



MIAMI BEACH

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

COMMITTEE MEMORANDUM

TO: Mayor Philip Levine and Members of the City Commission

FROM: Jimmy L. Morales, City Manager

DATE: July 18, 2014

This shall serve as written notice that a meeting of the Finance and Citywide Projects Committee has been scheduled for July 18, 2014, at 2:00 P.M. in the Commission Chambers.

The agenda is as follows:

OLD BUSINESS

1. **Discussion regarding Financial Impact of the Proposed Roadway Closure Applications for 87 Street and 87 Terrace Filed by 8701 Collins Development (March 5, 2014 Commission Item C4D)(187)**

Eric Carpenter – Public Works Director

NEW BUSINESS

2. **Discussion regarding The Greater Miami Convention and Visitors Bureau Interlocal Agreement (March 5, 2014 Commission Item C4F)(188)**

Max Sklar – Tourism, Cultural and Economic Development Director

3. **Discussion regarding Adoption of an Updated Strategic Plan for the Cultural Affairs Program, to include utilization of Fillmore Community Benefit Fund, Cultural Arts Council Endowment, and Cultural Affairs Program Fund Balance Funds for Greater Cultural Benefits for Residents and Visitors (April 23, 2014 Commission Item C4B)(190)**

Max Sklar – Tourism, Cultural and Economic Development Director

4. **Discussion regarding A Resolution Rescinding the prior action taken by the City Commission on June 6, 2012, pursuant to Resolution No. 2012-27917, which accepted the recommendation of the City**

Manager pertaining to the ranking of firms, pursuant to request for Proposals (RFP) No. 27-11/12, for Disaster Recovery Services and which authorized the Administration to enter into negotiations with the top ranked firms of Ceres Environmental Services, Inc., Asbritt, Inc., Tag Grinding Services, Inc. Byrd Brothers Environmental Services, Inc., D&J Enterprises, Inc. and Phillips and Jordan, Inc. and to execute agreements upon the conclusion of successful negotiations by the Administration with Ashbritt, Inc. as the Primary Firm; And further rejecting all proposals received resulting from RFP No. 27-11/12 ([June 11, 2014 Commission Item R7U](#))(203)

Eric Carpenter – Public Works Director

- 5. Discussion regarding referral to the Finance and Citywide Projects Committee to discuss the Schedule of User Fees for Various Parks and Recreation Programs and Services, Facility Admissions and Rentals ([June 11, 2014 Commission Item C4F](#))(201)**

John Rebar – Parks and Recreation Director

- 6. Discussion regarding the Purchase and Sale Agreement for 226-87th Terrace to permit the Development of a Parking Garage to include at least 100 Public Parking Spaces ([June 11, 2014 Commission Item C4I](#))(202)**

Joe Jimenez – Assistant City Manager

Finance and Citywide Projects Committee Meetings for 2014:

August 13, 2014

September 25, 2014

October 17, 2014

November 12, 2014

December 12, 2014

PENDING ITEMS: REFER TO ATTACHMENT 1

PDW/rs/kd

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Cc. Mayor and Members of the City Commission
Management Team

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MIAMI BEACH

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

COMMITTEE MEMORANDUM

TO: Finance & Citywide Projects Committee

FROM: Jimmy L. Morales, City Manager

DATE: July 18, 2014

SUBJECT: **DISCUSSION OF FINANCIAL IMPACT OF THE PROPOSED ROADWAY CLOSURE APPLICATION FOR 87 STREET AND 87 TERRACE FILED BY 8701 COLLINS DEVELOPMENT**

CURRENT STATUS

The City is currently undergoing negotiations with Collins Development, LLC., and a second appraisal was obtained by the City's Public Works Department on July 2, 2014.

BACKGROUND

The City holds a right of way dedication to a fifty (50) foot wide road, running from Collins Avenue, east 360 feet to "Parcel A", as set forth in the sketch attached as Exhibit "A" hereto, which originated when the Plat of Altos Del Mar Subdivision Number 2 was platted in 1920 and approved by the City (the aforesaid property is hereinafter referred to as the "City Right of Way" or "City ROW").

8701 Collins Development, LCC (the Applicant) owns the property to the south of, and adjacent to, the City Right of Way; the Applicant's property is the Biltmore Terrace Hotel (formerly known as the Dezerland Hotel), located at 8701 Collins Avenue Miami Beach, Florida (Applicant's property is hereinafter referred to as the "Property").

The Applicant intends to redevelop the current hotel located on the Property, together with the parking lot located on the north half of the property, into a hotel, condo-hotel and residential condominium (the "Proposed Development").

In conjunction with Applicant's Proposed Development on the Property, Applicant is requesting that the City vacate the City ROW, and has submitted its application to the City's Public Works Department with respect thereto.

Pursuant to the City's existing Administrative policies and procedures to consider the vacation of the City streets, alleys, and/or rights of way, which also require compliance with Article II, Sections 82-36 through 82-40 of the City Code (which establish the procedures governing the sale or lease of public property), in addition to the aforesaid application, prior to considering a request for vacation, the following requirements must be satisfied:

- 1) The title of the Resolution approving the proposed vacation shall be heard by the City Commission on two separate meeting dates (Note: A First Reading is scheduled to take place at the July 23, 2014 City Commission), with the second reading to be accompanied by a duly noticed public hearing, in order to obtain citizen input into the proposed vacation;
- 2) The proposed vacation is being transmitted to the Finance and Citywide Projects Committee (FCWPC) for its review at its July 18, 2014 meeting;
- 3) In order for the City Commission and the public to be fully appraised of all conditions relating to the proposed vacation, the City's Planning Department shall prepare a written planning analysis, to be submitted to the City Commission concurrent with its consideration of the proposed vacation (Note: The Planning Department is currently working on this.);
- 4) The City shall obtain an independent appraisal of the fair market value of the property proposed to be vacated, which shall include a definition of the property based on proposed and possible issues including, without limitation, the highest and best use of the property by the Applicant (Note: A second appraisal was obtained by the City's Public Works Department on July 2, 2014). The appraised value of the property to be vacated with a ten foot public access easement returned to the City was determined to be \$10.5M by the second appraiser. The first appraisal valued the vacation at \$5.3M. Both appraisals are attached.

Although the City's procedures for the lease or sale of public property also require an advertised public bidding process, the requirement may be waived by 6/7th vote; in this case, due to the nature of the plat pertaining to this right of way, it reverts back to the adjacent property owner. The City Administration recommends that the Mayor and City Commission waive the competitive bidding requirement, in order to comply with the reversionary clause.

At its May 20, 2013 meeting, the FCWPC Committee recommended referring this item to the Land Use & Development Committee and have the appraisal be re-evaluated, and then brought back to the next FCWPC meeting.

JLM/MT/ETC/JJF

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**SLACK
JOHNSTON
MAGENHEIMER**
REAL ESTATE APPRAISERS & CONSULTANTS

7245 S.W. 87 AVENUE, SUITE 300
MIAMI, FLORIDA 33173

APPRAISAL OF REAL PROPERTY

**0.41-ACRE SITE
87 TERRACE RIGHT-OF-WAY,
BETWEEN COLLINS AVENUE
AND THE FUTURE BOARDWALK
MIAMI BEACH, MIAMI-DADE COUNTY, FLORIDA**

DRAFT

**APPRAISAL REPORT
SJM FILE: 14064**

PREPARED FOR

**MR. ERIC CARPENTER
PUBLIC WORKS DIRECTOR
CITY OF MIAMI BEACH
1700 CONVENTION CENTER DRIVE
MIAMI BEACH, FLORIDA 33139**

**SLACK
JOHNSTON
MAGENHEIMER**
REAL ESTATE APPRAISERS & CONSULTANTS

ANDREW H. MAGENHEIMER, MAI
CERT.GEN. RZ1073

THEODORE W. SLACK, MAI
(1902-1992)

THEODORE C. SLACK, MAI
(RETIRED)

SUE BARRETT SLACK, MAI
(RETIRED)

June 30, 2014

Mr. Eric Carpenter
Public Works Director
City of Miami Beach
1700 Convention Center Drive
Miami Beach, Florida 33139

RE: Appraisal of Real Property – 0.41-Acre Site, 87 Terrace Right-of-Way, Between Collins Avenue and the Future Boardwalk, Miami Beach, Miami-Dade County, Florida
SJM File: 14064

Dear Mr. Carpenter:

At your request, we have prepared an appraisal of the market value of the above referenced property, as of June 24, 2014, the effective date of the appraisal. The scope of this appraisal includes an analysis to estimate the market value of the subject property under two valuation scenarios, as of a current date of valuation. This appraisal will be based on an "across the fence" valuation of the property utilizing the sales comparison approach based on the hypothetical condition the site has a land use and zoning consistent with the site located adjacent to the south of the subject property. Scenario 1 includes an estimate of the market value of the fee simple interest in the subject property. Scenario 2 includes an estimate of the market value of the fee simple interest in the property including a proposed 10 foot beach access easement located along the northern boundary of the site.

The subject property consists of a 0.41-acre site and is the 87 Terrace Right-of-Way, between Collins Avenue and the future boardwalk in the City of Miami Beach. The property contains 18,000 square feet, with dimensions of 50' x 360'. The site has an interior location with road frontage and access from Collins Avenue and exposure from the Atlantic Ocean. All utilities are available to the site. As the site represents a public road right-of-way, it is not zoned. This appraisal is based on the hypothetical condition it has a land use and zoning of RM-2 (Residential Multifamily, Medium Intensity), consistent with the adjacent uses to the south. Site improvements include asphalt paving, striping, concrete curbs, bumpers and sidewalk, parking lot lighting and minimal landscaping.

Mr. Eric Carpenter
June 30, 2014
Page Two

The appraisal report states our opinion of market value, subject to various assumptions and limiting conditions contained in this report. The property visit and analyses forming the basis of our valuation have been performed by the undersigned. The appraisal has been prepared in accordance with the Uniform Standards of Professional Appraisal Practice (USPAP), as adopted by the Appraisal Standards Board of the Appraisal Foundation.

Based on our investigation and analysis, we have formed the opinion that the market value of the fee simple interest in the subject property, as of June 24, 2014, was as follows:

Scenario 1 - Fee Simple Market Value
ELEVEN MILLION SEVEN HUNDRED THOUSAND DOLLARS
(\$11,700,000).

Based on our investigation and analysis, we have formed the opinion that the market value of the subject property, subject to a proposed beach access easement, as of June 24, 2014, was as follows:

Scenario 2 - Market Value Subject to the Proposed Beach Access Easement
TEN MILLION FIVE HUNDRED THIRTY THOUSAND DOLLARS
(\$10,530,000).

The following report summarizes the results of our investigation.

Respectfully submitted,

SLACK, JOHNSTON & MAGENHEIMER, INC.

DRAFT

Andrew H. Magenheimer, MAI
CERT. GEN. RZ1073

DRAFT

Zachary Olen
CERT. GEN. RZ3124

"RADON GAS: is a naturally occurring gas that, when it is has accumulated in a building in sufficient quantities, may present risk to persons who are exposed to it over time. Levels of radon that exceed federal and state guidelines have been found in building in Florida. Additional information regarding radon and radon testing may be obtained from your public health unit."

It is assumed that sellers will comply with this law.

18. Disclosure of the contents of this report by the appraiser is controlled by the Appraisal Institute of which one or more signatures of this report is an MAI member and by the Florida Department of Professional Regulation, Division of Appraisal State Certification. The analysis and value conclusions, as well as non-public information about the subject property, are confidential matters and cannot be divulged to any persons other than the party for whom the report is prepared.

Exceptions to this confidentiality provision are requests by committees of the Appraisal Institute or the Florida Department of Professional Regulations for peer review, and subpoenas by any court having jurisdiction to request production of the report.

Appraisal Assumptions

19. The subject property represents a public road right-of-way that is not currently zoned. For purposes of this appraisal, it is assumed the subject property represents a buildable site and is based on the hypothetical condition the site is zoned RM-2 (Residential Multifamily, Medium Intensity).
20. We were not provided a survey of the subject property. We have relied on the site size information provided by the client. Any change in site size could have a material impact on value.
21. A proposed beach access easement agreement was not provided or reviewed. For valuation purposes under Scenario 2, we have assumed the access easement would require the property owner to maintain perpetual public access to the beach from Collins Avenue.

Acceptance or use of this report constitutes acceptance of the preceding conditions.

IDENTIFICATION OF THE PROPERTY

The subject property consists of a 0.41-acre site and is the 87 Terrace Right-of-Way, between Collins Avenue and the future boardwalk in the City of Miami Beach. The property contains 18,000 square feet, with dimensions of 50' x 360'. The site has an interior location with road frontage and access from Collins Avenue and exposure from the Atlantic Ocean. All utilities are available to the site. As the site represents a public road right-of-way, it is not zoned. This appraisal is based on the hypothetical condition it has a land use and zoning of RM-2 (Residential Multifamily, Medium Intensity), consistent with the adjacent uses to the south. Site improvements include asphalt paving, striping, concrete curbs, bumpers and sidewalk, parking lot lighting and minimal landscaping.

LEGAL DESCRIPTION

We were not provided a survey or legal description for the property. In addition, there is no legal description available in the public records for the subject property.

OWNERSHIP AND HISTORY OF THE PROPERTY

According to the client, the subject property is currently owned by the City of Miami Beach, 1700 Convention Center Drive, Miami Beach, Florida 33139. The subject property is a public road right-of-way that provides parking and access to the beach.

PURPOSE, INTENDED USE AND DATE OF THE APPRAISAL

The purpose of this appraisal is to develop and report an opinion of the market value of the fee simple interest in the subject property, as of June 24, 2014, the effective date of appraisal. The date of the report is June 30, 2014. The client and intended user of this report is The City of Miami Beach. The intended use of the appraisal is to assist in negotiating the sale of the parcel. There are no other intended users or intended uses of this appraisal.

