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## COMMITTEE MEMORANDUM

TO: Finance and Citywide Projects Committee Members

FROM: Jimmy L. Morales, City Manager 

DATE: May 20, 2014

SUBJECT: **A DISCUSSION REGARDING WHETHER THE CITY SHOULD RENEGOTIATE AN INCREASE IN BASE RENT AND ADDITIONAL RENT PERTAINING TO THE AGREEMENTS AT SOUTH SHORE COMMUNITY CENTER, 833 6<sup>TH</sup> STREET, MIAMI BEACH, FLORIDA**

### BACKGROUND

The South Shore Community Center (the "Center") is located at 833 6<sup>th</sup> Street and is owned by the City of Miami Beach (the "City"). The Center provides space to various not-for-profit, community service organizations that provide assistance to the Miami Beach community.

The City completed renovations to the Center in 2008 and executed new agreements with all the tenants who occupied the Center prior to said renovations. All the agreements are for an initial term of four years (4) years and three hundred sixty four (364) days, commencing on October 2, 2009 and ending on September 30, 2014 (the "Term"). Furthermore, all the agreements contain provisions for one (1) additional five (5) year renewal, subject to certain terms and conditions.

The Center is currently 100% occupied by the following four (4) tenants:

1. Miami Dade County Community Action Agency ("CAA") has a lease for the use of 2,076 square feet of office space to operate the "South Beach Community Enrichment Center" which empowers economically disadvantaged individuals, families and communities to achieve self-sufficiency through resource mobilization, service delivery, education and advocacy.
2. Jewish Community Services of South Florida, Inc. ("JCS") has two (2) lease agreements and a concession agreement. The first lease agreement is for use of 289 square feet of storage space required by JCS to operate its "senior meals program". This program provides recreational activities and a mid-day meal to residents that are 60 years and older.

The concession agreement is for use of the 2,792 square foot Auditorium space required by JCS to conduct its recreational activities and serve the aforementioned mid-day meal. A concession agreement was determined to be the appropriate mechanism by which to guarantee JCS part-time use of the space on weekdays from 8:00 AM to 2:00 PM and still allow the space to be available for use by the City and/or general public during the

afternoon, evening and weekend hours. The Miami Beach Parks and Recreation Department will be coordinates the use and/or rental of the Auditorium pursuant to its rules and regulations for rental of City-owned facilities.

The second lease agreement is for use of 445 square feet of office space required by JCS to operate its "senior ride program". This program provides door-to-door bus transportation services to residents that are 60 years and older.

3. Little Havana Activities and Nutrition Centers of Dade County, Inc. ("LHANC") has a lease agreement and a letter agreement. The lease agreement is for use of 2,919 square feet of space required by LHANC to operate its "Rainbow Intergeneration Childcare Center". This program provides childcare service to approximately 60 children.

The letter agreement is for use of the adjacent exterior 7,002 square foot playground space required by LHANC to provide the children an outdoor recreation play area. A letter agreement was determined to be the appropriate mechanism by which to guarantee LHANC sole use of the space thus providing the children with a safe and secure environment. The playground space is not "under-roof" and therefore, not included as part of the buildings leasable square footage.

4. UNIDAD of Miami Beach, Inc. ("UNIDAD") has a lease for the use of 3,826 square feet of office space on the 2<sup>nd</sup> floor and an additional 329 square feet of storage space on the 1<sup>st</sup> floor. UNIDAD provides counseling, education, and employment training services to the City's community.

## ANALYSIS

It is important to emphasize that all of the tenants at the Center are not-for-profit, community service organizations that provide assistance to the Miami Beach community. As such, the City only charges \$1.20 annually for base rent. Furthermore, the City only charges specific operating expenses incurred by the City to operate the Center. These operating expenses are limited to electrical service, water service, sewer service, stormwater costs and janitorial service to the common areas and inside the tenant's spaces. A summary of the agreements and rental rates is attached hereto as Exhibit A (Agreement Summary).

### Base Rent

The City procured a Market Rent Analysis dated May 12, 2014 (the "Analysis") which is attached hereto as Exhibit B (Market Rent Analysis). As contained in the Analysis, the current market value for the typical space in the Center, consisting of three spaces containing 2,076 SF, 2,919 SF and 3,826 SF, ranges from \$20 to \$22 per square foot, plus operating expenses.

The smaller two spaces consisting of 289 SF and 445 SF have a market value of \$30 and \$25 per square foot, plus operating expenses, respectively.

The auditorium space, consisting of 2,792 SF, has a market value of \$20 per square foot, plus operating expenses. However, since the current tenant only has part-time use of the space, approximately eighteen percent (18%) of the time, the rate is adjusted to reflect \$3.60 per square foot (18% of \$20), plus eighteen percent (18%) of operating expenses.

### Operating Expenses

As contained in the agreements, *““Operating Expenses” shall mean the following costs and expenses incurred in operating, repairing, and maintaining the Common Facilities (as hereinafter defined) and shall include electrical service, water service, sewer service, stormwater costs and janitorial service to the Building (including the Demised Premises).”*

The operating expense amount currently charged by the City, in accordance with the definition contained in the agreements, is \$7.68 per square foot and is based on actual operating expenses which were calculated in 2009. The agreements allow the City to adjust the operating expenses on an annual basis consistent with the actual cost of operating the Center; however, the operating expenses have not been adjusted during the initial term of the agreements. A line item detail of the 2009 operating expenses is attached hereto as Exhibit C (2009 Fiscal Year Operating Expenses (Portion)).

Utilizing the same line items as contained in Exhibit C, and in accordance with the definition contained in the agreements, the 2013 operating expenses were \$7.21 per square foot. An updated detail of the 2013 operating expenses is attached hereto as Exhibit D (2013 Fiscal Year Operating Expenses (Portion)).

The operating expenses, as defined in the agreements, and as contained in Exhibit C and Exhibit D, do not reflect the total cost to the City to operate the Center. Specifically, there are additional maintenance costs incurred by the City (i.e. elevator, HVAC, fire services, pest control, etc.), as well as the cost to the City to insure the Center. The total cost of operating the Center in 2013 was \$15.86 per square foot. A line item detail of the total cost of the 2013 operating expenses is attached hereto as Exhibit E (2013 Fiscal Year Operating Expenses (Total)).

As contained in the Analysis, the market operating expenses for commercial space comparable to the Center are estimated at \$9 to \$11 per square foot.

### CONCLUSION

As contained in the agreements, *“...within ninety (90) days prior to the expiration of the Term, the City Manager may elect to re-negotiate a reasonable increase in the Rent, and shall provide Tenant with written notice of such election. If, following good-faith negotiations between the City and Tenant, the parties are unable to agree, then the City Manager may further elect to not renew the Agreement, in which case the Agreement will terminate and the City shall have no further liability or obligation to Tenant.”*

Furthermore, the agreements may be terminated by either party, without cause and for convenience at any time during the Term (including any renewal term), upon furnishing thirty (30) days written notice to the other party.

Considering all of the agreements are at below market rental rates, and since they are all within one hundred thirty five (135) days of the expiration dates (9/30/14), the Administration seeks direction from the Finance and Citywide Projects Committee on the following items:

1. Should the City charge the tenants market base rent?

2. Should the City charge the tenants for the actual, total operating expenses or continue to charge only a portion of the total operating expenses?

If the City elects to renegotiate an increase in the rent (including operating expenses), the City Manager must provide written notice by July 1, 2014.

The Administration seeks a recommendation from the Finance and Citywide Projects Committee.



