.635 million.

The Administration will work with the Housing Authority's staff and general counsel and the City Attorney's Office to prepare the necessary documents for consideration at the July 14, 2010 City Commission meeting. In the meantime, if you have any questions or comments, please do not hesitate to contact me.

JMG/JGG/kc

Attachments (2)

May 26, 2010 HACOMB Letter

May 11, 2010 CMB Letter



THE HOUSING AUTHORITY
OF THE
CITY OF MIAMI BEACH



BOARD OF COMMISSIONERS

LEONARD TURKEL
CHAIRPERSON

MICHAEL R. BAND
VICE CHAIRPERSON

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MIAMI BEACH, FL 33139-6742
TEL: 305-532-6401
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MILLI MEMBIELA
COMMISSIONER
MIGUELL DEL CAMPILLO
EXECUTIVE DIRECTOR

May 26, 2010

Jorge M. Gonzalez, City Manager
City of Miami Beach
1700 Convention Center Drive
Miami Beach, Florida 33139

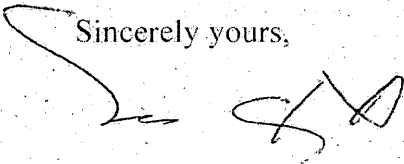
Re: CMB's Offer to Purchase an Easement through 1231-1251 17th Street

Dear Mr. Gonzalez:

On May 18, 2010, the Board of Directors of the Housing Authority of the City of Miami Beach (HACMB) reviewed the offer of the City of Miami Beach dated May 11, 2010. At that time, the HACMB Board voted to accept the offer of the City and directed staff to work with the City in preparing the development agreement and closing documents relating to the creation of the perpetual easement for Parcels "A" and "B", as identified in the May 11, 2010 offer. The HACMB Board has directed the HACMB general counsel to work with the City Attorney's office to expedite the development of the necessary documents.

The HACMB looks forward to working with you to complete the above transaction.

Sincerely yours,



Miguell Del Campillo,
Executive Director

cc: HACMB Board of Directors
Mayor and City Commission
Jorge Gomez, Assistant City Manager
Kevin Crowder, Economic Development Director
Raul Aguila, Deputy City Attorney
Eve A. Boutsis, General Counsel



MIAMI BEACH

City of Miami Beach, 1700 Convention Center Drive, Miami Beach, Florida 33139, www.miamibeachfl.gov

Office of the City Manager
Tel: 305.673.7010; Fax: 305.673.7782

May 11, 2010

Miguell del Campillo
Executive Director
Housing Authority of the City of Miami Beach
200 Alton Road
Miami Beach, FL 33139

VIA Certified Mail
and Electronic Mail

Re: City's Offer to Purchase An Easement Through 1231-1251 17th Street

Dear Mr. Del Campillo:

The purpose of this letter is to provide the Housing Authority of the City of Miami Beach ("HACMB") with the City's revised written offer for purchase of a perpetual, non-revocable easement (the Easement) through a portion of the HACMB property, located at 1231-1251 17th Street, Miami Beach, Florida (the Easement Area), pursuant to the direction of the Finance and Citywide Projects Committee at its March 25, 2010 meeting. At that meeting, the Committee discussed the HACOMB's 2/18/10 counter offer regarding the City's original offer to purchase the Easement.

The following terms constitute the City's revised offer to purchase the Easement. The City's offer is of course subject to (and shall not be binding until) negotiation and execution by the City and HACMB of a final purchase and sale contract, which contract shall also be subject to approval by HACMB's board and the Mayor and City Commission, respectively:

1. Area to be Purchased: the Easement Area, depicted as Parcel "A" and Parcel "B" in Exhibit A;
2. Purchase Price: The City offers to purchase the Easement for the amount of \$1.635 million;
3. City's Proposed Use of Easement Area: The City shall use the Easement Area for the purpose of providing right-of-way access for the construction of the proposed West Avenue Bridge;
4. The City confirms that the remainder of the HACMB property, also known as Parcel C, shall retain the total Lot Area of the entire parcel, including the Easement Area, for the purpose of calculating the Floor Area Ratio (FAR). This FAR provision shall run with the land and may be transferrable;
5. HACMB Affordable Housing Development (on Parcel C). The City and HACMB acknowledge that HACMB intends to develop Parcel C as an affordable housing development, which is the City's preferred and recommended use for Parcel C (HACMB's proposed affordable housing project, the specifics of which have yet to be determined, shall for purposes herein be referred to as the "Project"). The City and HACMB agree to the following with regard to the Project:
 - a. At such time as HACMB identifies the specific affordable housing Project, the City and HACMB agree to enter into a development agreement or other agreement (the Agreement) which will address, at a minimum, the following terms:
 - (i) Minimum and average unit size requirements;

- (ii) Parking requirements; and
- (iii) Setback requirements.

Items (i)-(iii) above may also require an amendment (or amendments) to the City's current Land Development Regulations.

- b. Affordability Period. The Project shall remain as affordable housing for a minimum of thirty (30) years, which period shall commence upon the issuance of a Certificate of Occupancy (CO) by the City. As consideration for the Affordability Period, the City will agree to waive all Payment in Lieu of Taxes (PILOT) fees for the Project for fifteen (15) years, commencing upon the issuance of a CO by the City.
- c. HACMB may assign and/or transfer its rights under the Agreement to a subsequent developer (transferee), provided that the transferee agrees to develop the Project for its intended use as an affordable housing project, and complies with the Affordability Period.
- d. As an affordable housing project, the Project is eligible for the City's expedited building permit review process.
- e. The City shall assist HACMB and make reasonable efforts to identify funding sources for the Project.
- f. Notwithstanding subsections 5(a)-(d) above, the Agreement shall be subject to (and shall not be binding until) approval by HACMB's board and by the Mayor and City Commission, respectively.

This offer is a proposal for the consideration of the HACMB with the purpose of completing the discussion and getting the proposed transaction to a final agreement that can be considered by our respective governing bodies.

NOTWITHSTANDING THE ABOVE, OR ANY OTHER TERM OR CONDITION OF THIS LETTER, THE AFORESTATED OFFER SHALL NOT BE BINDING UPON THE CITY UNLESS AND UNTIL A CONTRACT FOR PURCHASE AND SALE OF THE SUBJECT EASEMENT IS APPROVED BY THE MAYOR AND CITY COMMISSION.

Thank you for your consideration of this proposal. I look forward to your consideration of this proposal.

Sincerely,



Jorge M. Gonzalez,
City Manager

Attachment

- c: Mayor and City Commission
Jose Smith, City Attorney
Raul Aguila, Deputy City Attorney
Jorge M. Gonzalez, Assistant City Manager
Kevin Crowder, Economic Development

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