SCOPE OF THE APPRAISAL

The scope of this appraisal report is defined by the purpose, which is to develop and report the current market value of the fee simple estate in the subject property. As noted, the subject property is the 87 Terrace public road right-of-way between Collins Avenue

and the future boardwalk. For valuation purposes, the subject property has been valued under two scenarios. This appraisal will be based on an "across the fence" valuation of the property utilizing the sales comparison approach based on the hypothetical condition the site has a land use and zoning of RM-2 (Residential Multifamily, Medium Intensity), consistent with the site located adjacent to the south of the subject property. Scenario 1 includes an estimate of the market value of the fee simple interest in the subject property. Scenario 2 includes an estimate of the market value of the fee simple interest in the property including a proposed 10 foot beach access easement located along the northern boundary of the site. We were not provided a survey of the subject property and have relied on a site size provided by the client.

Subsequent to our site visit, research was conducted in support of an estimation of the highest and best use, as of the date of valuation. The highest and best use analysis considers all physically possible, legally permissible and economically feasible uses to which the property can be put as vacant and improved. As will be discussed, the highest and best use of the subject property, as though vacant, is for development within the constraints of zoning and market demand.

After concluding the highest and best use, the valuation methods were considered. The appraisal process can include three basic approaches to value. These are the income, sales comparison, and cost approaches. The application of these approaches is determined by the type of property being appraised, as well as the scope of the valuation assignment. As discussed, the subject property represents a vacant site. The sales comparison approach was considered the only applicable approach in the valuation of the subject property.

Our research included analyzing comparable land sales, which extended from January, 2012 to the effective date of this appraisal. Our search concentrated on sales and listings of similar sites located in the subject's market area for purposes of comparison to the subject site. Analysis of the selected sales included reviewing the deed and confirming sale details with one or more of the parties to the transaction, or other reliable sources, as stated herein. A visual inspection of each sale was made when accessible.

To estimate the market value of the property subject to a proposed 10 foot beach access easement (Scenario 2) along the northern boundary of the site, we have applied a diminution ratio to the easement portion of the site that encompasses approximately 3,600 square feet. Case studies were considered in estimating the appropriate diminution in value based on the limitations in place due to the 10 foot easement. The final step in our analysis is a reconciliation of the appraisal methods used. The quantity and quality of the data used, and the reliability of their value indications, are the basis for the final conclusion of value.

DEFINITION OF VALUE AND INTEREST APPRAISED

The Uniform Standards of Professional Appraisal Practice (USPAP 2014-15) defines **Market Value** as "a type of value, stated as an opinion, that presumes the transfer of a property (i.e. a right of ownership or a bundle of rights), as of a certain date, under specific conditions set forth in the definition of the term identified by the appraiser as applicable in an appraisal."

We have relied on the Dictionary of Real Estate Appraisal, Fifth Edition, definition of **Market Value** as "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 well informed or well advised, and acting in what they consider their best interests;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in cash in United States 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.

(12 C.F.R. Part 34.42 (g); 55 *Federal Register* 34696, August 24, 1990, as amended at 57 *Federal Register* 12202, April 9, 1992; 59 *Federal Register* 29499, June 7, 1994). "

Other pertinent definitions from the Dictionary of Real Estate Appraisal, Fifth Edition, as follows:

Fee Simple Estate is the "absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat."

Exposure Time is "the estimated length of time to property interest being appraised would have been offered in the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal."

Marketing Time is "an opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of the appraisals."

Hypothetical Condition is "that which is contrary to what exists but is supposed for the purpose of analysis."

Easement is an "interest in real property that conveys use, but not ownership, of a portion of an owner's property. Access or right of way easements may be acquired by private parties or public utilities. Governments dedicate conservation, open space and preservation easements."

EXPOSURE AND MARKETING TIME

Exposure and marketing times are the typical periods of time necessary to expose and actively market the subject property on the open market to achieve a sale at a price consistent with the market value estimate and on terms consistent with the definition of market value recited herein. The length of time is a function of several factors including price, terms, investment quality and exposure to a given market. Exposure time is the hypothetical period immediately preceding the effective date of the appraisal and market time is the period immediately after the effective date of the appraisal.

A review of current market activity for land located in the subject neighborhood, as well as conversations with brokers active within this market, was performed in order to estimate an exposure time for the subject property. Most brokers indicated that exposure/marketing times are typically less than one year, if the property is priced realistically. We have further estimated a marketing time of up to 12 months.

NEIGHBORHOOD ANALYSIS

The subject property is located at 87 Terrace, between Collins Avenue and the future boardwalk. This location is within the central section of Miami-Dade County, within the City of Miami Beach. The subject property is located about 8.00 miles northeast of the Central Business District of Miami and 9.75 miles northeast of the Miami International Airport.

The City of Miami Beach was incorporated on March 26, 1915. It is an island which is approximately 1.0 mile wide and comprises a land area of 7.1 square miles. The City is bounded on the north by the City of Surfside, which begins at the subject property. The southern boundary of Miami Beach is Government Cut, which is the cargo shipping channel extending from the Atlantic Ocean to the Port of Miami. The western boundary is Biscayne Bay/Intracoastal Waterway and the eastern boundary is the Atlantic Ocean.

Access to Miami Beach, from the mainland, is provided by four causeways. The northernmost causeway is located at 79 Street on the mainland, and is known as the North Bay Causeway. At about 36 Street is the Julia Tuttle Causeway or Interstate 195. The Venetian Causeway reaches Miami Beach at approximately 17 Street. The MacArthur Causeway (Interstate 395) enters Miami Beach at 5 Street. The MacArthur Causeway extends west to downtown Miami and also intersects with Interstate 95, which is the major north/south artery of the Florida eastern coast. Continuing further west, this causeway is known as the Dolphin Expressway (State Road 836), which provides direct access to Miami International Airport and the Florida Turnpike. The North Bay Causeway serves the northern portion of Miami Beach at 79 Street, where the subject property is located.

Local access in the subject neighborhood in a north/south direction includes Indian Creek Drive and Collins Avenue (State Road A-1-A). Collins Avenue runs from Government Cut to the south to the Miami-Dade County line to the north. In the subject area, north of 60 Street, Collins Avenue is a northbound access road. As noted, the subject property has frontage along the east side of Collins Avenue. South of 60 Street, Collins Avenue is a paved, six-lane, median divided north/south bound road. Indian Creek Drive is also a major thoroughfare in this part of Miami Beach. Indian Creek Drive terminates and merges with Collins Avenue at 26 Street, more or less. East/west traffic is limited to local roads since this part of Miami Beach is fairly narrow.

The general boundaries of the subject property's neighborhood are considered to be the Indian Creek Waterway to the west, Atlantic Ocean and beaches to the east, 88 Street to the north and 41 Street to the south. Indian Creek is a partly natural and partly man-made waterway. The map on the following page shows the subject property's location.



The majority of residential development in the subject neighborhood on the east side of Collins Avenue is comprised of high-rise rental apartments, residential condominiums and hotel uses. Adjacent to the south of the subject property is the Howard Johnson Plaza Dezerland Beach and Spa 225-room hotel. Development on the west side of Collins Avenue consists of low- and mid-rise residential projects. There are scattered commercial uses along the east and west sides of Collins Avenue.

In conclusion, the neighborhood appears to be over 90% built out. New development in the area generally follows the demolition of older improvements.

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DESCRIPTION OF THE SITE



Not to scale. For illustrative purposes.

Location: 87 Terrace, Between Collins Avenue and the future boardwalk, Miami Beach, Florida.

Land Area: 18,000 square feet; 0.41 acre

Shape: Basically Rectangular

Frontage/Dimensions: Per the client, the subject property has approximately 50 feet of frontage along Collins Avenue and has a depth of approximately 360 feet.

Access: Vehicular access to the property is provided from the east side of Collins Avenue. At the subject property, Collins Avenue is a three lane paved road and provides only northbound traffic flow. Harding Avenue provides access for the southbound traffic via 87 Terrace.

Topography: Basically level and at street grade.

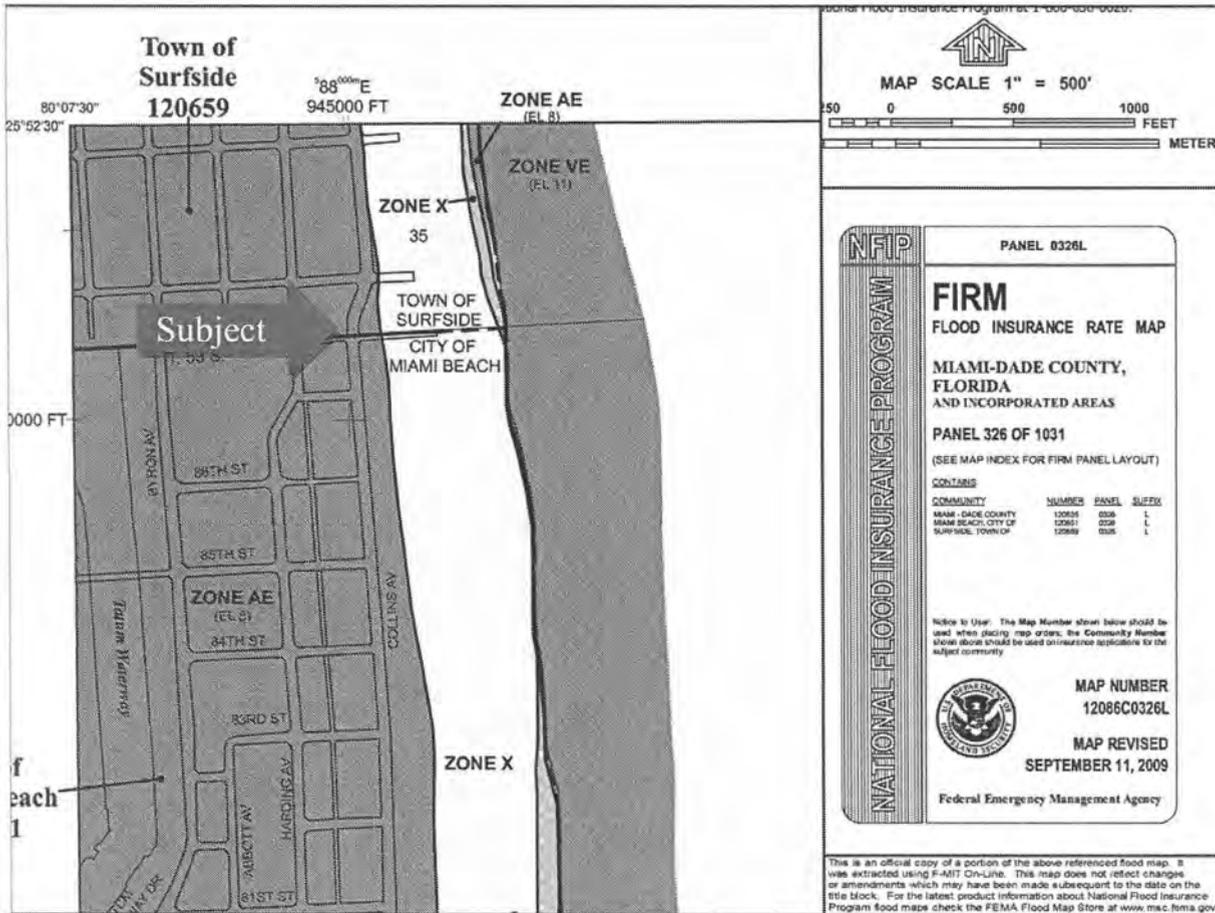
Flood Insurance: Zone "AE"; Base flood elevations determined. Elevation 8 feet and Zone "X"; Areas determined to be outside the 0.2% annual chance floodplain. National Flood Insurance Community Panel Number 12086C 0326L, dated September 11, 2009.

Soil Conditions: No soil report of the property was provided. It is assumed that the soil is of sufficient load bearing capacity to support the construction of permanent structures. No evidence of any adverse soil conditions at the site was observed upon our visit of the property.

Utilities: All public utilities are available to the site. The City of Miami Beach utilizes the Miami-Dade County Water and Sewer Department for water and sanitary sewage, with the City of Miami Beach being responsible for solid waste collection and disposal. Electricity is provided by FPL and local telephone service is provided by AT&T.

Land Use Restrictions: No authoritative report of title has been provided or reviewed. There do not appear to be any easements, encroachments, or restrictions that would adversely affect the utilization of the site.

Environmental Study: An environmental study was not provided. This appraisal report is based on the assumption that no conditions exist that would adversely affect the utilization or marketability of the property.



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REAL ESTATE TAX ANALYSIS

The subject property is located within the City of Miami Beach and would be subject to both city and county ad valorem taxes on real property, if under private ownership. The Florida Statutes provide for assessment and collection of ad valorem taxes on real property; however, the taxes are assessed, collected, and used on the local county level. The assessment for the property is established each year as of January 1st by the Miami-Dade County Property Appraiser's Office at 100% of "Just Value". The tax due is computed according to annual millage rates established by Miami-Dade County. Millage rates are the amount paid to each taxing body for every \$1,000 of assessed value. Taxes are payable in November with a 4% discount and become delinquent on April 1st.

As noted, the site represents a public road right-of-way. The subject parcel does not have an assigned folio number. Since the subject parcel is owned by the City of Miami Beach, it is not being assessed for ad valorem taxes.

LAND USE AND ZONING

As discussed, the subject property is a public road right-of-way and is not zoned. This appraisal is based on the hypothetical condition the site has a land use and zoning of RM-2 (Residential Multifamily, Medium Intensity), consistent with the adjacent uses to the south. Based on a conversation with the City of Miami Beach Planning and Zoning Department in the area within 250 feet of North Shore Open Space Park the building height and number of stories was recently increased. This includes the subject property and is described below.