JLM/KAB/MAS//MMM

Exhibits:

- A - Agreement Summary
- B - Market Rent Analysis
- C - 2009 Fiscal Year Operating Expenses (Portion)
- D - 2013 Fiscal Year Operating Expenses (Portion)
- E - 2013 Fiscal Year Operating Expenses (Total)

# Exhibit A

## Agreement Summary

Tenant	Suite	Sq. Ft.	Agreement	Expiration	Renewal	Rent			
							Base	OEX	Total
MDC Community Action Agency	1st Floor Office	2,076	Lease	09/30/14	(1) for 5 years	Annually	\$ 1.20	\$ 15,935.28	\$ 15,936.48
						PSF	\$ 0.00	\$ 7.68	\$ 7.68
JCS of South Florida, Inc. - Meals	1st Floor Storage	289	Lease	09/30/14	(1) for 5 years	Annually	\$ 1.20	\$ 2,218.32	\$ 2,219.52
						PSF	\$ 0.00	\$ 7.68	\$ 7.68
JCS of South Florida, Inc. - Meals	1st Floor Auditorium	2,792	Concession	09/30/14	(1) for 5 years	Annually	\$ 1.20	\$ 5,357.88	\$ 5,359.08
						PSF	\$ 0.00	\$ 1.92	\$ 1.92
JCS of South Florida, Inc. - Ride	1st Floor Office	445	Lease	09/30/14	(1) for 5 years	Annually	\$ 1.20	\$ 3,415.80	\$ 3,417.00
						PSF	\$ 0.00	\$ 7.68	\$ 7.68
LHANC of Dade County, Inc.	1st Floor Daycare	2,919	Lease	09/30/14	(1) for 5 years	Annually	\$ 1.20	\$ 22,406.16	\$ 22,407.36
						PSF	\$ 0.00	\$ 7.68	\$ 7.68
LHANC of Dade County, Inc.	1st Floor Playground	7,002	Letter	09/30/14	(1) for 5 years	Annually	\$ 0.00	\$ 0.00	\$ 0.00
						PSF	\$ 0.00	\$ 0.00	\$ 0.00
UNIDAD of Miami Beach, Inc.	1st Floor	329	Lease	09/30/14	(1) for 5 years	Annually	\$ 1.20	\$ 31,893.72	\$ 31,894.92
	2nd Floor	3,826				PSF	\$ 0.00	\$ 7.68	\$ 7.68

Note: JCS of South Florida, Inc. pays 25% of CAM charges (\$1.92 of \$7.68) because they only use the auditorium part-time and the City retains access and use as needed.

# **Exhibit B**

## Market Rent Analysis

**J. ALHALE APPRAISALS, INC.**  
REAL ESTATE APPRAISERS AND CONSULTANTS  
3475 SHERIDAN STREET, SUITE 313  
HOLLYWOOD, FLORIDA 33021

**JOZEF ALHALE, MAI**  
STATE CERTIFIED GENERAL APPRAISER  
NO. RZ0001557

CELL: (305) 613-7477  
E-MAIL: [JBALHALE@AOL.COM](mailto:JBALHALE@AOL.COM)

May 12, 2014

Mr. Mark M. Milisits, RPA  
Leasing Specialist  
City of Miami Beach  
Tourism, Culture and Economic Development Department  
Office of Real Estate  
1700 Convention Center Drive  
Miami Beach, Florida 33139

Re: Market Rent Analysis for the  
South Shore Community Center  
833 6<sup>th</sup> Street, Miami Beach, Florida

Dear Mr. Milisits:

Pursuant to your request for a rent analysis study for the above referenced property, I submit the following report.

We have made a physical inspection of the subject site and existing improvements, reviewed the rent-roll and floor plan/sketches, and performed market research to provide estimates of the market rents for the subject property in its current "as is" condition.

The subject improvements consist of a one and two-story, CBS, mixed-use, city-owned community center facility which was built in 1970 and renovated in 2008. The building has a precast concrete Twin-T roof structure. The flat roof has a built-up tar and gravel covering. The facility has a fire alarm system, but is not equipped with fire sprinklers. Access to the second floor is provided by one passenger elevator and one covered exterior stairway at the front of the building, and one interior stairwell at the rear of the building. A large covered common breeze way area is situated in front of the ground floor space. Per the Public Records of Miami-Dade County, Florida, the property contains an adjusted building area of 13,761 SF. Per the rent roll provided to the appraisers, the property contains a Net Rentable Area (NRA) of 12,676 SF, excluding interior and covered exterior common areas and the 7,002 SF uncovered outdoor playground area. The ground floor contains 8,850SF (69.8%) of the total NRA, and the partial second floor contains 3,826 SF (30.2%).

Interior finishes consist of painted concrete block partition walls, exposed concrete Twin-T or dropped acoustical tile ceilings, florescent lighting fixtures, and a mixture of vinyl tile, ceramic tile, commercial grade carpet and wood laminate flooring. The ground-floor is currently partitioned to contain 2,521 SF of office space, 2,792 SF of auditorium space, 618 SF of storage space and 2,919 SF of daycare center space (which could alternately be utilized as office and/or similar type space), as well as a common area kitchen/break room and three common area restrooms which are not included in the Net Rentable Area. The second floor is partitioned to contain 3,826 SF of office space, as well as two common area restrooms and three common area mechanical rooms which are not included in the Net Rentable Area.

Per the Public Records of Miami-Dade County, Florida, the rectangular, double-corner subject site contains 42,000 SF (0.96 AC) with  $\pm 350$  feet of frontage along the north side of 6<sup>th</sup> Street,  $\pm 120$  feet of frontage along the east side of Jefferson Avenue, and  $\pm 120$  feet of frontage along the west side of Meridian Avenue. The northeast portion of the subject site, adjacent to the playground area, is utilized as a public parking lot by the City of Miami Beach, with 26 striped, metered, asphalt parking spaces. On the date of inspection, the subject property appeared to be in average condition and adequately maintained, with no signs of significant deferred maintenance. The community center is currently 100% occupied by four tenants under five individual lease agreements, one concession agreement, and one letter agreement, with the spaces divided up as follows:

Tenant One: occupies 2,076 square feet of "Class C" ground-floor office space, with interior finishes as described above.

Tenant Two: occupies 289 square feet of ground-floor storage/kitchen space; 2,792 SF of ground-floor auditorium space; and 445 SF of "Class C" ground-floor office space. It should be noted that a concession agreement was determined to be the appropriate mechanism by which to guarantee the tenant part-time use of the 2,792 SF auditorium space to serve meals on weekdays from 8:00 AM to 2:00 PM and still allow the space to be available for use by the City and/or general public during the afternoon, evening and weekend hours. The Miami Beach Parks and Recreation Department coordinates the use and/or rental of the Auditorium pursuant to its rules and regulations for rental of City-owned facilities. It should further be noted that the 445 SF of office space does not have independent access and can only be accessed by passing through the office space currently occupied by Tenant One.

Tenant Three: occupies 2,919 SF of ground-floor daycare center space under a standard lease agreement. *This space could alternately be leased as office space.* The current daycare tenant also has the exclusive use of the adjacent exterior 7,002 SF playground space under a letter agreement with the city. The playground space is not "under-roof" and therefore, not included as part of the buildings leasable square footage. It should be noted that the large outdoor playground area would have no significant utility to an office tenant in an alternate use and therefore, would not command significant, if any, rental income.

Tenant Four: occupies 3,826 SF of “Class C” second-floor office space (the entire second floor), as well as 329 SF of ground-floor storage space consisting of a 196 SF storage room at the front of the building and a 133 SF storage room at the rear of the building.

A survey of comparable rental ground-floor and upper-floor office/retail/commercial space in the subject area was made in order to provide an indication of the market rental rates applicable to the subject property. We have provided rental rates for retail and office space, east of Washington Avenue which is superior to the subject property, as well as rental rates for retail and office space, west of Washington Avenue which is only slightly superior to the subject property which is located on 6<sup>th</sup> Street, off the main commercial arteries.

