

Terminal Island Development Agreement
Term Sheet

1. Parties. The City of Miami Beach ("City") and Miami Beach Port, LLC ("MBP") intend to enter into a F.S. Ch. 163 development agreement (the "Development Agreement") for the joint redevelopment of the "Property".
2. Property Subject to Development Agreement.
 - a. MBP is owner of that certain parcel of land located at 120 MacArthur Causeway, Miami Beach, Florida (Folio #02-4204-000-0060), which is approximately 3.71 acres (161,716 Sq. Ft.) (the "MBP Parcel").
 - b. City is owner of that certain parcel of land located at 140 MacArthur Causeway, Miami Beach, Florida (Folio #02-4204-000-0010), which is approximately 2.16 acres (94,090 Sq. Ft.) (the "City Parcel", which collectively with the MBP Parcel is the "Property").
3. Scope of Project.
 - a. City and MBP intend to enter into the Development Agreement for the redevelopment of the MBP Parcel and City Parcel to include (i) a new 20+/- story tower for 60 +/- residential units (the "Tower"), above related residential amenities, parking, and the creation of a deep-water large-yacht marina, consistent with the Conceptual Plan prepared by Foster + Partners, dated May 9, 2014 (the "MBP Facilities"), (ii) the reconstruction and expansion of the existing City-owned facilities yard and offices, including approximately 39,000 square feet of administrative offices, service bays, vehicle maintenance and warehousing facilities and other related facilities for City operations (the "City Facilities"), and (iii) 240+/- parking spaces (approximately 75 surface spaces on the City Parcel and 165 designated covered spaces on the MBP parcel) for the City's sole, permanent and exclusive use. The MBP Facilities, City Facilities and City Parking Spaces (collectively referred to as the "Project") will be designed, permitted and constructed by MBP.
 - b. As part of the Project, the City will receive beneficial use of an additional 91,000 +/- Sq. Ft. of land on the MBP Parcel on which the City Facilities will be partially located and all of the garage for the MBP Facilities will be located.
 - c. The MBP Facilities will include ancillary support facilities typically associated with multifamily residential and marina, but with the following limitations, which shall be memorialized as covenants running with the land in the Declaration (or Declarations, in the event that there is more than one) of Condominium for the MBP Facilities:
 - i. any restaurant located within the MBP Facilities shall be limited to 1.25 seats per unit and open only to Tower residents and their guests.

- ii. any snack bar, coffee house, sundry shop, or food market (or combination) located within the MBP Facilities as an accessory to the marina shall be limited to employees, Tower residents, marina tenants and their guests.
- iii. the MBP Facilities nor the Project shall include any dance halls, entertainment establishments, neighborhood impact establishments, outdoor entertainment establishments, or open air entertainment establishments, as defined in the City's Land Development Regulations.

4. Key Terms & Provisions.

- a. The Property, in total 5.87 acres (255,806 Sq. Ft.), will be a unified development site, joined together under a covenant in lieu of unity of title entered into by City and MBP. Based on the existing Floor Area Ratio (FAR) of 1.0, the Property is permitted to be developed up to a maximum of 255,806 square feet of total Floor Area, as defined in Chapter 114, of the City's Land Development Regulations.
- b. The intention is that the Property may be expanded to potentially include other adjacent property on Terminal Island owned by private parties (each a "Third Party") upon agreement by MBP, City and said Third Party.
- c. MBP will design and construct all improvements on the Property, including the City Facilities.
- d. MBP shall bear the cost for design, build and delivery of the physical improvements associated with MBP's deep water marina and shall extend such construction standards for the physical improvements along the City's waterfront property. The City shall retain ownership and control of that portion of the seawall built along the City's property. The City, should it decide to lease its portion of the marina and any associated boat slips, shall provide MBP the right of first refusal in leasing said portion of the marina. The terms of any lease shall be negotiated between the parties.
- e. The estimated floor area required for the City Facilities is 39,000 Sq. Ft. The City will retain an additional 5,000 Sq. Ft. for future potential development requirements. The City will transfer to MBP approximately 50,000 Sq. Ft. of unused Floor Area (the "Unused City Floor Area") from the City Parcel, to be incorporated by MBP toward the construction of the Tower, including residential components and other related residential amenities (the "FAR Transfer").
- f. Allocation of costs.
 - i. MBP will be responsible for payment to City for the Unused City Floor Area, in an amount to be negotiated between City and MBP but which shall be no less than the fair market value of the Unused City Floor Area. City and MBP will establish a mutually acceptable methodology to determine the fair market value, of the Unused City Floor Area.

- ii. City will be responsible for payment to MBP for the cost of design, permitting, and construction of the City Facilities, except for the City Parking Spaces, which shall be paid for in accordance with subsection (iii) below. City and MBP will establish estimated construction costs, in an amount to be determined based on mutually acceptable construction cost estimates.
 - iii. City will pay MBP for the parking spaces constructed and allocated to the City, with final costs to be based on the actual design and construction costs per space.
 - iv. The intention is that the value of the Unused Floor Area and the cost of design, permitting and construction of the City Facilities, will be equivalent. Upon issuance of a Certificate of Occupancy, there will be an accounting of the final construction costs and the value of the Unused City Floor Area to determine the amount actually owed by each party.
- g. Concurrent with or prior to the execution of the Development Agreement, City will take all reasonable measures to process and adopt amendments to the I-1 District, Land Development Regulations, and to the Comprehensive Plan (collectively, the “City Amendments”) to allow for residential uses and accessory uses on Terminal Island, and to establish appropriate parking requirements; provided, however, that MBP agrees and acknowledges that any such City Amendments are subject to, and conditioned upon, approval by the Mayor and City Commission, at its sole and reasonable discretion.
- h. MBP and City will work cooperatively to seek approval of the design and development of the Project. MBP will be responsible for submitting any required applications for development approvals, with City as co-applicant, for the Project (i.e. Design Review Board, Planning Board, Board of Adjustment) prior to issuance of building permits for the Project; provided however, that MBP agrees and acknowledges that any such development approvals are subject to, and conditioned upon, approval by applicable development boards, in their sole and reasonable discretion.