Refer to the following pages for a copy of the land use and zoning maps. The "RM-2" district provides for main permitted uses such as; single-family detached dwellings, townhomes, apartments, apartment-hotels and hotels. Conditional uses permitted in the "RM-2" district include adult congregate living, day care, nursing home, religious institutions, private and public institutions, schools, commercial and noncommercial parking lots and garages and accessory neighborhood impact establishments.

Development Regulations Applicable to the Subject Property:

Maximum Floor Area	2.0
Minimum Lot Area	7,000 Square Feet
Minimum Lot Width	50 Feet
Minimum Unit Size	550 Square Feet
Average Unit Size	800 Square Feet
Maximum Building Height	200 Feet
Maximum Number of Stories	21-Stories
Setbacks	Front – 20 feet; side, interior – 5 feet, side, facing a street, 5 feet; and rear 5 feet.

The above stated zoning restrictions are basic requirements outlined in the zoning code. There are several overlapping sections of the zoning code, as well as building code requirements, which would be considered in a full zoning code compliance review. A copy of the zoning code is located in the addenda.

LAND USE MAP



HIGHEST AND BEST USE

The following definitions are from The Dictionary of Real Estate Appraisal (Fifth Edition) published by the Appraisal Institute:

Highest and Best Use is the "reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria that highest and best use must meet are legal permissibility, physical possibility, financial feasibility and maximum profitability."

Highest and Best Use As Though Vacant is "among all reasonable alternative uses, the use that yields the highest present land value, after payments are made for labor, capital, and coordination. The use of a property based on the assumption that the parcel of land is vacant or can be made vacant by demolishing any improvements."

As Improved is the "use that should be made of a property as it exists. An existing property should be renovated or retained, as is, so long as it continues to contribute to the total market value of the property, or until the return from a new improvement would more than offset the cost of demolishing the existing building and constructing a new one."

In estimating highest and best use, there are essentially four stages of analysis:

1. Possible Use – normally dictated by physical constraints.
2. Permissible Use – what use would be permitted in consideration of existing zoning and other applicable laws governing the use of the property, as well as any deed restrictions that may exist.
3. Feasible Use – which possible and permissible uses will produce a net return to the owner of the site.
4. Maximally Productive – among feasible uses, which use will produce the highest net return to the land."

To meet the tests of highest and best use, the use cannot be speculative or conjectural. It must be legal and probable. There must be a profitable demand for such use and it must return to the land the highest net return for the longest period of time. These tests have been applied to the subject property. In arriving at the estimate of highest and best use, the subject property was analyzed as vacant.

As Though Vacant

Physically Possible: The subject site is rectangular and contains approximately 18,000 square feet or 0.41 acre. Although no soil report for the subject site has been provided, a visit to the property, as well as existing developments in the area revealed no problems associated with the physical aspects of developing the site. The area has good local access and availability to public utilities. The physical characteristics of the site and surrounding area support a variety of uses based on its configuration and size.

Legally Permissible: Permissible or legal uses are those permitted by zoning and land use regulations. No recent title search was provided to the appraisers. It is assumed that there are no covenants, restrictions or easements that would adversely affect the use of the site to such an extent that it would negatively impact its value. As discussed, this appraisal is also based on the hypothetical condition the site has a land use and zoning of RM-2 (Residential Multifamily, Medium Intensity), consistent with the uses to the south. Based on the this zoning, the property could be developed with a variety of residential uses.

Feasible or Maximally Productive Use: It has been established that the subject property is of adequate size and shape for development. We have also established that the RM-2 zoning would allow the development of a variety of uses. Based on a review of the trend of development and recent market conditions, the site would likely be developed with a residential project. As discussed previously, the Miami Beach area is beginning to see new construction again after three or four years of inactivity.

Conclusion: Considering the location, physical characteristics and permissible uses of the property, and based upon an analysis of the site, the surrounding neighborhood, land uses and the real estate market in general, it is our opinion that the highest and best use of the subject property, as vacant, is for the development of an optimum size residential building within the constraints of zoning and market demand.

VALUATION PROCESS

There are three generally recognized approaches considered in the valuation of real property. They include the income, sales comparison, and cost approaches. It should be noted that the appropriateness and reliability of each approach depends on the type of property being appraised, the age and condition of the improvements, if any, and the availability and quality of market data available for analysis.

The income approach provides an indication of value of a property based on a conversion of anticipated benefits (net income). The method of conversion is called capitalization and is either based on a single year's income (direct capitalization), or several years' income (discounted cash flow). The sales comparison approach provides an indication of value based on sales of properties considered similar. The cost approach provides an indication of the value of a property represented by the reproduction cost of the existing improvements, less accrued depreciation, to which is added the land value.

The appraisal process is concluded by a review and re-examination of each of the approaches to value employed. Consideration is given to the type and reliability of data used and the applicability of each approach. These factors are reconciled and a final value estimate is made.

The subject property is the 87 Terrace public road right-of-way between Collins Avenue and the future boardwalk. The scope of this appraisal report is defined by the purpose, which is to develop and report the current market value of the subject property under two valuation scenarios. This appraisal will be based on an "across the fence" valuation of the property utilizing the sales comparison approach based on the hypothetical condition the site has a land use and zoning of RM-2 (Residential Multifamily, Medium Intensity) consistent with the property located adjacent to the south of the subject property. Scenario 1 includes an estimate of the market value of the fee simple interest in the subject property. Scenario 2 includes an estimate of the market value of the fee simple interest in the property including a proposed 10 foot beach access easement located along the northern boundary of the site. Our research and analysis focused on vacant land sales and redevelopment sites with similar zoning, located in the subject market area. The sales included in this report are considered of good quality and representative of the best available market data. Our analysis was considered to provide a credible indication of value for the subject property.

SALES COMPARISON APPROACH

The sales comparison approach produces an estimate of value for real estate by comparing recent sales of similar properties in the subject's surrounding or competing area. Inherent in this approach is the principle of substitution, which states that when a property is replaceable in the market, its value tends to be set at the cost of acquiring an equally desirable substitute property, assuming that no costly delay is encountered in making the substitution.

By analyzing sales which qualify as arm's-length transactions between willing, knowledgeable buyers and sellers, price trends can be identified from which value parameters may be extracted. Comparability as to physical, locational, and economic characteristics are important criteria in evaluating the sales in relation to the subject property. The basic steps involved in the application of this approach are as follows:

1. Researching recent relevant property sales and current offerings throughout the competitive area.
2. A selection process to focus on properties considered most similar to the subject, and then analyzing the selected comparable properties giving consideration to the time of sale and any change in economic conditions which may have occurred as of the date of valuation. Other relevant factors of a physical, functional, or locational nature are also considered.
3. Reducing the sales to a meaningful unit of comparison, i.e., price per unit or price per square foot.
4. Making appropriate adjustments to the comparable properties.
5. Interpreting the data analyzed to draw a meaningful conclusion of value.

The validity of this approach is dependent upon the availability and relevancy of the data. The sales of properties having characteristics similar as the subject have been collected and analyzed. Typically, land sells based on units of comparison particular to the property type (e.g., price per square foot, price per acre, price per unit). In this analysis, the price per square foot of land area was analyzed in the valuation of the subject property.

In the research of comparable sales, we have reviewed sales of similarly zoned sites in the subject neighborhood and similar competitive areas. We have included sales of parcels located in the subject neighborhood with zoning that permits residential use. Based on our research, there was limited information concerning current listings of similar properties in the subject neighborhood. A summary chart and location map are included on the following pages. Detailed sales information is presented in the addenda.

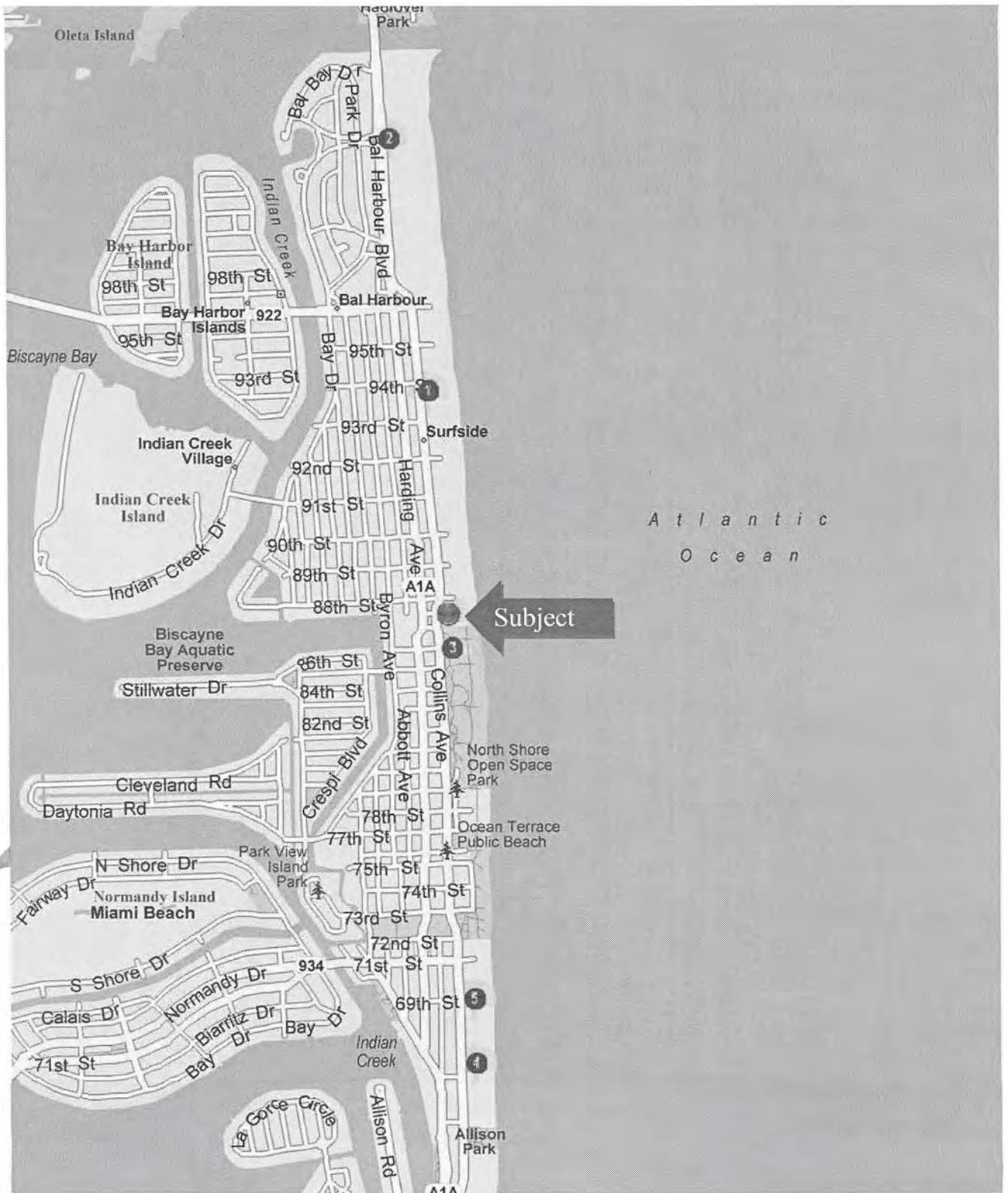


SUMMARY OF RESIDENTIAL LAND SALES

No.	Address	Sq.Ft.	Acres	Planned Units	Denisty	Zoning	Date	Sale Price	\$/ Sq.Ft.
1	9365 Collins Avenue Surfside, Florida	114,314	2.62	85	32.4	H-120	Mar-12	\$50,000,000	\$437.39
2	10201 Collins Avenue Bal Harbour, Florida	241,196	5.54	237	42.8	PD	Jun-12	\$220,000,000	\$912.12
3	8701 Collins Avenue Miami Beach	88,987	2.04	N/A	N/A	RM-2	Dec-13	\$65,000,000	\$730.44
4	6747 Collins Avenue Miami Beach	41,624	0.96	13	13.6	RM-3	Jan-14	\$21,000,000	\$504.52
5	6901 Collins Avenue Miami Beach	40,250	0.92	14	15.2	RM-3	Apr-14	\$26,000,000	\$645.96
Sub.	87 Terrace, Between Collins Avenue and the Boardwalk Miami Beach	18,000	0.41	N/A	N/A	RM-2			

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Land Sales Discussion

The land sales under analysis occurred between March, 2012 and April, 2014. The five land sales represent sites with zoning classifications that permit multi-family development, similar to the subject property. The sales presented are considered indicative of the subject property's land value. The sales unadjusted unit prices range from \$437.39 to \$912.12 per square foot. The sales range in size from 40,250 to 241,196 square feet.

Land Sale No. 1 is located on the southeast corner of Collins Avenue and 94 Street in the Town of Surfside. This oceanfront property has a corner location with two street frontages. It also has frontage along the Atlantic Ocean and has direct beach access. The rectangular site contains approximately 2.62 acres and is zoned "H-120" (High Density/Tourism).

This property sold in March, 2012 for \$50,000,000 or \$437.39 per square foot. At time of sale, the site was improved with an operating part two-story and part three-story hotel (Best Western Oceanfront Resort). The buyer intends to demolish the existing improvements and redevelop the site with a residential condominium project to be known as Chateau Ocean. At time of sale, the buyer intended to construct a 12-story tower containing approximately 85 units, or a planned density of 32.4 units per acre. The brochure provided by the sales agent reflects a total saleable area of approximately 251,913, or an average unit size of 2,964 square feet.

Land Sale No. 2 is located on the east side of Collins Avenue at N.E. 102 Avenue in the Village of Bal Harbour. This oceanfront property has a mid-block location with one street frontage. It also has frontage along the Atlantic Ocean and has direct beach access. The rectangular site contains approximately 5.54 acres and is zoned "PD" (Planned Development District), which permits a maximum of 304 units on this site.