The commercial facilities on Washington Avenue and Collins Avenue, between 8<sup>th</sup> Street and 12<sup>th</sup> Street indicated a rental rate/SF range of \$90/SF to \$167.30/SF on a triple-net basis (tenant pays for all operating expenses, with the exception of management and reserves) for ground-floor retail space. The renovated and/or recently-built rental space is located on Collins Avenue and Washington Avenue, between 8<sup>th</sup> Street and 12<sup>th</sup> Street, in South Beach; and considered considerably superior to the subject property in terms of location and appeal. **Refer to “Chart 1”.**

The commercial facilities indicated a rental rate/SF range of \$82/SF to \$147.50/SF along Ocean Drive on a triple-net basis (tenant pays for all operating expenses, with the exception of management and reserves) for ground-floor retail/restaurant space. The renovated and/or recently-built rental space is located on Ocean Drive, between 1<sup>st</sup> Street and 15<sup>th</sup> Street, in South Beach; and considered considerably superior to the subject property in terms of location and appeal. **Refer to “Chart 2”.**

The commercial facilities on Washington Avenue, Ocean Drive and Collins Avenue, between 4<sup>th</sup> Street and 16<sup>th</sup> Street indicated a rental rate/SF range of \$30/SF to \$48/SF on a semi-net basis (tenant pays for utilities and interior maintenance, as well as increases above base-year operating expenses); \$30/SF to \$36/SF on a semi-net basis (tenant pays for electricity); \$35/SF on a full-service basis (tenant pays no operating expenses); and \$30/SF to \$40/SF on a triple-net basis (tenant pays for all operating expenses, with the exception of management and reserves) for upper floor commercial space and office space. The renovated and/or recently-built rental space is located on Collins Avenue, Ocean Drive and Washington Avenue, between 4<sup>th</sup> Street and 16<sup>th</sup> Street, in South Beach; and considered considerably superior to the subject property in terms of location and appeal. **Refer to “Chart 3”.**

Mr. Mark M. Milisits, RPA

May 12, 2014

Page Four

The commercial facilities on main arteries along 5<sup>th</sup> Street, Lincoln Road and off-Lincoln Road (along Michigan Avenue and Meridian Avenue), between 5<sup>th</sup> Street and 17<sup>th</sup> Street indicated a rental rate/SF range of \$25.60/SF to \$50/SF on a semi-net basis (tenant pays for utilities and interior maintenance, as well as increases above base-year operating expenses) for Class B office space; \$34/SF on a semi-net basis (tenant pays for utilities); \$25.50/SF to \$60/SF (small 200 SF space) on a full-service basis (tenant pays no operating expenses); and \$19.26/SF to \$26.26/SF for upper-floor office space on a triple-net basis (tenant pays for all operating expenses, with the exception of management and reserves); and \$110/SF for ground-floor retail space on a triple-net basis (tenant pays for all operating expenses, with the exception of management and reserves). The renovated and/or recently-built rental space is located on 5<sup>th</sup> Street, Lincoln Road, or within one-block of Lincoln Road on Meridian Avenue and Michigan Avenue, between 5<sup>th</sup> Street and 17<sup>th</sup> Street, in South Beach; and considered considerably superior to the subject property in terms of location and appeal. **Refer to "Chart 4".**

The commercial facilities on Alton Road and 5<sup>th</sup> Street, east of Washington Avenue, and between 5<sup>th</sup> Street and 15<sup>th</sup> Street, indicated a rental rate/SF range of \$45/SF to \$70/SF on a triple-net basis (tenant pays for all operating expenses, with the exception of management and reserves) and \$41/SF on semi-net basis (tenant pays for utilities, and the landlord pays for all other operating expenses) for ground-floor retail space. Comparable Rental Numbers One and Two are significantly superior to the subject property in terms of appeals. Comparable Rental Numbers Three and Four are somewhat similar to the subject property in general (if each space is delineated for exclusive use of the tenant, without common and/or shared access) in terms of appeal. All four comparable rental space on Alton Road and 5<sup>th</sup> Street which are main commercial arteries were superior in terms of specific location in South Beach. **Refer to "Chart 5".**

The commercial facilities on Alton Road, 5<sup>th</sup> Street, 4<sup>th</sup> Street, Jefferson Avenue and Bay Road, and between 4<sup>th</sup> Street and 20<sup>th</sup> Street, indicated a rental rate/SF range of \$35/SF to \$50/SF for ground-floor space; \$28/SF to \$31.20/SF on a semi-net basis (tenant pays for utilities and interior maintenance, as well as increases above base-year operating expenses); and \$32/SF for second-floor office space on a triple-net basis (tenant pays for all operating expenses, with the exception of management and reserves) and \$35/SF to \$45/SF on a full-service basis (landlord pays for all operating expenses) for second-floor or multi-floor office space.

Comparable Rental Number Two (on Jefferson Avenue, between 5<sup>th</sup> Street and 6<sup>th</sup> Street; reflecting \$30/SF on a semi-net basis (tenant pays for utilities and interior maintenance, as well as increases above base-year operating expenses); and Comparable Rental Number Nine (on 4<sup>th</sup> Street, one block south of the 5<sup>th</sup> Street corridor, and west of Washington Avenue) reflecting \$28/SF on a semi-net basis (tenant pays for utilities and interior maintenance, as well as increases above base-year operating expenses); Comparable Rental Number Four (\$35/SF on a full-service basis; landlord pays for all operating expenses);

and Comparable Rental Number Six (\$35/SF on a full-service basis; landlord pays for all operating expenses) reflect the most comparable space for the second floor of the subject property which is exclusively used by a single tenant (currently, Unidad of Miami Beach, Inc.), without any shared access. **Refer to "Chart 6"**.

In addition, Comparable Rental Number Four (\$21.26/SF to \$26.26/SF on a triple-net basis (tenants pays a pro-rated share of CAM), Comparable Rental Number Six (\$19.26/SF to \$21.26/SF on a triple-net basis (tenants pays a pro-rated share of CAM), and Comparable Rental Number Five (\$34/SF to \$35/SF on a full-service basis; landlord pays for all operating expenses) reflect the most comparable space for the second floor of the subject property which is exclusively used by a single tenant (currently, Unidad of Miami Beach, Inc.), without any shared access. **Refer to "Chart 4"**.

Comparable Rental Numbers Nine, Ten, Eleven and Thirteen (\$25/SF to \$42/SF on a full-service basis; landlord pays for all operating expenses) and Comparable Rental Number Eight (\$25.60/SF to \$28.70/SF on a semi-net basis (tenant pays for utilities and interior maintenance, as well as increases above base-year operating expenses) reflect the most comparable space for the second floor of the subject property which is exclusively used by a single tenant (currently, Unidad of Miami Beach, Inc.), without any shared access. **Refer to "Chart 4"**.

#### **Conclusion and Estimated Market Rental Rates**

Tenant Four: occupies 3,826 SF of "Class C" second-floor office space (the entire second floor), as well as 329 SF of ground-floor storage space consisting of a 196 SF storage room at the front of the building and a 133 SF storage room at the rear of the building. The market rent for this 3,826 SF second-floor space, including the complimentary use of the 196 SF storage space on the ground-floor, which is situated near the mechanical room and the restrooms, would be \$20/SF on a triple-net basis whereas the tenant would pay base rent of \$20/SF, based on the 3,826 SF second-floor area (no additional rent for the 329 SF un-fenestrated interior storage space on the first floor), plus CAM based on the 3,826 SF and 329 SF space of the 12,676 SF total area.