This property was acquired in June, 2012 for \$220,000,000 or \$912.12 per square foot. At time of sale, the site was improved with a clubhouse and tennis courts and served as the headquarters for the Bal Harbour Beach Club. It was acquired for redevelopment of the site with a residential condominium project to be known as Oceana at Bal Harbour. At time of sale, the buyer intended to develop the site with a 27-story tower containing approximately 237 units, or a planned density of 42.8 units per acre. The leasing agent reported that they obtained site plan approval for this development.

Land Sale No. 3 is located on the southeast corner of Collins Avenue and 87 Terrace at 8701 Collins Avenue in the City of Miami Beach. The property is adjacent to the south of the subject property. This oceanfront property has a corner location with two street frontages. It also has frontage along the Atlantic Ocean and has direct beach access. The

rectangular site contains approximately 2.04 acres and is zoned "RM-2" (Residential Multifamily, Medium Intensity). At the time of sale, the site was improved with a nine-story 220-room hotel that represents a legal non-conforming use based on the zoning regulations at the time of sale.

This property was acquired in December, 2013 for \$65,000,000 or \$730.44 per square foot. According to the broker, at the time of sale the buyers intended to demolish the improvements and construct a new project on the site. Subsequently the buyers changed plans and will renovate the building. The zoning was amended for the site in April, 2013 to increase the height to 21 stories from 6 stories and 200 feet from 60 feet. It was noted, the buyers intend to purchase the subject property and adjacent parking lot (226 87 Terrace) to incorporate into this project.

Land Sale No. 4 is located on the east side of Collins Avenue at 6747 Collins Avenue in the City of Miami Beach. This oceanfront property has a mid-block location with one street frontage. It also has frontage along the Atlantic Ocean and has direct beach access. The rectangular site contains approximately 0.96 acre and is zoned "RM-3" (Residential Multifamily, High Intensity), which permits a maximum of 170 units on this site.

This property was acquired in January, 2014 for \$21,000,000 or \$504.52 per square foot. At time of sale, the site was vacant and at street grade. It was acquired for development of the site with a residential condominium project to be known as The Bath Club. The buyer intends to develop the site with a 16-story tower containing approximately 13 units, or a planned density of 13.6 units per acre. The site is currently under construction.

Land Sale No. 5 is located on the east side of Collins Avenue at 6901 Collins Avenue in the City of Miami Beach. This oceanfront property has a corner location with two street frontages. It also has frontage along the Atlantic Ocean and has direct beach access. The rectangular site contains approximately acres and is zoned "RM-3" (Residential Multifamily, High Intensity), which permits a maximum of 164 units on this site.

This property was acquired in April, 2014 for \$26,000,000 or \$645.96 per square foot. At time of sale, the site was improved with the three-story, 100-room Golden Sands Hotel that was originally constructed in 1951. It was acquired for development of the site with a residential condominium project. The buyer intends to develop the site with a 20-story tower containing approximately 14 units, or a planned density of 15.2 units per acre. According to the broker, the site was fully marketed and sold by the foreclosing lender. The broker indicated that the buyers intend to use a small portion of the existing facade of the for permitting purposes which allows the development of a 20-story building versus a height limit of 16 stories for new construction. According to the broker, the buyers paid a premium for the developmental potential as approvals for the project can be obtained in short order as compared to the typical approval process for a project.

Discussion of Adjustment Factors

Property characteristics and sale terms considered in our analysis are financing, changes in market conditions, conditions of sale, location, condition, zoning and size. Each of these items has been analyzed and compared to the subject property and is discussed on the following paragraphs.

Financing: Sales 1 and 5 were cash to the seller transactions, with typical terms of purchase for the subject market and no adjustments for financing are warranted. The buyer of Sale 2 assumed the existing loan that had an unpaid principal balance of \$135,000,000 (61% of the purchase price). The buyer of Sale 3 obtained a loan in the amount of \$32,025,000 (93% of the purchase price) from a private lender. The buyer of Sale 4 obtained a loan in the amount of \$60,000,000 (92% of the purchase price) from a private lender. The buyer of Sale 6 obtained a loan in the amount of \$12,000,000 (46% of the purchase price) from a private lender. The parties involved to the transactions of Sales 2, 3, 4 and 6 indicated the financing did not have an effect on the price paid for the property; therefore, no adjustment is warranted.

Condition/Terms of Sale: Sales 1, 2 and 3 were considered sold as arm's length transactions; therefore, no adjustments are required. It was noted, Sales 4 and 5 were transferred through entities created by the sellers which typically do not record documentary stamps. As such, based on our conversations with representatives to Sales 4 and 5, the transactions are considered arm's length transactions and do not require any adjustments.

Time/Market Conditions: The sales transpired between March, 2012 and April, 2014. Based on our research and conversations with brokers familiar with the subject's and comparable's markets, we have determined that the market for residential land experienced increased activity and increased sales prices in 2013. Sales 1 and 2 transpired in 2012 and warrant upward adjustments for improved market conditions. Sales 3, 4 and 5 are considered to represent current market conditions and do not require any adjustments.

Location: The subject property is located within the northern portion of the City of Miami Beach. Sales 1, 3, 4 and 5 are considered to have similar locations and do not require any adjustments. Sale 2 is considered to have a superior location and requires downward adjustments for location.

Size/Configuration: The subject property contains 18,000 square feet and is basically rectangular. The sales range in size from 40,250 to 241,196 square feet. The land sales reflected no discernible difference in unit price based on land size; therefore, no

adjustments were warranted for size.

Condition: The subject site is vacant, at street grade, with utilities available to the site. Sale 4 was vacant, at street grade and had utilities available to the site at the time of sale; therefore, no adjustments are required. According to representatives of Sales 1 and 2, no contributory value was given to the improvements and the buyers intend to redevelop the sites; therefore, no adjustment for condition was warranted. As discussed, at the time of sale, the buyers of Sale 3 purchased the site and intended to demolish the existing building and redevelop the site. Although the buyers of Sale 3 have subsequently changed development plans to renovate the existing building, the site was originally purchased for land value and no contributory value was given to the improvements; therefore, no adjustment is required. As noted, the buyers of Sale 5 intend a small portion of the existing facade in the development. According to the broker, this did not impact the sales price and no adjustment is required.

Land Use/Zoning/Restrictions: The subject property is zoned "RM-2", which allows a variety of residential uses. The subject's zoning classification permits multifamily residential uses with an FAR of 2.00 and a maximum of 21 stories. Based on our research, developers are not purchasing sites based on the maximum number of units allowed and are rather constructing projects with less units of larger sizes and purchasing sites based on the maximum saleable square feet. Based on the zoning and regulations (i.e. height, stories, FAR restrictions) at the time of sale for each of the five sales, Sales 3 and 5 are considered similar and do not require any adjustments. Sales 1 and 4 are considered to have an inferior zoning/restrictions at the time of sale and require upward adjustments. Sale 2 is considered to have a superior zoning/restrictions at the time of sale and requires a downward adjustment.

Based on the above, the sales reflected the following:

No.	1	2	3	4	5
Sale Date	Mar-12	Jun-12	Dec-13	Jan-14	Apr-14
Price/Sq.Ft.	\$437.39	\$912.12	\$730.44	\$504.52	\$645.96
Financing	=	=	=	=	=
Terms of Sale	=	=	=	=	=
Time	+	+	=	=	=
Location	=	-	=	=	=
Size	=	=	=	=	=
Condition	=	=	=	=	=
LU/Zoning	+	-	=	+	=
Overall	+	-	=	+	=

Scenario 1 - Fee Simple Market Value Conclusion: Scenario 1 included an estimate of the market value of the fee simple interest in the subject property based on the sales comparison approach to value under the hypothetical condition the property has a land use and zoning similar to the property located to the south. The sales under analysis were considered to be of good quality and indicative of unencumbered land value for the subject property. Based on an analysis of the above land sales, we have formed the opinion that, as of June 24, 2014 the unencumbered market value of the fee simple interest in the subject property would be within the range of \$600.00 to \$700.00 per square foot, which is calculated as follows:

18,000 Square Feet x \$600.00 Per Square Foot =	\$10,800,000
18,000 Square Feet x \$700.00 Per Square Foot =	\$12,600,000
Concluded:	\$11,700,000 (\$650.00 per sq.ft.)

Scenario 2 - Market Value Subject to a Proposed Beach Access Easement Conclusion: Scenario 2 included an estimate of the market value of the fee simple interest in the subject property including a proposed beach access easement over the northern 10-feet of the site (i.e., 3,600 square feet). Our analysis has considered the impact of the proposed easement on the property value based on a diminution analysis.

Diminution Analysis

As discussed, the north 10 feet (3,600 square feet) of the property is subject to a proposed beach access easement. We were not provided a copy of the easement. In the highest and best use section, we considered the impact of the easement on the developmental potential of the site. Based on information provided by the client, a proposed beach

access easement will have no impact on the density allowed or floor area ratio (FAR) for the site per the zoning code. The impact of the easement will be in the form of architectural, design and layout of any future development on the site. Development of the property would reportedly require a tunnel or hallway along the northern 10' x 360' of the site. To estimate the impact of the easement on the subject property, we have reviewed case studies of properties with limited utility that have been sold or leased subject to easements or lease restrictions and compared these transactions to fee simple value of unencumbered properties in the immediate area with similar underlying highest and best use.

The 11 case studies represent a variety of property types. Although each of the property types have differing highest and best use, they are considered to provide a means of comparison in terms of the relationship between the property's fee simple value and its encumbered value as expressed in a diminution ratio. The diminution ratios were developed in the case studies by dividing the encumbered value (sale or capitalized rental) of the parcels by the unencumbered fee simple value of the adjacent property with similar underlying highest and best use.

As the case studies represent properties that have limited utility based on encumbrances placed on the properties, the case studies are considered to provide a means of comparison for estimating the impact of the existing easement on the subject parcel. A summary chart of the case studies is included in the addenda.

The encumbered lands case studies reflect values of encumbered land from 7% to 53% of the fee simple value of the adjacent unencumbered parcels, reflecting diminution ratios from 47% to 93% of unencumbered fee simple value of the respective sites. As discussed, the uses of the properties included in the case studies represent a variety of parcels with varying highest and best uses.

Based on our search and taking into account their sizes, configurations and access, a diminution ratio of 50% is considered reasonable for the portion of the subject site subject to a beach access easement (3,600 square feet). We estimate the market value of the fee simple estate in the subject site, as of June 24, 2014, to be \$325.00 per square foot of land area (i.e., \$650.00 per square foot – 50% diminution).

Scenario 2 Summary

Under Scenario 1 we concluded a market value of the fee simple interest in the subject property at \$650 per square foot. Based on the preceding diminution analysis, we have estimate the value of the portion of the site to be encumbered by a proposed beach access easement to be \$325 per square foot. We have estimate the market value fee simple interest in the subject property subject to a proposed beach access easement as follows:

Unencumbered Land
Encumbered Land

14,400 sq.ft. @ \$650.00/sq.ft. = \$9,360,000

3,600 sq.ft. @ \$325.00/sq.ft. = \$1,170,000

\$10,530,000

Rounded to:

\$10,530,000

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RECONCILIATION AND FINAL VALUE ESTIMATE

The process of reconciliation reviews and reexamines the approaches to value which were included in the appraisal. In this analysis, the sales comparison approach provides an indication of the unencumbered fee simple value of the property based on the assumption it is a buildable site. Our estimate of the fee simple market value subject to the beach access easement utilized a diminution ratio which was applied to easement portion of the property.

Based on our investigation and analysis, we have formed the opinion that the market value of the fee simple interest in the subject property, as of June 24, 2014, was as follows:

Scenario 1 - Fee Simple Market Value
ELEVEN MILLION SEVEN HUNDRED THOUSAND DOLLARS
(\$11,700,000).

Based on our investigation and analysis, we have formed the opinion that the market value of the subject property, subject to the proposed beach access easement, as of June 24, 2014, was as follows:

Scenario 2 - Market Value Subject to the Proposed Beach Access Easement
TEN MILLION FIVE HUNDRED THIRTY THOUSAND DOLLARS
(\$10,530,000).

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ADDENDA

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ADDENDUM A – PHOTOGRAPHS OF THE SUBJECT PROPERTY

Photographs of the Subject Property



View looking north along Collins Avenue.



View looking east at the subject from Collins Avenue.

Photographs of the Subject Property



View looking south along Collins Avenue.



Interior view of the site looking east.

Photographs of the Subject Property



Interior view looking west.

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ADDENDUM B – COMPARABLE LAND SALES INFORMATION

LAND SALE NO. 1



Location: Southeast corner of Collins Avenue and 94 Street,
Town of Surfers Paradise, Florida

Legal Description: Lots 7, 8, 9, 10, 11 and 12, Block 2, ALTOS DEL
MAR NO. 5, Plat Book 8, Page 92, Miami-Dade
County, Florida

Folio Number: 14-2235-006-0180, 0190 and 0200

Sale Information:	
Grantor	9379 Realty Corp.
Grantee	Chateau Ocean, LLC
Date of Sale	March 26, 2012
ORB/Page	28048/4756
Sales Price	\$50,000,000
Terms	Cash to Seller.
Unit Price	\$437.39 Per Square Foot
Prior Sale	None Within Prior 3 Years

Physical Description:

Land Area	114,314 Square Feet 2.62 Acres
Topography	Level and at, or near, street grade.
Shape	Rectangular
Frontage	Collins Avenue and 94 th Street
Zoning	"H-120" (High Density/Tourism); Town of Surfside
Utilities	All available to the site.

Comments:

At time of sale, the site was improved with an operating hotel. The site is proposed to be redeveloped with a residential condominium project.

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LAND SALE NO. 2



Location: East side of Collins Avenue at N.E. 102 Way, Village of Bal Harbour, Florida

Legal Description: Tract A, OCEAN FRONT SECTION OF BAY HARBOR, Plat Book 44, Page 27, Miami-Dade County, Florida

Folio Number: 12-2226-001-0190

Sale Information:
Grantor Bal Harbour Club, Inc.
Grantee Consultatio Bal Harbour, LLC
Date of Sale June 11, 2012
ORB/Page 28146/1406
Sales Price \$220,000,000
Terms Buyer assumed the existing loan that had an unpaid principal balance of \$135,000,000 (61% of the purchase price).
Unit Price \$912.12 Per Square Foot

Prior Sale	None Within Prior 3 Years
Physical Description:	
Land Area	241,196 Square Feet 5.54 Acres
Topography	Level and at, or near, street grade.
Shape	Rectangular
Frontage	Collins Avenue and the Atlantic Ocean
Zoning	"PD" (Planned Development District); Village of Bal Harbour
Utilities	All available to the site.

Comments:

At time of sale, the site was improved with a clubhouse and tennis courts. It was acquired for redevelopment of the site with a residential condominium project.

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LAND SALE NO. 3



Location: 8701 Collins Avenue, Miami Beach, Florida

Legal Description: Lengthy Legal - Miami-Dade County, Florida.

Folio Number: 02-3202-006-0010

Sale Information:

Grantor	Dezer Properties, LLC
Grantee	8701 Collins Development, LLC
Date of Sale	December 13, 2013
ORB/Page	28953/2657
Sales Price	\$65,000,000
Terms	The buyer obtained financing from a private lender for \$60,000,000 (92% of the purchase price).
Unit Price	\$730.44 Per Square Foot
Prior Sale	None within the past three years.

Physical Description:

Land Area	88,987 Square Feet 2.04 Acres
Topography	Level and at, or near, street grade.

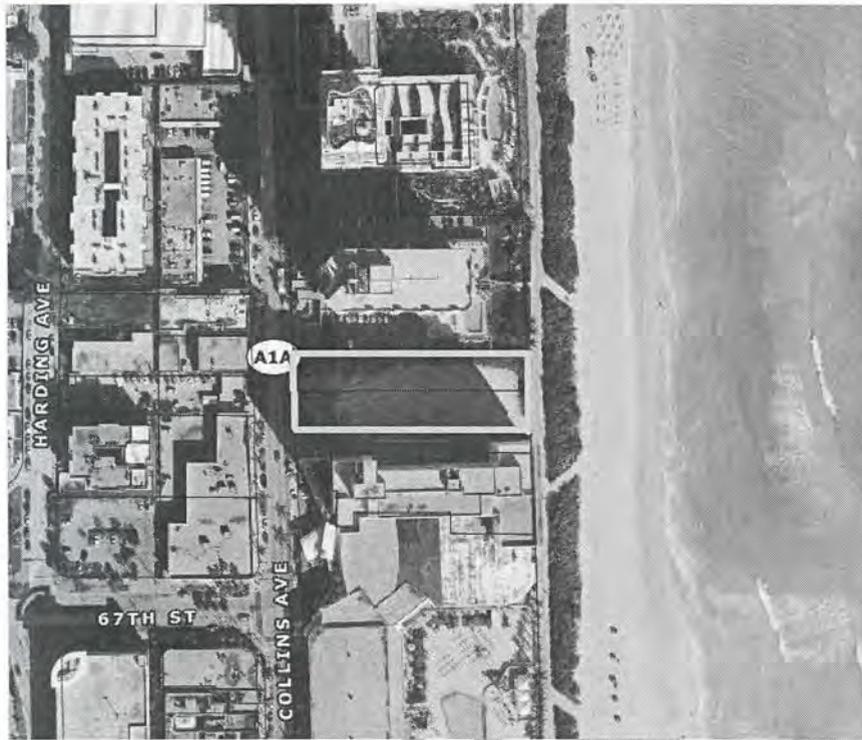
Shape	Rectangular
Frontage	Collins Avenue and the Atlantic Ocean
Zoning	"RM-2" (Residential Multifamily, Medium Intensity District); Miami Beach
Utilities	All available to the site.

Comments:

According to the broker, at the time of sale the buyers intended to demolish the improvements and construct a new project on the site. Subsequently the buyers change plans and will renovate the building. The zoning was amended for the site in April, 2013 to increase the height to 21 stories from 6 stories and 200 feet from 60 feet. It was noted, the buyers intend to purchase the subject property and adjacent parking lot (226 87 Terrace) to incorporate into this project.

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LAND SALE NO. 4



Location: 6747 Collins Avenue, Miami Beach, Florida

Legal Description: The North 37.5 feet, the South 25 feet of Lot 46 and the South 62.5 feet of Lot 45, Block 1, Amended Plat of 2nd Ocean Front Subdivision, Plat Book - Miami-Dade County, Florida.

Folio Number: 02-3211-007-0430 & 0440

Sale Information:	
Grantor	6747 Collins Development Corp.
Grantee	6747 Collins Development, LLC
Date of Sale	January 31, 2014
ORB/Page	29038/1656
Sales Price	\$21,000,000
Terms	Cash to seller.
Unit Price	\$504.52 Per Square Foot
Prior Sale	None within the past three years.

Physical Description:

Land Area	41,624 Square Feet 0.96 Acres
Topography	Level and at, or near, street grade.
Shape	Rectangular
Frontage	Collins Avenue and the Atlantic Ocean
Zoning	"RM-3" (Residential Multifamily, High Intensity District); Miami Beach
Utilities	All available to the site.

Comments:

At the time of sale, the site was vacant and at street grade. It was acquired for development of the site with a residential condominium project to be known as The Bath Club. The buyer intends to develop the site with a 16-story tower containing 13 units, or a planned density of 13.6 units per acre. The site is currently under construction.

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LAND SALE NO. 5



Location: 6901 Collins Avenue, Miami Beach, Florida

Legal Description: Lengthy Legal - Miami-Dade County, Florida.

Folio Number: 02-3211-001-0050

Sale Information:

Grantor	FL GS Collins Avenue, LLC
Grantee	SMGW Golden Sands, LLC
Date of Sale	April 9, 2014
ORB/Page	29108/4995
Sales Price	\$26,000,000
Terms	Cash to seller.
Unit Price	\$504.52 Per Square Foot
Prior Sale	None within the past three years.

Physical Description:

Land Area	41,624 Square Feet 0.96 Acres
Topography	Level and at, or near, street grade.

Shape	Irregular
Frontage	Collins Avenue and the Atlantic Ocean
Zoning	"RM-3" (Residential Multifamily, High Intensity District); Miami Beach
Utilities	All available to the site.

Comments:

At the time of sale, the site was improved with the three-story, 100-roomo Canyon Sands Hotel that was originally constructed in 1951. It was acquired for development of the site with a residential condominium project. The buyer intends to develop the site with a 20-story tower containing approximately 14 units, or a planned density of 15.2 units per acre.

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ADDENDUM C – ZONING INFORMATION

COMMISSION ITEM SUMMARY

Condensed Title:

Second Reading to consider an Ordinance Amendment to modify the maximum height requirements for oceanfront properties within RM-2 zoning districts.

Key Intended Outcome Supported:

Maintain strong growth management policies.

Supporting Data (Surveys, Environmental Scan, etc 48% of residential respondents and 55% of businesses rate the effort put forth by the City to regulate development is "about the right amount."

Item Summary/Recommendation:

SECOND READING PUBLIC HEARING

The proposed Ordinance would modify the maximum height requirements for oceanfront properties within RM-2 zoning districts, located within 250 feet of North Shore Open Space Park.

On March 5, 2014, the City Commission approved the Ordinance at First Reading and scheduled a Second Reading Public Hearing for April 23, 2014.

The Administration recommends that the City Commission adopt the Ordinance.

Advisory Board Recommendation:

On February 25, 2014, the Planning Board transmitted the subject Ordinance to the City Commission with a favorable recommendation by a vote of 7 to 0.

Financial Information:

Source of Funds:	Amount	Account
1		
2		
3		
OBPI	Total	

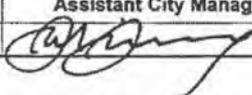
Financial Impact Summary:

In accordance with Charter section 5.02, which requires that the "City of Miami Beach shall consider the long-term economic impact (at least 5 years) of proposed legislative actions," this shall confirm that the City Administration evaluated the long-term economic impact (at least 5 years) of this proposed legislative action, and determined that there will be no measurable impact on the City's budget.

City Clerk's Office Legislative Tracking:

Thomas Mooney

Sign-Offs:

Department Director	Assistant City Manager	City Manager
		

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AGENDA ITEM RSE
DATE 4-23-14



MIAMI BEACH

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

COMMISSION MEMORANDUM

TO: Mayor Philip Levine and Members of the City Commission

FROM: Jimmy L. Morales, City Manager

DATE: April 23, 2014

SUBJECT: **RM-2 Oceanfront Heights**

SECOND READING PUBLIC HEARING

AN ORDINANCE OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, AMENDING THE CODE OF THE CITY OF MIAMI BEACH, FLORIDA, BY AMENDING CHAPTER 142, "ZONING DISTRICTS AND REGULATIONS," ARTICLE II, "DISTRICT REGULATIONS," DIVISION 3 "RESIDENTIAL MULTIFAMILY DISTRICTS" BY AMENDING SECTION 142-217 REGARDING MAXIMUM BUILDING HEIGHT AND MAXIMUM NUMBER OF STORIES FOR OCEANFRONT LOTS WITH A PROPERTY LINE WITHIN 250 FEET OF NORTH SHORE OPEN SPACE PARK; PROVIDING FOR CODIFICATION; REPEALER; SEVERABILITY; AND AN EFFECTIVE DATE.

ADMINISTRATION RECOMMENDATION

The Administration recommends that the City Commission adopt the Ordinance.

BACKGROUND

On January 15th, 2014, the City Commission referred a proposed Ordinance directly to the Planning Board, regarding the creation of a new height category in the Residential Multifamily, Medium Intensity (RM-2) Zoning district for Oceanfront lots located within 150 feet of the North Shore Open Space Park.

A proposal has been put forward to redevelop the site located at 8701 Collins Avenue, where the existing Dezerland (formerly the Biltmore Terrace) Hotel currently stands. The proposed redevelopment of the site would include the construction of a 200 foot tall residential building, pedestrian promenade, and street enhancements located on the northerly portion of the property.

ANALYSIS

The proposed Ordinance amendment would permit all lots in the RM-2 district fronting the Atlantic Ocean and within 250 feet of the North Shore Open Space Park Boundary, a maximum allowable height of up to 21 stories or 200 feet. The subject property located at 8701 Collins Avenue is currently zoned RM-2. This area comprises one of only two RM-2 zoning districts fronting the Atlantic Ocean. The radius from the park boundary line was increased from the Commission's initial recommendation of 150 feet to 250 feet in order to ensure that all portions of the oceanfront lots in the RM-2 district would be included under the purview of this Ordinance amendment.

719

The existing 220 room, Biltmore Terrace Hotel and associated commercial units are allowable uses within the RM-2 district. Pursuant to Section 142-217 of the City Code, the maximum height limit for the subject property is 6 stories or 60 feet. The height of the existing building on the site is legally non-conforming at 118'-9", according to the plans submitted. The owners of the property plan to retain the existing Biltmore Terrace Hotel as is, in its present location, but are interested in constructing an 18 story, 200 ft tall residential development with an adjoining pedestrian promenade and garden along the northerly portion of the property.

The proposal to increase the maximum building height to 21 stories or 200 feet would be comparable to the maximum permitted heights found within existing residential multi-family districts that front the Atlantic Ocean. The nearest RM-3 zone is located south of 72nd Street, and the closest Oceanfront multi-family properties are located in the neighboring City of Surfside. The proposed increase in height would allow more flexibility in the design of a new residential project that would address the needs and concerns of the North Beach community, while preserving the existing hotel. Additionally, any and all new development found under the purview of this ordinance amendment must still comply with the applicable portions of the City Code that regulate floor area and setback requirements in the RM-2 district, which include a floor area ratio (FAR) limitation of 2.0.

PLANNING BOARD REVIEW

The Planning Board reviewed the proposed Ordinance on February 25, 2014 (PB File No. 2165), and recommended approval by a vote of 7 to 0.

FISCAL IMPACT

In accordance with Charter Section 5.02, which requires that the "City of Miami Beach shall consider the long term economic impact (at least 5 years) of proposed legislative actions," this shall confirm that the City Administration evaluated the long term economic impact (at least 5 years) of this proposed legislative action. The proposed Ordinance is not expected to have any tangible fiscal impact.

SUMMARY

The subject Ordinance was approved at First Reading on March 5, 2014.

CONCLUSION

The Administration recommends that the City Commission adopt the subject Ordinance.

JLM/JMJ/TRM

T:\AGENDA\2014\April\RM2 Oceanfront Heights - MEM 2nd Read.docx

RM-2 Oceanfront Height Regulations

ORDINANCE NO. _____

AN ORDINANCE OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, AMENDING THE CODE OF THE CITY OF MIAMI BEACH, FLORIDA, BY AMENDING CHAPTER 142, "ZONING DISTRICTS AND REGULATIONS," ARTICLE II, "DISTRICT REGULATIONS," DIVISION 3 "RESIDENTIAL MULTIFAMILY DISTRICTS" BY AMENDING SECTION 142-217, "AREA REQUIREMENTS," REGARDING MAXIMUM BUILDING HEIGHT AND MAXIMUM NUMBER OF STORIES FOR OCEANFRONT LOTS WITH A PROPERTY LINE WITHIN 250 FEET OF NORTH SHORE OPEN SPACE PARK; PROVIDING FOR CODIFICATION; REPEALER; SEVERABILITY; AND AN EFFECTIVE DATE.

WHEREAS, the North Beach area of the City has lagged behind other areas of the City in economic redevelopment; and

WHEREAS, the Mayor and City Commission desire to encourage innovative and compatible redevelopment in the North Beach area;

NOW THEREFORE, BE IT ORDAINED BY THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA:

Section 1. Chapter 142 of the City Code, "Zoning Districts and Regulations," Article II, "Zoning Districts and Regulations," Division 3 "Residential Multifamily Districts", Section 142-217, "Area Requirements," is hereby amended as follows:

Sec. 142-217. Area Requirements.