### **Conclusion and Estimated Market Rental Rates - Continued**

Tenant Three: occupies 2,919 SF of ground-floor daycare center space under a standard lease agreement. This space could alternately be leased as office space. The current daycare tenant also has the exclusive use of the adjacent outdoor 7,002 SF playground space under a letter agreement with the city. The playground space is not "under-roof" and therefore, not included as part of the buildings leasable square footage. It should be noted that the large outdoor playground area would have no significant utility to an office tenant in an alternate use and therefore, would not command significant, if any, rental income. Accordingly, the market rent for the 2,919 SF ground-floor space (currently used by LHANC of Dade County, Inc.), including the exclusive use of the 7,002 SF fenced outdoor area, during the typical business hours, and currently utilized as a playground, would be \$20/SF on a triple-net basis whereas the tenant would pay base rent of \$20/SF, based on the 2,919 SF ground-floor area (no additional rent for the 7,002 SF outdoor area, as a typical office tenant would not pay for the use of such large outdoor space in South Florida; and only users for a smaller outdoor area might be a sport's camp and/or a fitness center such as CrossFit which incorporates indoor and outdoor work-out drills on a much smaller area), plus CAM based on the 2,919 SF space of the 12,676 SF total area.

Tenant One: occupies 2,076 square feet of "Class C" ground-floor office space. The market rent for the 2,076 SF ground-floor space (currently used by MDC Community Action Agency), would be \$22/SF on a triple-net basis whereas the tenant would pay base rent of \$22/SF, based on the 2,076 SF ground-floor area, plus CAM based on the 2,076 SF space of the 12,676 SF total area. The projected market rental rate takes into account the size/scale of the space (smaller than the two tenants with 2,919 SF and 3,826 SF), as well as the access provided to the 445 SF space currently used by another tenant (JCS of South Florida, Inc.'s "Senior Ride" program). The 2,076 SF space would be more marketable, without the 445 SF space embedded in it, with use by another tenant, and shared access between two users. If a comparable space for the 445 SF area can be allocated at the opposite side of this 2,076 SF space, with its own access from the hallway, the market rent for the "un-compromised" 2,076 SF space would be slightly higher.

Tenant Two: occupies 289 square feet of ground-floor storage/kitchen space; 2,792 SF of ground-floor auditorium space; and 445 SF of "Class C" ground-floor office space. It should be noted that a concession agreement was determined to be the appropriate mechanism by which to guarantee the tenant part-time use of the 2,792 SF auditorium space to serve meals on weekdays from 8:00 AM to 2:00 PM and still allow the space to be available for use by the City and/or general public during the afternoon, evening and weekend hours. The Miami Beach Parks and Recreation Department coordinates the use and/or rental of the Auditorium pursuant to its rules and regulations for rental of City-owned facilities. It should further be noted that the 445 SF of office space does not have independent access and can only be accessed by passing through the office space currently occupied by Tenant One.

### **Conclusion and Estimated Market Rental Rates - Continued**

Tenant Two (Continued) The market rent for the 445 SF ground-floor space (currently used by JCS of South Florida, Inc.'s "Senior Ride" program), with access through the 2,076 SF ground-floor area occupied by MDC Community Action Agency, would be \$25/SF on a triple-net basis whereas the tenant would pay base rent of \$25/SF, based on the 445 SF ground-floor area, plus CAM based on the 445 SF space of the 12,676 SF total area. The projected market rental rate takes into account the size/scale of the space (very small spaces typically command a higher rental rate on a per square foot basis), as well as the only access provided through the 2,076 SF space currently used by another tenant (MDC Community Action Agency). The 445 SF space would be more marketable, if it were not embedded within another tenant's quarters, and have shared-access between two users. If a comparable space for the 445 SF area can be allocated at the opposite side of this 2,076 SF space, with its own access from the hallway, the market rent for the 445 SF space would be slightly higher.

The market rent for the 289 SF ground-floor space (currently used by JCS of South Florida, Inc.'s "meals program", as the kitchen/meal preparation area for the adjacent 2,792 SF auditorium where the tenant has use of this space between 8 AM and 2 PM, on weekdays) Would be \$30/SF on a triple-net basis whereas the tenant would pay base rent of \$30/SF, based on the 289 SF ground-floor area, plus CAM based on the 289 SF space of the 12,676 SF total area, and the part-time use of the 2,792 SF dining area between 8 AM and 2 PM on weekdays (the lease of this 289 SF meal preparation area is in conjunction with the part-time use of the auditorium, see below).

A typical office or restaurant tenant would have 365-day 24-hour/day access and potential use of a leased space, while this tenant shares the auditorium with the community at large who uses it for other purposes, after 2 PM and on weekends. The six hours per weekday or 1,560 hours per year reflects about 18% (6 hours x 5 weekdays x 52 weeks / 365 days x 24 hours) of the total time on a yearly basis. In an exclusive use, the 2,792 SF ground-floor auditorium space would potentially appeal to a health clinic, art's studio, fitness center, kinder-garden, senior day-care center, etc. with a potential rental rate of \$20/SF on a triple-net basis, whereas the tenant, with an exclusive and full-time use would pay base rent of \$20/SF, based on the 2,792 SF ground-floor area, plus CAM based on the pro-rated share of the 2,792 SF space of the 12,676 SF total area.

Accordingly, 18% of the projected rental rate or \$3.60/SF ( $\$20/\text{SF} \times .18$ ) for the part-time and temporary non-exclusive use of the 2,792 SF auditorium space (2,792 SF x \$3.60/SF per year), plus 18% of the CAM based on the 2,792 SF space of the 12,676 SF total area; and \$30/SF for the full-time and exclusive use of the 289 SF storage/food preparation area, plus CAM based on the 289 SF space of the 12,676 SF total area would be reasonable market rents for these two areas to be utilized in conjunction. The projected market rental rates take into account the size/scale of the 289 SF interior space (very small spaces typically command a higher rental rate on a per square foot basis), as well as the associated part-time use of the auditorium area to serve meals.

Mr. Mark M. Milisits, RPA  
May 12, 2014  
Page Eight

**Conclusion and Estimated Market Rental Rates - Continued**

The current CAM fee for the subject property was reported to be \$7.68/SF, adjusted annually, which is typical for this type of space. It should be noted that the insurance cost runs between \$1.50/SF to \$2.50/SF gross building area, depending on the commercial use, configuration and build-out of a commercial structure. The insurance cost for the 12,676 SF subject property was estimated to be approximately \$2.50/SF, based on the replacement cost of similar community centers with an auditorium.

The implied expense for utilities and janitorial services derived from commercial properties in South Beach and the difference between quoted rental rates on a full-service (tenant pays for no expenses) and semi-net basis (tenant pays for utilities and interior maintenance) is about \$5-6/SF. However, the utility consumption varies based on the specific use of the leased space, occupancy (number of people occupying a space), as well as use of machinery, equipment, lighting, etc. We suggest that the landlord analyzes the actual utility bills for the last one or two years to capture the exact utility consumption at the subject property which has different tenants, uses and hours of operation.

In addition to the janitorial services, the maintenance cost (elevator service, air-conditioning service, grounds keeping, landscaping, plumbing and electrical) would range between \$1.50/SF and \$2.50/SF.

Accordingly, the CAM for this type of commercial space would be approximately \$9/SF to \$11/SF. The CAM charge for each tenant should be based on the respective space for each tenant and the 12,676 SF total net rentable space, as described herein. However, the CAM for the 2,792 SF auditorium area which is used on a part-time basis might be based on approximately 18% usage of total availability for that area.

It is my estimate that the market rents for the subject property in "as is" condition, as of May 2014 was as described herein.