The area requirements in the RM-2 residential multifamily, medium intensity district are as follows:

Minimum Lot Area (Square Feet)	Minimum Lot Width (Feet)	Minimum Unit Size (Square Feet)	Average Unit Size (Square Feet)	Maximum Building Height (Feet)	Maximum Number of Stories
7,000	50	New construction—550 Non-elderly and elderly low and moderate income housing: See Section 142-1183 Rehabilitated buildings—	New construction—800 Non-elderly and elderly low and moderate income housing: See Section 142-1183 Rehabilitated buildings—	Historic district—50 (except as provided in section 142-1161 Area bounded by Indian Creek Dr., Collins Ave., 26th St., and 44th St.—75	Historic district—5 (except as provided in section 142-1161 Area bounded by Indian Creek Dr., Collins Ave., 26th St., and 44th St.—8

		400 Hotel unit: 15%: 300— 335 85%: 335+	550 Hotel units— N/A	Area fronting west side of Collins Ave. btwn. 76th St. and 79th St.—75 Otherwise— 60 Lots fronting Biscayne Bay less than 45,000 sq. ft.—100 Lots fronting Biscayne Bay over 45,000 sq. ft.—140 Lots fronting Atlantic Ocean over 100,000 sq. ft.—140 Lots fronting Atlantic Ocean with a property line within 250 feet of North Shore Open Space Park Boundary — 200	Area fronting west side of Collins Ave. btwn. 76th St. and 79th St.—8 Otherwise— 6 Lots fronting Biscayne Bay less than 45,000 sq. ft.—11 Lots fronting Biscayne Bay over 45,000 sq. ft.—15 Lots fronting Atlantic Ocean over 100,000 sq. ft.—15 Lots fronting Atlantic Ocean with a property line within 250 feet of North Shore Open Space Park Boundary — 21
--	--	-----------------------------------------------------	----------------------------	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

SECTION 2. CODIFICATION.

It is the intention of the City Commission, and it is hereby ordained that the provisions of this ordinance shall become and be made part of the Code of the City of Miami Beach as amended; that the sections of this ordinance may be renumbered or relettered to accomplish such intention; and that the word "ordinance" may be changed to "section" or other appropriate word.

SECTION 3. REPEALER.

All ordinances or parts of ordinances and all section and parts of sections in conflict herewith be and the same are hereby repealed.

SECTION 4. SEVERABILITY.

If any section, subsection, clause or provision of this Ordinance is held invalid, the remainder shall not be affected by such invalidity.

SECTION 5. EFFECTIVE DATE.

This Ordinance shall take effect ten days following adoption.

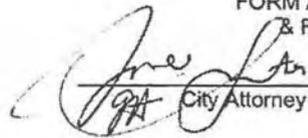
PASSED and ADOPTED this _____ day of _____, 20__.

MAYOR

ATTEST:

CITY CLERK

APPROVED AS TO
FORM AND LANGUAGE
& FOR EXECUTION



City Attorney 4-14-14 Date

First Reading: March 5, 2014
Second Reading: April 23, 2014

Verified by: _____
Thomas Mooney, AICP
Acting Planning Director

Underscore denotes new language

T:\AGENDA\2014\April\RM2 Oceanfront Heights - ORD 2nd Read.docx

ADDENDUM D – QUALIFICATIONS OF THE APPRAISERS

DRAFT

QUALIFICATIONS OF APPRAISER

ANDREW H. MAGENHEIMER, MAI

EDUCATION:

Bachelor's Degree, The University of the South, Sewanee, Tennessee, 1986

EXPERIENCE:

Eighteen years in the field of real estate, involved in various forms of consultation, appraisal, economic research and market analysis.

June, 1997 to Present, Principal, Slack, Johnston & Magenheimer, Inc.

August, 1991 to May, 1997, Senior Appraiser, Slack & Johnston, Inc.

February, 1987 to July, 1991, Staff Appraiser, Dixon & Friedman, Inc.

GENERAL APPRAISAL EXPERIENCE:

Appraisals - Vacant land, aviation facilities, industrial facilities, shopping centers, office buildings, apartment buildings, residential developments and single-family residences.

Consulting - Economic research, market analysis, feasibility analysis and ad valorem real estate tax assessment appeals pertaining to industrial, commercial and residential properties.

AFFILIATIONS:

Licensed Florida Real Estate Broker

Florida State-Certified General Real Estate Appraiser, Certification No. RZ1073

Appraisal Institute Member, MAI, Certificate Number 10133, Continuing Education Completed

HUD MAP Training

2002 President of the South Florida Chapter of the Appraisal Institute

ZACHARY J. OLEN

EDUCATION:

Bachelor's Degree, Florida State University, Tallahassee, Florida, 2004

EXPERIENCE:

June, 2004 to Present, Slack, Johnston & Magenheimer, Inc.

Appraisal/consulting experience includes the following property types:

- Aeronautical Property
- Apartment
- Automobile Dealership
- Marketability/Feasibility Study
- Office Building
- Warehouse
- Vacant Land (various zoning classifications)

GENERAL APPRAISAL EXPERIENCE:

Appraisals - Vacant land, aviation facilities, industrial facilities and office buildings.

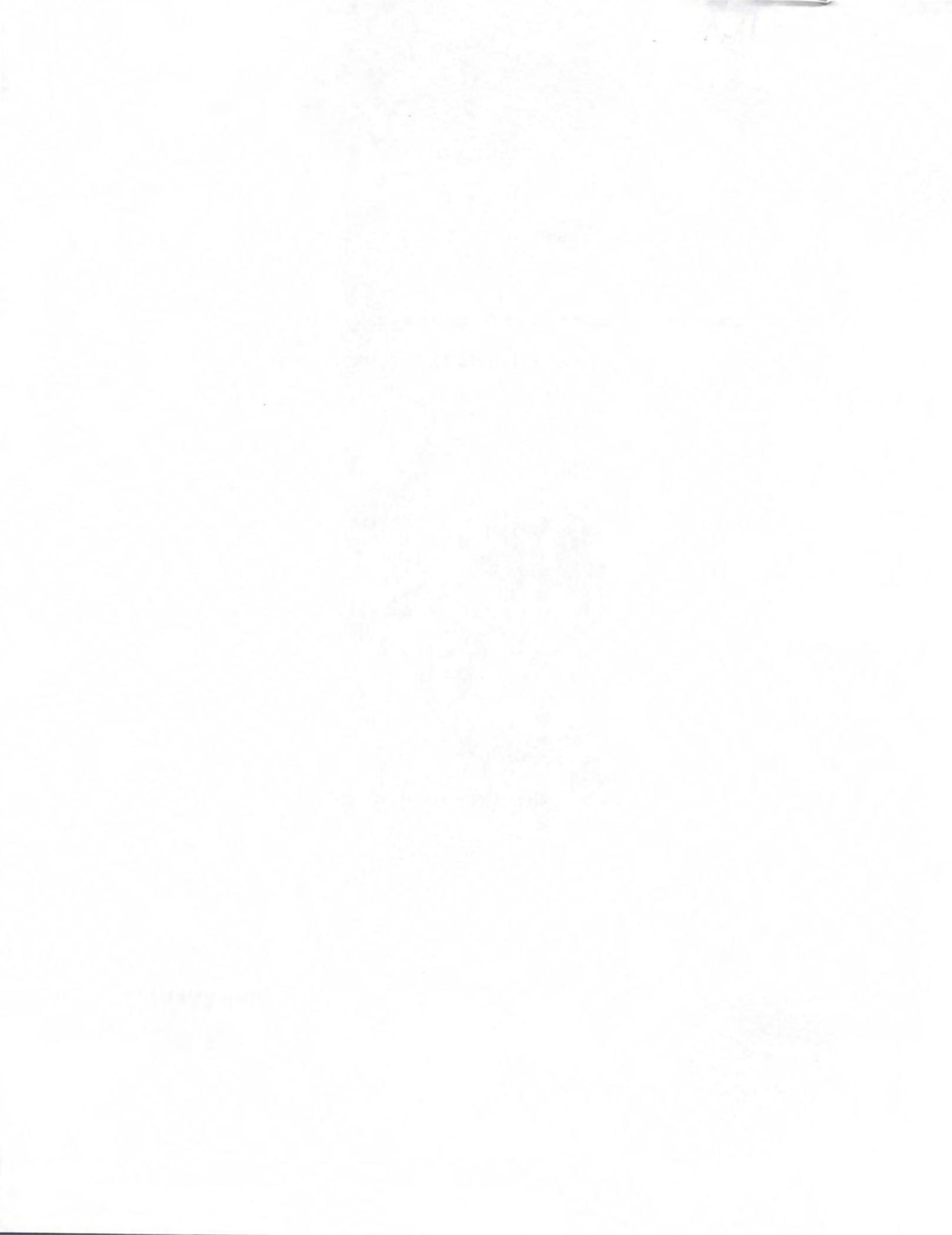
Consulting - Economic research, market analysis, feasibility analysis, real estate tax appeals pertaining to residential and agricultural properties.

AFFILIATIONS:

Licensed Florida Real Estate Salesman

Florida State - Certified General Real Estate Appraiser, Certification No. RZ3124

Appraisal Institute Candidate



APPRAISAL ● REPORT

**OF
87TH STREET AND 87TH TERRACE RIGHT OF WAY
EAST OF COLLINS AVE.
MIAMI BEACH, FLOIRDA**

**AS OF
April 2, 2014**



**PREPARED FOR
PUBLIC WORKS DEPARTMENT
1700 CONVENTION CENTER DRIVE
MIAMI BEACH, FLORIDA 33139**

PREPARED BY

**BONDARENKO ASSOCIATES, INC.
201 S GOLF BLVD., SUITE NO. 2007
POMPANO BEACH, FL 33064**

BONDARENKO ASSOCIATES, INC.

201 S. Golf Blvd., Suite 2007
Pompano Beach, Florida 33064

(954) 942-3353
fax (954) 942-8471
hankapr@comcast.net

April 4, 2014

Public Works Department
1700 Convention Center Drive
Miami Beach, Florida 33139

Reference: 87th Street and 87th Terrace Right of Way
East of Collins Ave.
Miami Beach, Florida 33139

Atten: Mr. Demar Woodson
,
Right of Way Manager

Dear Mr. Woodson:

At your request, I have prepared a summary appraisal report for the above referenced property. The purpose of this appraisal is to estimate the market value of the subject property's fee simple interest. This appraisal is intended for the use of the client and the client's advisors. The property appraised is the right of way land of 87th Street and 87th Terrace east of Collins Avenue.

The accompanying report of a real estate appraisal 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 appraisal, level of reporting, definition of value, valuation methodology, and pertinent data researched and analyzed in the development of this appraisal.

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

April 4, 2014

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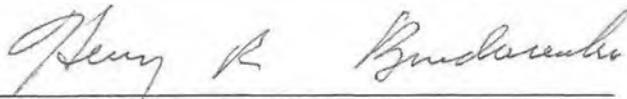
Hypothetical conditions are that the right of way land is currently public right of way land with all it's conditions and the hypothetical conditions are that the land will be incorporated into the development of the adjacent property residential development.

In my opinion, the value of the subject property, as of April 2, 2014, was as follows:

Value Conclusion _____ \$10,680,000

Further, we estimate the market exposure period necessary for the subject to have achieved this value to be 8 months to a year.

Respectfully submitted,
Bondarenko Associates, Inc.



Henry R. Bondarenko, SRA, MAI

Cert Gen RZ 508

Summary of Salient Facts

Subject Property: 87th Street right of way east of Collins Ave., 50 feet wide, 360.66 feet long average, 18,033 SF.
(0.414 Acres).
87th Terrace right of way east of Collins Ave., 50 feet wide, 356.31 feet long average, 17,815 SF.
(0.40.9 Acres).

Property Overview: Site Size:
87th Street right of way east of Collins Ave., 50 feet wide, 360.66 feet long average, 18,033 SF.
(0.414 Acres).
87th Terrace right of way east of Collins Ave., 50 feet wide, 356.31 feet long average, 17,815 SF.
(0.40.9 Acres

Building Size: None

Property Type: Two streets rights of way, east of Collins Avenue.

Interest Appraised: This appraisal considers the subject's fee simple interest.

Highest and Best Use As Improved with right Of way rights & conditions As public right of way with all conditions therein, with access east of Collins Ave. east to the Atlantic Ocean.

Highest and Best Use Land As Vacant with No right of way conditions: Residential development as similar in the neighborhood with the advantage of Ocean Front location.

Zoning: The subject property is public street right of way and is not zoned. The adjacent owner is zoned RM-2..

Assessment, Ratio and Equalized Assessment: The subject property is public right of way and is not taxed.

Sales Comparison Approach: \$10,680,000

Reconciled Value: \$10,680,000

Hypothetical Conditions: Hypothetical conditions are that the right of way land is currently public right of way land with all it's conditions and the hypothetical conditions are that the land will be incorporated into the development of the adjacent property residential development.

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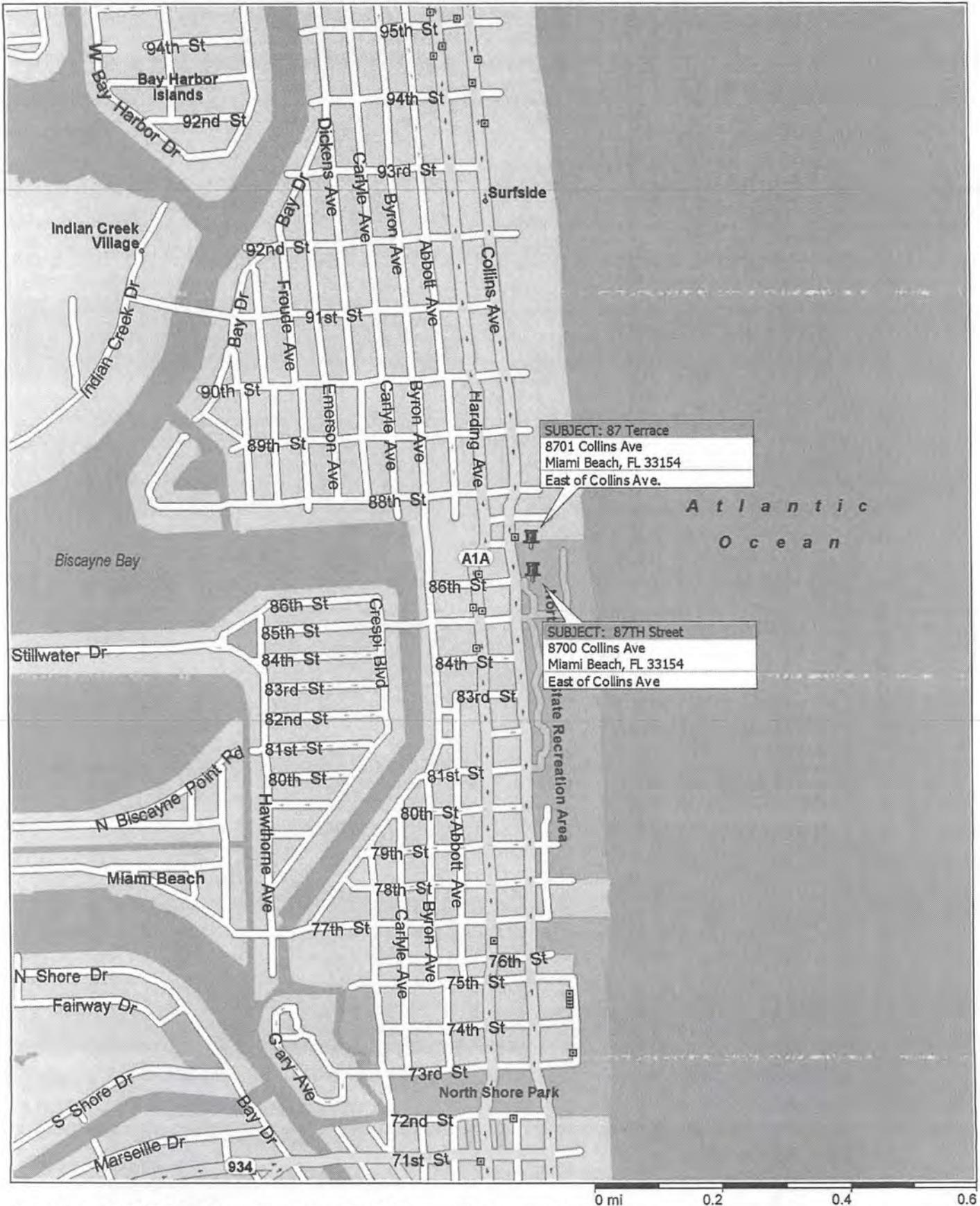
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SUBJECT LOCATION MAP



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People

Business

Geography

Data

Research

State & County QuickFacts

Miami Beach (city), Florida

People QuickFacts	Miami Beach	Florida
Population, 2012 estimate	90,588	19,320,749
Population, 2010 (April 1) estimates base	87,784	18,802,690
Population, percent change, April 1, 2010 to July 1, 2012	3.2%	2.8%
Population, 2010	87,779	18,801,310
Persons under 5 years, percent, 2010	4.2%	5.7%
Persons under 18 years, percent, 2010	12.8%	21.3%
Persons 65 years and over, percent, 2010	16.2%	17.3%
Female persons, percent, 2010	47.6%	51.1%
White alone, percent, 2010 (a)	87.4%	75.0%
Black or African American alone, percent, 2010 (a)	4.4%	16.0%
American Indian and Alaska Native alone, percent, 2010 (a)	0.3%	0.4%
Asian alone, percent, 2010 (a)	1.9%	2.4%
Native Hawaiian and Other Pacific Islander alone, percent, 2010 (a)	0.1%	0.1%
Two or More Races, percent, 2010	2.7%	2.5%
Hispanic or Latino, percent, 2010 (b)	53.0%	22.5%
White alone, not Hispanic or Latino, percent, 2010	40.5%	57.9%
Living in same house 1 year & over, percent, 2008-2012	74.8%	83.7%
Foreign born persons, percent, 2008-2012	52.0%	19.3%
Language other than English spoken at home, pct age 5+, 2008-2012	67.7%	27.3%
High school graduate or higher, percent of persons age 25+, 2008-2012	85.1%	85.8%
Bachelor's degree or higher, percent of persons age 25+, 2008-2012	43.5%	26.2%
Veterans, 2008-2012	2,337	1,606,758
Mean travel time to work (minutes), workers age 16+, 2008-2012	25.4	25.8
Housing units, 2010	67,499	8,989,580
Homeownership rate, 2008-2012	38.7%	68.1%
Housing units in multi-unit structures, percent, 2008-2012	88.8%	30.1%
Median value of owner-occupied housing units, 2008-2012	\$333,000	\$170,800
Households, 2008-2012	43,115	7,147,013
Persons per household, 2008-2012	2.03	2.58

Miami Beach, Florida (FL) Zip Code Map - Locations, Demographics

Jump to a detailed profile or search site with [Google Business Search](#) - 14 Million verified businesses
 City, County or Zip Code [Custom Search](#) Search for: near:

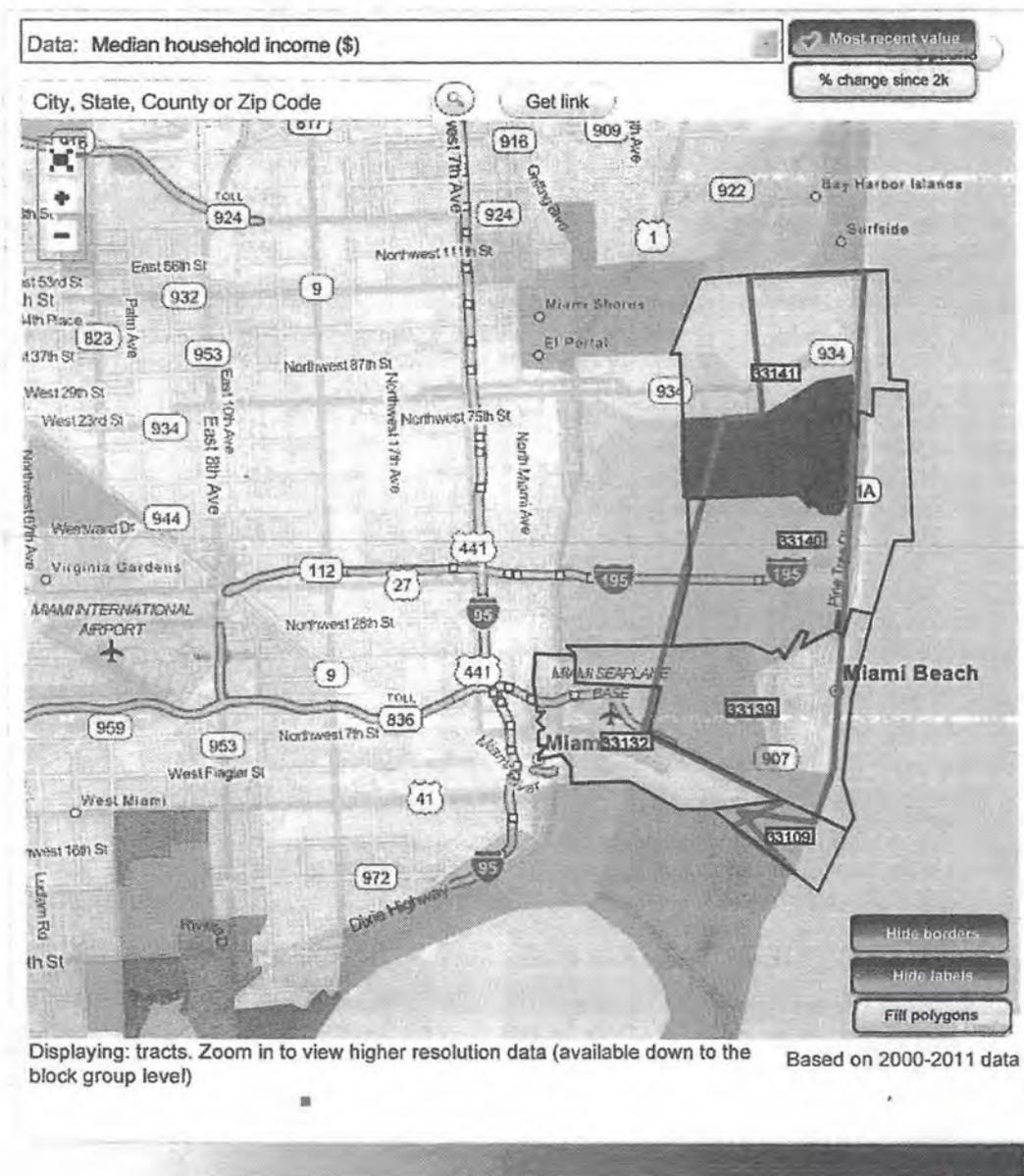
Back to: [Miami Beach, FL](#), [All U.S. Cities](#).

BACKGROUND CHECK NOW!

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Start Searching



The ratio of number of residents in zip code 33139 to the number of sex offenders is 3,703 to 1.

The number of registered sex offenders compared to the number of residents in this zip code is a lot smaller than the state average.

[Zip code 33139 detailed profile](#)

Zip code 33140 statistics: ([Find on map](#))

Estimated zip code population in 2011: 21,076

Zip code population in 2010: 21,210

Zip code population in 2000: 20,240

Mar. 2012 cost of living index in zip code 33140: 114.3 (more than average, U.S. average is 100)

Land area: 3.0 sq. mi.

Water area: 4.2 sq. mi.

Population density: 6,932 people per square mile  (high).

Males: 10,735  (50.9%)

Females: 10,341  (49.1%)

Real estate property taxes paid for housing units in 2011: 1.0% (\$5,057)

Median real estate property taxes paid for housing units with mortgages in 2011: \$6,423 (1.1%)

Median real estate property taxes paid for housing units with no mortgage in 2011: \$4,605 (1.2%)

Estimated median house/condo value in 2011: \$499,500

Estimated median household income in 2011: \$57,525

Median monthly owner costs for units with a mortgage: \$3,246

Median monthly owner costs for units without a mortgage: \$1,001

Median gross rent in 2011: \$1,301

Median price asked for vacant for-sale houses and condos in 2011: \$532,358

Unemployment: 4.9%

334 houses sold in Q2 2011 for a median price of \$241,250

According to our research of Florida and other state lists there **were 6 registered sex offenders** living in 33140 zip code as of March 28, 2014.

The ratio of number of residents in zip code 33140 to the number of sex offenders is 4,821 to 1.

The number of registered sex offenders compared to the number of residents in this zip code is a lot smaller than the state average.

[Zip code 33140 detailed profile](#)

Zip code 33141 statistics: ([Find on map](#))

Estimated zip code population in 2011: 36,196

Zip code population in 2010: 35,249

Appraisal Specifics

Appraisal Purpose

The purpose of this appraisal is to estimate the market value of the subject property.

Intended Use

The intended use of this appraisal is for the use as an aid in the potential sale of the subject property..

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.

Appraisal Scope

According to the Uniform Standards of Professional Appraisal Practice, it is the appraiser's 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.

SCOPE OF WORK

Appraisal & Report Type: This is a complete appraisal, summary 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.
The sources of data on the subject sites was obtained by surveys supplied by the client and the tax cards.

Analysis of Physical Factors: All pertinent physical factors were analyzed. Both subject sites were walked by your appraiser.

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

The Extent of Data Research: The appraiser maintains a current and comprehensive database of local sales and listings in the form of subscription to sales data sources 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 Appraiser's office on-line.
- Personal inspection.
- Data collected from previous appraisals.
- Interviews of Broward County and Palm Beach County right of way departments as to their policies
- in appraisals of similar type property as the subject
- R/W under appraisal.

Where warranted, market data has been confirmed by a

party to the transaction, or other reliable source.

The Type and Extent of Analysis: Cost Approach: In this case, the cost approach is not applicable or necessary for a credible appraisal and has not been developed.

Sales Comparison Approach: This approach is applicable, necessary and has been fully developed.

Income Approach: In this case, the income approach is not applicable or necessary for a credible appraisal and has not been developed.

Three-Year Sale History

There have been no sales in the past three years.

Current Listing/Pending Contracts

There is a current proposal to sell the subject two street r/w areas to the adjacent center owner. No sale price has been determined yet. The Miami Beach City Commission has held the first reading, the second reading is scheduled for April 23, 2014 for the proposal to build 21 Story Height on the adjacent center site at 8701 Collins Ave. The proposal is to use 87th Terrace as part of their building site and 87th Street as a public landscaped access way for access to the Atlantic Ocean.

Legal Description

That land area underlying 87th Street and 87th Terrace east of Collins Ave.

Assessment & Taxes

The subject property street R/W east of Collins Ave. is not taxed.

Property Description

SITE

Information Sources: Surveys and plat of subject rights of way for 87th street and 87 Terrace east of Collins Ave. supplied by the client. Property tax cards. Personal inspection

Total Site Size: 87th Street: 50' x 356.31' average length, 17,815 SF (0.409 Acres).
87th Terrace: 50 'x 360.66' average length, 18,033 SF (0.414 Acres).

Usable Site Size: 87th Street: 50' x 356.31' average length, 17,815 SF (0.409 Acres).
87th Terrace: 50 'x 360.66' average length, 18,033 SF (0.414 Acres).