Sincerely,



Jozef Alhale, MAI  
State Certified General Appraiser  
License No. RZ 0001557

14-04-06

**SUMMARY OF RENTAL COMMERCIAL OFFICE/RETAIL SPACE ON GROUND FLOOR EAST OF WASHINGTON AVENUE**

**"CHART ONE"**

	<b>Comparable Rental One</b>	<b>Comparable Rental Two</b>	<b>Comparable Rental Three</b>	<b>Comparable Rental Four</b>	<b>Comparable Rental Five</b>
<b>Address</b>	852 Collins Avenue Miami Beach Florida	865 Collins Avenue Miami Beach Florida	909 Collins Avenue Miami Beach Florida	1200 Collins Avenue Miami Beach Florida	983-999 Washington Avenue Miami Beach Florida
<b>Building Area (SF)</b>	11,406	16,070	7,000	16,353	13,300
<b>Site Area (SF)</b>	7,000	Condominiums	7,000	Condominiums	6,500
<b>Year Built</b>	1936	1954	Proposed	1939	1936
<b>Condition</b>	+ Average	+ Average to Good	Good	+ Average to Good	Good (Being Gut-Renovated)
<b>Vacant Space (SF)</b>	11,089	789	7,000	3,000	13,300
<b>Retail Vacancy %</b>	97%	5%	100%	18%	100%
<b>Lease Term</b>	10-15 Years	1-5 Years	5-10 Years	Negotiable	Negotiable
<b>Rental Escalations</b>	CPI or Stepped-up	CPI or Stepped-up	CPI or Stepped-up	CPI or Stepped-up	CPI or Stepped-up
<b>Tenant Expenses</b>	All Operating Expenses	Utilities and Interior Maintenance and Increases Above Base-Year Operating Expenses	All Operating Expenses	All Operating Expenses	All Operating Expenses
<b>Landlord Expenses</b>	Management and Reserves	Base-year fixed and variable expenses	Management and Reserves	Management and Reserves	Management and Reserves
<b>Rental Rate/SF</b>	<b>\$125</b> (Triple-Net)	<b>\$167.30</b> (Semi-Net)	<b>\$90</b> (Triple-Net)	<b>\$100</b> (Triple-Net)	<b>\$100</b> (Triple-Net)

J. ALHALE APPRAISALS, INC.

**SUMMARY OF RENTAL COMMERCIAL RESTAURANT/RETAIL SPACE ALONG OCEAN DRIVE**

**"CHART TWO"**

	<b>Comparable Rental One</b>	<b>Comparable Rental Two</b>	<b>Comparable Rental Three</b>	<b>Comparable Rental Four</b>	<b>Comparable Rental Five</b>	<b>Comparable Rental Six</b>
<b>Address</b>	900 Ocean Drive Miami Beach Florida	1052 Ocean Drive Miami Beach Florida	1451 Ocean Drive Miami Beach Florida	1390 Ocean Drive Miami Beach Florida	448 Ocean Drive Miami Beach Florida	36 Ocean Drive Miami Beach Florida
<b>Building Area (SF)</b>	19,502	12,925	634 to 888	29,137	15,128	5,750
<b>Site Area (SF)</b>	13,000	32,670	Condominiums	Condominiums	Condominiums	5,750
<b>Year Built</b>	1952	1934	1988	1965	2006	1925
<b>Condition</b>	+ Average to Good	+ Average to Good	Good	+ Average to Good	Good	+ Average
<b>Vacant Space (SF)</b>	0	0	0	2,000	2,267	5,750
<b>Retail Vacancy %</b>	0%	0%	0%	6.9%	15%	100%
<b>Lease Term</b>	3-7 Years	5-50 Years	5-10 Years	Negotiable	Negotiable	5-10 Years
<b>Rental Escalations</b>	CPI or Stepped-up	CPI or Stepped-up	3% to 3.5%	CPI or Stepped-up	CPI or Stepped-up	CPI or Stepped-up
<b>Tenant Expenses</b>	All Operating Expenses	All Operating Expenses	All Operating Expenses	All Operating Expenses	All Operating Expenses	All Operating Expenses
<b>Landlord Expenses</b>	Management and Reserves	Management and Reserves	Management and Reserves	Management and Reserves	Management and Reserves	Management and Reserves
<b>Bay Size (SF)</b>	833	1,714 to 6,102	634 to 888	2,000	2,267	5,750
<b>Rental Rate / SF</b>	<b>\$146</b> (Triple-Net)	<b>\$98 to \$147.50</b> (Triple-Net)	<b>\$82 to \$88</b> (Triple-Net)	<b>\$85</b> (Triple-Net)	<b>\$140</b> (Triple-Net)	<b>\$94</b> (Triple-Net)

J. ALHALE APPRAISALS, INC.

**SUMMARY OF RENTAL COMMERCIAL/OFFICE SPACE ON UPPER FLOORS: EAST OF WASHINGTON AVENUE**

**"CHART THREE"**

	Comparable Rental One	Comparable Rental Two	Comparable Rental Three	Comparable Rental Four	Comparable Rental Five	Comparable Rental Six	Comparable Rental Seven	Comparable Rental Eight
Address	826 Collins Avenue Miami Beach Florida	1426 Collins Avenue Miami Beach Florida	1434 Collins Avenue Miami Beach Florida	1330 Ocean Drive Miami Beach Florida	404 Washington Avenue Miami Beach Florida	555 Washington Avenue Miami Beach Florida	930 Washington Avenue Miami Beach Florida	1601 Washington Avenue Miami Beach Florida
Building Area (SF)	10,459	10,800	18,256	50,000	159,887	64,587	22,200	139,887
Site Area (SF)	7,000	10,500	9,720	Condominiums	24,788	38,911	30,050	84,740
Year Built	1923	1926	1955	1936	1995	2001	1967	2002
Condition	+ Average to Good	+ Average to Good	+ Average to Good	+ Average to Good	Good	+ Average to Good	+ Average	Good
Vacant Space (SF)	1,200	2,900	9,058	2,900	2,457	26,889	1,800	17,797
Retail Vacancy %	11%	27%	50%	6%	1.5%	42%	8%	12.7%
Lease Term	1-4 Years	3-5 Years	5 Years	3-5 Years	5 Years	2-5 Years	1-5 Years	1-5 Years
Rental Escalations	CPI or Stepped-up	CPI or Stepped-up	CPI or Stepped-up	CPI or Stepped-up	CPI or Stepped-up	CPI or Stepped-up	CPI or Stepped-up	CPI or Stepped-up
Tenant Expenses	Utilities and Interior Maintenance and Increases Above Base-Year Operating Expenses	All Operating Expenses	Utilities and Interior Maintenance and Increases Above Base-Year Operating Expenses	All Operating Expenses	None	Electricity	Utilities and Interior Maintenance and Increases Above Base-Year Operating Expenses	None
Landlord Expenses	Base-year fixed and variable expenses	Management and Reserves	Base-year fixed and variable expenses	Management and Reserves	All fixed and variable expenses	All other fixed and variable expenses	Base-year fixed and variable expenses	All fixed and variable expenses
Rental Rate/SF	\$48 (Semi-Net)	\$30 to \$35 (Triple-Net)	\$30 (Semi-Net)	\$30 to \$40 (Triple-Net)	\$35 (Full Service)	\$30 to \$36 (Semi-Net)	\$32 to \$36 (Semi-Net)	\$35 (Full Service)

J. ALHALE APPRAISALS, INC.

**SUMMARY OF RENTAL COMMERCIAL OFFICE/RETAIL SPACE ON GROUND  
AND UPPER FLOORS ON MAIN ARTERIES, WEST OF WASHINGTON AVENUE (Page 2)**

**"CHART FOUR"**

	<b>Comparable Rental Eight</b>	<b>Comparable Rental Nine</b>	<b>Comparable Rental Ten</b>	<b>Comparable Rental Eleven</b>	<b>Comparable Rental Twelve</b>	<b>Comparable Rental Thirteen</b>
<b>Address</b>	532-560 Lincoln Road Miami Beach Florida	690 Lincoln Road Miami Beach Florida	1201-1233 Lincoln Road Miami Beach Florida	1111 Lincoln Road Miami Beach Florida	455 Lincoln Road Miami Beach Florida	1000-1014 Lincoln Road Miami Beach Florida
<b>Building Area (SF)</b>	48,245	19,745	14,914	179,363	7,208	23,313
<b>Site Area (SF)</b>	16,500	45,000	7,500	48,000	4,987	16,500
<b>Year Built</b>	1930	1936	1925	1970	1937	1930
<b>Condition</b>	+ Average (Renovated)	+ Average (Renovated)	+ Average (Renovated)	+ Average (Renovated)	+ Average (Renovated)	+ Average (Renovated)
<b>Comments</b>	Lincoln Road; 2-story Mixed-Use; 2nd Floor Office Space	Lincoln Road; 3-story Mixed-Use; 2nd & 3rd Floor Office Space	Lincoln Road; 2-story Mixed-Use; 2nd Floor Office Space	Lincoln Road; 8-story Mixed-Use; Upper Floor Office Space	Lincoln Road; 2-story Mixed-Use; 2nd Floor Office Space	Lincoln Road; 2-story Mixed-Use; 2nd Floor Office Space
<b>Vacant Space (SF)</b>	3,088	4,500	800	7,019	200	340
<b>Retail Vacancy %</b>	6.4%	22.8%	5.4%	3.9%	2.8%	1.5%
<b>Lease Term</b>	Negotiable	Negotiable	Negotiable	1-5 Years	Negotiable	Negotiable
<b>Rental Escalations</b>	CPI or Stepped-up	CPI or Stepped-up	CPI or Stepped-up	CPI or Stepped-up	CPI or Stepped-up	CPI or Stepped-up
<b>Tenant Expenses</b>	Utilities and Interior Maintenance and Increases Above Base-Year Operating Expenses	None	None	None	None	None
<b>Landlord Expenses</b>	Base-year fixed and variable expenses	All fixed and variable expenses	All fixed and variable expenses	All fixed and variable expenses	All fixed and variable expenses	All fixed and variable expenses
<b>Rental Rate/SF</b>	\$25.60 to \$28.70 (Semi-Net)	\$33 to \$36 (Full Service)	\$25.50 (Full Service)	\$42.00 (Full Service)	\$60.00 (Full Service)	\$38.82 (Full Service)

J. ALHALE APPRAISALS, INC.

**SUMMARY OF RENTAL COMMERCIAL OFFICE/RETAIL SPACE ON GROUND AND UPPER FLOORS ON MAIN ARTERIES WEST OF WASHINGTON AVENUE (Page 1)**

**"CHART FOUR"**

	Comparable Rental One	Comparable Rental Two	Comparable Rental Three	Comparable Rental Four	Comparable Rental Five	Comparable Rental Six	Comparable Rental Six	Comparable Rental Seven
Address	420-426 Jefferson Avenue Miami Beach Florida	1000 5th Street Miami Beach Florida	1691 Michigan Avenue Miami Beach Florida	1688 Meridian Avenue Miami Beach Florida	1680 Meridian Avenue Miami Beach Florida	1674 Meridian Avenue Miami Beach Florida	919-939 Lincoln Road Miami Beach Florida	600-612 Lincoln Road Miami Beach Florida
Building Area (SF)	23,000	36,500	161,824	96,870	60,445	31,000	22,000	27,700
Site Area (SF)	11,275	30,000	153,000	1961	11,250	8,250	22,500	15,000
Year Built	1994	2004	2003	1961	1957	1956	1928	1940
Condition	+ Average to Good	Good	Good	+ Average (Renovated)	+ Average (Renovated)	+ Average (Renovated)	+ Average (Renovated)	+ Average (Renovated)
Comments	5th Street, Class B Office Space	5th Street, Class B Retail/Office Space	"The Lincoln", Class A Office Space	1st Floor Retail Upper Floor Office	Off Lincoln Road, Upper Floor Offices	Off Lincoln Road, Upper Floor Offices	Lincoln Road, 2-story Mixed-Use; 2nd Floor Office Space	Lincoln Road, 2-story Mixed-Use; 2nd Floor Office Space
Vacant Space (SF)	5,000	8,299	20,163	49,883	11,575	11,621	1,100	11,465
Retail Vacancy %	21.7%	22.7%	12.6%	51.5%	19.1%	37.6%	5.0%	41.4%
Lease Term	Negotiable	1-5 Years	Negotiable	3-5 Years	3-5 Years	1-5 Years	1-5 Years	Negotiable
Rental Escalations	CPI or Stepped-up	CPI or Stepped-up	CPI or Stepped-up	CPI or Stepped-up	CPI or Stepped-up	CPI or Stepped-up	CPI or Stepped-up	CPI or Stepped-up
Tenant Expenses	Utilities and Interior Maintenance and Increases Above Base-Year Operating Expenses	Utilities and Interior Maintenance and Increases Above Base-Year Operating Expenses	Utilities	All Operating Expenses	None	All Operating Expenses	Utilities and Interior Maintenance and Increases Above Base-Year Operating Expenses	All Operating Expenses
Landlord Expenses	Base-year fixed and variable expenses	Base-year fixed and variable expenses	All other fixed and variable expenses	Management and Reserves	All fixed and variable expenses	Management and Reserves	Base-year fixed and variable expenses	Management and Reserves
Rental Rate/SF	\$60.00 (Semi-Net)	\$40.00 (Semi-Net)	\$34.00 (Semi-Net)	\$110 1st Fl Retail \$21.26-26.26 Upper Floor Office Space (Triple-Net)	\$34 to \$35 (Full Service)	\$19.26 to \$21.26 (Triple-Net)	\$32.00 (Semi-Net)	\$25.00 (Triple-Net)

**SUMMARY OF RENTAL COMMERCIAL OFFICE/RETAIL SPACE ON  
THE GROUND FLOOR WEST OF WASHINGTON AVENUE**

**"CHART FIVE"**

	<b>Comparable Rental One</b>	<b>Comparable Rental Two</b>	<b>Comparable Rental Three</b>	<b>Comparable Rental Four</b>
<b>Address</b>	1501 Alton Road Miami Beach Florida	1428-1440 Alton Road Miami Beach Florida	1420-1426 Alton Road Miami Beach Florida	1019 5th Street Miami Beach Florida
<b>Building Area (SF)</b>	25,545	7,000	10,395	7,000
<b>Site Area (SF)</b>	60,000	15,000	15,000	7,000
<b>Year Built</b>	1991	1940	19447	1937
<b>Condition</b>	+ Average	+ Average (Renovated)	+ Average	Average
<b>Comments</b>	Alton Road; Retail Space (Former Block Buster)	Alton Road; Retail Space	Alton Road; Mixed- Use Space	1st Floor Retail
<b>Vacant Space (SF)</b>	4,200	2,239	3,507	7,000
<b>Retail Vacancy %</b>	16.4%	32.0%	33.7%	100.0%
<b>Lease Term</b>	Negotiable	Negotiable	Negotiable	Negotiable
<b>Rental Escalations</b>	CPI or Stepped-up	CPI or Stepped-up	CPI or Stepped-up	CPI or Stepped-up
<b>Tenant Expenses</b>	All Operating Expenses	All Operating Expenses	Utilities	All Operating Expenses
<b>Landlord Expenses</b>	Management and Reserves	Management and Reserves	All other fixed and variable expenses	Management and Reserves
<b>Rental Rate/SF</b>	<b>\$70.00</b> <b>(Triple-Net)</b>	<b>\$45.00</b> <b>(Triple-Net)</b>	<b>\$41.00</b> <b>(Semi-Net)</b>	<b>\$50.00</b> <b>(Triple-Net)</b>

**J. ALHALE APPRAISALS, INC.**

**SUMMARY OF RENTAL COMMERCIAL OFFICE SPACE ON MULTI-STORY OR UPPER FLOORS WEST OF WASHINGTON AVENUE**

**"CHART 80X"**

	Comparable Rental One	Comparable Rental Two	Comparable Rental Three	Comparable Rental Four	Comparable Rental Five	Comparable Rental Six	Comparable Rental Sixa	Comparable Rental Sixb	Comparable Rental Sixc	Comparable Rental Sixd	Comparable Rental Sixe
Address	420-455 Lenox Avenue Miami Beach Florida	541 Jefferson Avenue Miami Beach Florida	1915 Bay Road Miami Beach Florida	1885 Alton Road Miami Beach Florida	1664 Alton Road Miami Beach Florida	1555 Alton Road Miami Beach Florida	1400 Alton Road Miami Beach Florida	959 Alton Road Miami Beach Florida	844 Alton Road Miami Beach Florida	747 4th Street Miami Beach Florida	
Building Area (SF)	43,555	4,000	6,044	13,411	21,231	6,000	13,012	15,000	6,899	7,901	
Site Area (SF)	22,360	17,080	4,060	11,380	16,000	7,500	18,080	20,400	9,000	7,000	
Year Built	1949	1971	1992	2009	1938	1925	1941	1980	1948	1930	
Condition	+ Average	Average	+ Average	Good	+ Average (Renovated)	+ Average (Renovated)	+ Average	+ Average	+ Average (Renovated)	+ Average (Renovated)	
Comments	5th Street, Retail or Office Space	Between 5th & 6th Street, Class C Office Space	Bay Road, Retail or Office Space	1st Floor Retail 2nd Floor Office	Alton Road, Mixed-Use 2nd Floor Office	Alton Road, Mixed-Use 2nd Floor Office	Alton Road, 3-story Space, Last used as a Fitness Club	Alton Road, Last Used as a Higher-Education Facility	Alton Road, Mixed-Use 2nd Floor Office	South of 5th, 2-story Office Space 2nd Floor Available	
Vacant Space (SF)	29,900	4,000	3,000	6,099	2,850	3,900	13,012	15,000	2,744	1,500	
Retail Vacancy %	68.0%	100.0%	49.0%	44.5%	13.4%	65.0%	100.0%	100.0%	45.8%	19.0%	
Lease Term	3-5 Years	Negotiable	1-5 Years	Negotiable	Negotiable	3 Years	Negotiable	10 Years	Negotiable	1-5 Years	
Rental Escalations	CPI or Stepped-up	CPI or Stepped-up	CPI or Stepped-up	CPI or Stepped-up	CPI or Stepped-up	CPI or Stepped-up	CPI or Stepped-up	CPI or Stepped-up	CPI or Stepped-up	CPI or Stepped-up	
Tenant Expenses	All Operating Expenses	Utilities and Interior Maintenance and Increases Above Base-Year Operating Expenses	All Operating Expenses	All Operating Expenses	Utilities and Interior Maintenance and Increases Above Base-Year Operating Expenses	None	All Operating Expenses	None	All Operating Expenses	Utilities and Interior Maintenance and Increases Above Base-Year Operating Expenses	
Landlord Expenses	Management and Reserves	Base-year fixed and variable expenses	Management and Reserves	Management and Reserves	Base-year fixed and variable expenses	All fixed and variable expenses	Management and Reserves	All fixed and variable expenses	Management and Reserves	Base-year fixed and variable expenses	
Rental Rate/SF	\$38.45 (Triple-Net)	\$38.00 (Semi-Net)	\$38.00 (Triple-Net)	\$38.00 Retail \$35 Full-Service Office	\$31.39 (Semi-Net)	\$38.00 (Full Service)	\$48.00 (Triple-Net)	\$48.00 (Full Service)	\$32.00 (Triple-Net)	\$38.00 (Semi-Net)	



South (front) elevation of subject facility,  
facing northeast from 6<sup>th</sup> Street



South (front) elevation of subject facility,  
facing northwest from 6<sup>th</sup> Street



West (side) elevation of subject facility,  
facing southeast from Jefferson Avenue



Parking lot and east (side) elevation of subject  
facility, facing southwest from Meridian Avenue



Breezeway with elevator and exterior stairway,  
situated at south (front) end of facility



Tenant One (Miami-Dade County CAA) -  
2,076 SF ground floor office space



Tenant Two (JCS of South Florida, Inc.) –  
289 SF storage (meal preparation) space



Tenant Two (JCS of South Florida, Inc.) –  
2,792 SF auditorium space



Tenant Two (JCS of South Florida, Inc.) –  
445 SF ground floor office space



Common Area –  
305 SF ground floor kitchen space



Tenant Three (LHANC) –  
2,919 SF daycare center space



Tenant Three (LHANC) –  
7,002 SF playground space

*Subject Photographs – April 17, 2014*



Tenant Four (UNIDAD of Miami Beach, Inc.) –  
3,826 SF second floor office space



6<sup>th</sup> Street facing west, with subject  
property to right of photograph



Jefferson Avenue facing south, with subject  
property to left of photograph



Meridian Avenue facing north, with subject  
property to left of photograph



FIRST FLOOR PLAN

Tenant Four (UNIDAD) →



UNIDAD STORAGE  
133 SF

MECHANICAL  
276 SF

Tenant Two (JCS)

SENIOR RIDE  
445 SF

KITCHEN  
305 SF

Tenant One (Miami-Dade County CAA)

CAA  
2,076 SF

JCS STORAGE  
289 SF

AUDITORIUM  
2,792 SF

Tenant Two (JCS)

116 SF

17 SF

Lobby  
2,379 SF

Breezeway

Tenant Three (LHANC) Truncated →

Tenant Four (UNIDAD)

MECHANICAL  
206 SF



UNIDAD STORAGE  
198 SF

894 SF

Elevator

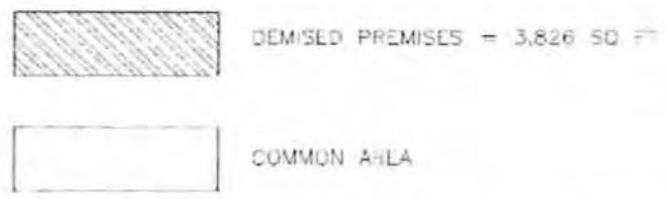
HS

SOUTH SHORE COMMUNITY CENTER  
833 SIXTH STREET



MIAMIBEACH

PROPERTY MANAGEMENT DIVISION  
1340 WASHINGTON AVE., MIAMI BEACH, FL 33139  
PHONE (305) 672-7930 FAX 305-672-7963



CH. 13147  
 DATE: 03-14-14  
 BY: J. J. J.  
 PROJECT: 13147

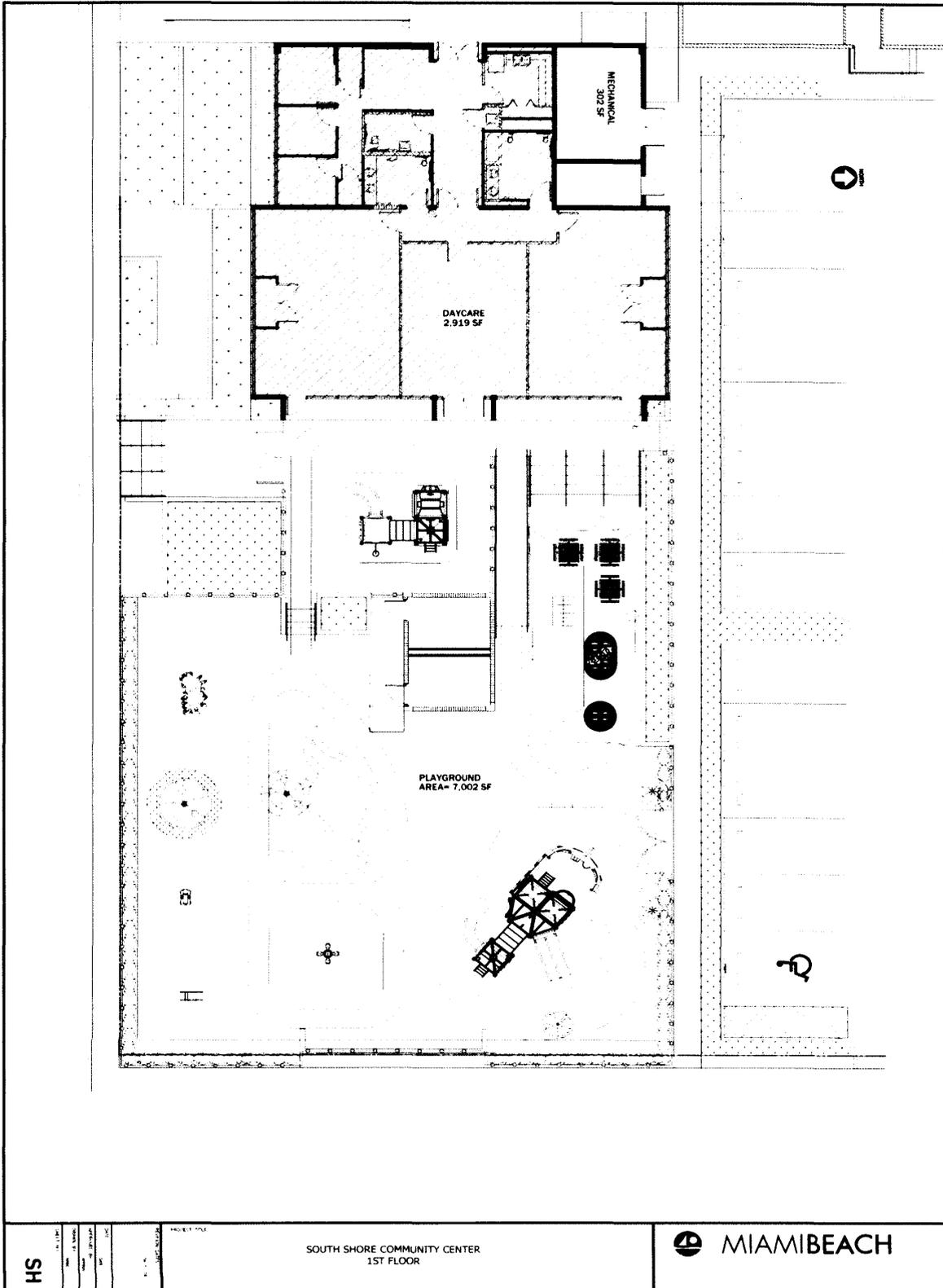
SOUTH SHORE COMMUNITY CENTER  
 2ND FLOOR

CITY OF MIAMI BEACH



# EXHIBIT 1

Demised Premises





Jefferson Avenue

Meridian Avenue

South Shore  
Community  
Center

Parking Lot

Playground

6th Street

2012 Aerial Photography

60ft



# NEIGHBORHOOD MAP



0 mi 0.2 0.4 0.6 0.8 1

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**FLOODSCAPE**  
 Flood Hazards Map  
 Map Number  
 12086C0319L  
 Effective Date  
 September 11, 2009

Powered by FloodSource  
 877.77.FLOOD  
 www.floodsource.com

## Exhibit C

### 2009 Fiscal year Operating Expenses (Portion)

South Shore Community Center 833 6th Street 2009 Fiscal Year Operating Expenses (Portion)			
		<u>Total</u> <u>Cost</u>	<u>Per Leasable</u> <u>Square Foot</u> <u>Cost</u>
<b>Utilities</b>	Electricity	53,886	4.25
	Water	2,431	0.19
	Sewer	2,323	0.18
	Stormwater	2,412	0.19
	<b>Subtotal</b>	<b>\$ 61,056</b>	<b>\$ 4.82</b>
<b>Maintenance</b>	Janitorial	36,250	2.86
	Elevator	-	-
	Cooling Tower Treatment	-	-
	Fire Services	-	-
	Pest Control	-	-
	Repairs & Maintenance	-	-
	<b>Subtotal</b>	<b>\$ 36,253</b>	<b>\$ 2.86</b>
<b>Insurance</b>	Property Insurance	-	-
	Hurricane Exposure	-	-
	<b>Subtotal</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total Annual Operating Expenses</b>		<b>\$ 97,308</b>	<b>\$ 7.68</b>

Building Square Footage Distribution			
	<u>1st Floor</u>	<u>2nd Floor</u>	<u>Total</u>
Leasable Area	8,850	3,826	12,676
Common Area	4,198	990	5,188
<b>Total</b>	<b>13,048</b>	<b>4,816</b>	<b>17,864</b>

# Exhibit D

## 2013 Fiscal Year Operating Expenses (Portion)

South Shore Community Center 833 6th Street 2013 Fiscal Year Operating Expenses (Portion)			
		Total Cost	Per Leasable Square Foot Cost
<b>Utilities</b>	Electricity	49,263	3.89
	Water	3,454	0.27
	Sewer	2,951	0.23
	Stormwater (estimate)	2,500	0.20
	<b>Subtotal</b>	<b>\$ 58,172</b>	<b>\$ 4.59</b>
<b>Maintenance</b>	Janitorial	33,189	2.62
	Elevator	-	-
	Cooling Tower Treatment	-	-
	Fire Services	-	-
	Pest Control	-	-
	Repairs & Maintenance	-	-
	<b>Subtotal</b>	<b>\$ 33,192</b>	<b>\$ 2.62</b>
<b>Insurance</b>	Property Insurance	-	-
	Hurricane Exposure	-	-
	<b>Subtotal</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total Annual Operating Expenses</b>		<b>\$ 91,364</b>	<b>\$ 7.21</b>

Building Square Footage Distribution			
	<u>1st Floor</u>	<u>2nd Floor</u>	<u>Total</u>
Leasable Area	8,850	3,826	12,676
Common Area	4,198	990	5,188
<b>Total</b>	<b>13,048</b>	<b>4,816</b>	<b>17,864</b>

## Exhibit E

### 2013 Fiscal year Operating Expenses (Total)

South Shore Community Center 833 6th Street 2013 Fiscal Year Operating Expenses (Total)			
		<u>Total Cost</u>	<u>Per Leasable Square Foot Cost</u>
<b>Utilities</b>	Electricity	49,263	3.89
	Water	3,454	0.27
	Sewer	2,951	0.23
	Stormwater (estimate)	2,500	0.20
	<b>Subtotal</b>	<b>\$ 58,172</b>	<b>\$ 4.59</b>
<b>Maintenance</b>	Janitorial	33,189	2.62
	Elevator	1,428	0.11
	Cooling Tower Treatment	1,644	0.13
	Fire Services	362	0.03
	Pest Control	642	0.05
	Repairs & Maintenance	44,691	3.53
	<b>Subtotal</b>	<b>\$ 81,962</b>	<b>\$ 6.47</b>
<b>Insurance</b>	Property Insurance	21,165	1.67
	Hurricane Exposure	39,781	3.14
	<b>Subtotal</b>	<b>\$ 60,951</b>	<b>\$ 4.81</b>
<b>Total Annual Operating Expenses</b>		<b><u>\$ 201,086</u></b>	<b><u>\$ 15.86</u></b>

Building Square Footage Distribution			
	<u>1st Floor</u>	<u>2nd Floor</u>	<u>Total</u>
Leasable Area	8,850	3,826	12,676
Common Area	4,198	990	5,188
<b>Total</b>	<b>13,048</b>	<b>4,816</b>	<b>17,864</b>