Site Shape: Both sites rectangular shape

Road Frontage/Access: Both sites front on Collins Ave. and have access to Collins Ave.
Both front on the Atlantic Ocean.

Site Topography: Level and even and slightly above Collins Ave.

Utilities: All available.

Site Improvements: None for 87th Street, asphalt paved parking on 87th Terrace plus 28 parking meters.

Flood Zone: Zone X, Out side the 1% and 0.20% chance Flood Plains. Flood SFHA 1 F.

**Easements/
Encroachments:** Typical utility, no encroachments noted.

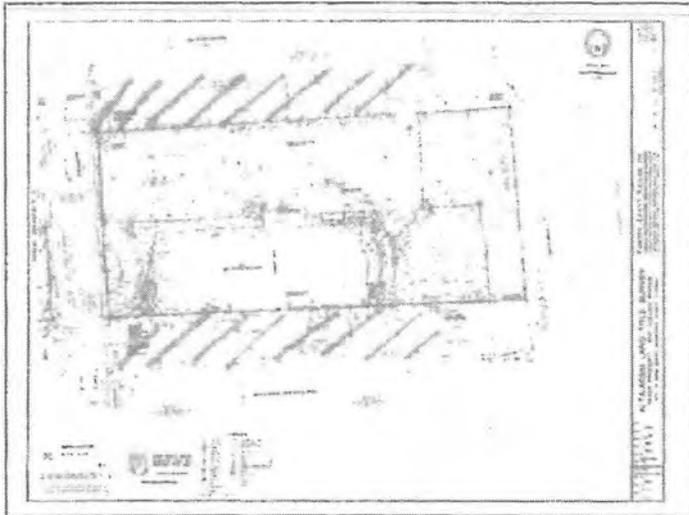
Zoning: Not zoned. All public street rights of way.

Other: General location is near the North Shore Recreation Area. 50 foot wide ocean front sites are buildable in Miami Beach. See Sales No. 2 and No.3.

Site Comments:

IMPROVEMENTS

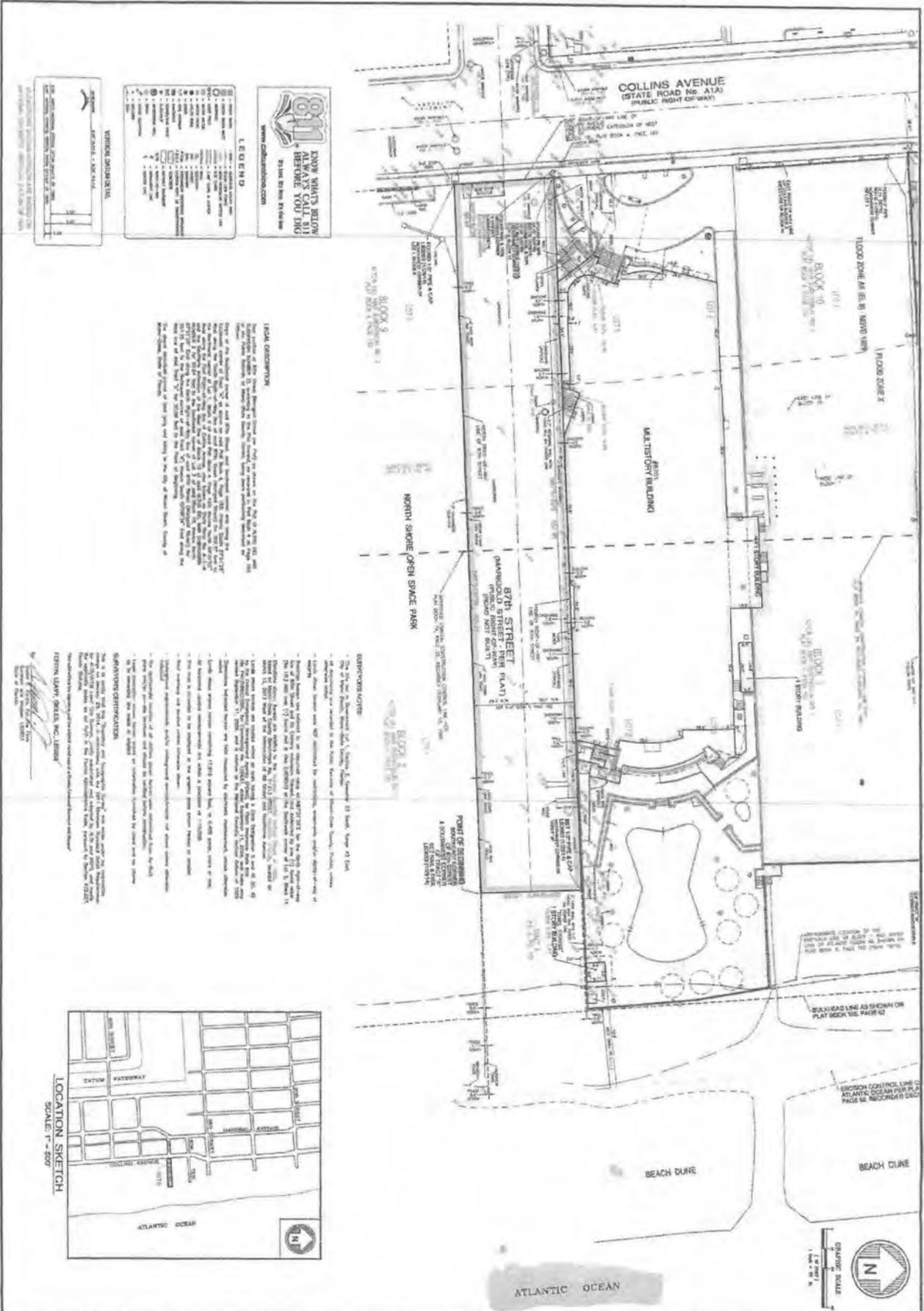
Property Type: Paved parking with 28 parking meters on 87th Terrace. No improvements on 87th Street.



DEPICTION OF SUBJECT ROWS APPRAISED



Right-of-Ways known as 87th Street and 87th Terrace on the east side of Collins Avenue
East of Collins Avenue 87th Street and 87th Terrace
Miami Beach, Florida



LEGEND

1. BOUNDARY LINE

2. ADJACENT PROPERTY

3. EASEMENT

4. FLOOD ZONE

5. BEACH DUNE

6. TYPICAL DIMENSIONAL

LEGEND

1. BOUNDARY LINE

2. ADJACENT PROPERTY

3. EASEMENT

4. FLOOD ZONE

5. BEACH DUNE

6. TYPICAL DIMENSIONAL

18

FORNIN LEAVY SKILES INC.

BOUNDARY AND TOPOGRAPHIC SURVEY

25186 SW 87th Ave, Suite 100

LOCAL DESCRIPTION

This is a plat of a portion of Block 3, North Shore Open Space Park, City of Miami Beach, Miami-Dade County, Florida, as shown on the attached plat of Block 3, North Shore Open Space Park, City of Miami Beach, Miami-Dade County, Florida, and as shown on the attached plat of Block 4, North Shore Open Space Park, City of Miami Beach, Miami-Dade County, Florida, and as shown on the attached plat of Block 5, North Shore Open Space Park, City of Miami Beach, Miami-Dade County, Florida.

SURVEYOR'S NOTES

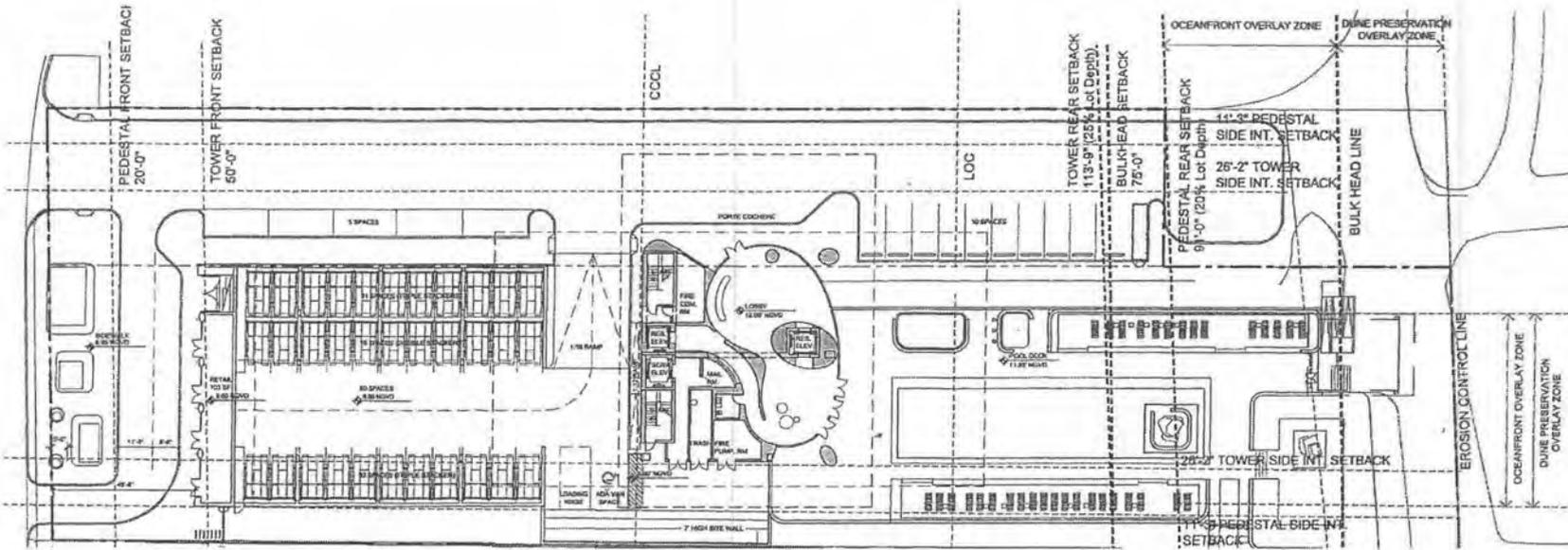
1. The 87th Street Right-of-Way is shown on the attached plat of Block 3, North Shore Open Space Park, City of Miami Beach, Miami-Dade County, Florida, and as shown on the attached plat of Block 4, North Shore Open Space Park, City of Miami Beach, Miami-Dade County, Florida, and as shown on the attached plat of Block 5, North Shore Open Space Park, City of Miami Beach, Miami-Dade County, Florida.

2. The Malibu Building is shown on the attached plat of Block 3, North Shore Open Space Park, City of Miami Beach, Miami-Dade County, Florida, and as shown on the attached plat of Block 4, North Shore Open Space Park, City of Miami Beach, Miami-Dade County, Florida, and as shown on the attached plat of Block 5, North Shore Open Space Park, City of Miami Beach, Miami-Dade County, Florida.

3. The North Shore Open Space Park is shown on the attached plat of Block 3, North Shore Open Space Park, City of Miami Beach, Miami-Dade County, Florida, and as shown on the attached plat of Block 4, North Shore Open Space Park, City of Miami Beach, Miami-Dade County, Florida, and as shown on the attached plat of Block 5, North Shore Open Space Park, City of Miami Beach, Miami-Dade County, Florida.



<p>BOUNDARY AND TOPOGRAPHIC SURVEY</p> <p>87th STREET</p> <p>CITY OF MIAMI BEACH, MIAMI-DADE COUNTY, FLORIDA</p>	<p>FORTIN, LEAVY, SKILES, INC.</p> <p>CONSULTING ENGINEERS, SURVEYORS & MAPPERS</p> <p>FLORIDA CERTIFICATE OF AUTHORIZATION NUMBER: 308664</p> <p>180 Northwest 18th Street / North Miami Beach, Florida 33142</p> <p>Phone: 305-633-4893 / Fax: 305-633-7132 / Email: info@fortinleavy.com</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;"> <p>DATE: 11/11/2011</p> <p>PROJECT: 87th Street</p> <p>CLIENT: City of Miami Beach</p> <p>SCALE: 1" = 200'</p> </td> <td style="width: 50%;"> <p>DATE: 11/11/2011</p> <p>PROJECT: 87th Street</p> <p>CLIENT: City of Miami Beach</p> <p>SCALE: 1" = 200'</p> </td> </tr> </table>	<p>DATE: 11/11/2011</p> <p>PROJECT: 87th Street</p> <p>CLIENT: City of Miami Beach</p> <p>SCALE: 1" = 200'</p>	<p>DATE: 11/11/2011</p> <p>PROJECT: 87th Street</p> <p>CLIENT: City of Miami Beach</p> <p>SCALE: 1" = 200'</p>
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1 GROUND LEVEL SITE PLAN
SCALE: 1/16" = 1'-0"



SHULMAN + ASSOCIATES
100 NE 28 STREET | MIAMI, FL 33137
T 305 438 0489
www.shulman-assn.com
AA 25801010 | ALLAN SHULMAN FAJA



WEST 8 WEST 8 URBAN DESIGN & LANDSCAPE ARCHITECTURE P.C. BILTMORE TERRACE | 8701B COLLINS AVE., MIAMI BEACH, FL | DRB SUBMITTAL 03/12/2014 | PROJ. # 13027
333 HUDSON STREET, SUITE 905 | NEW YORK, NY 10013
T 212 265 0288
www.west8.com/ny
LA 4447042 | JAMIE MASLYN LARSON, RLA

DRB FILE # 23047



A-1.01
GROUND LEVEL SITE PLAN
MARCH 12, 2014



**VIEW EAST AT 87TH STREET
FROM NEAR COLLINS AVE.
(UNIMPROVED R/W)**



**VIEW WEST FROM THE OCEAN SIDE
OF UNIMPROVED 87TH STREET**



**VIEW EAST AT UNIMPROVED 87TH STREET
FROM COLLINS AVE.**



**VIEW EAST AT 87TH TERRACE R/W
FROM NEAR COLLINS AVE.**



**VIEW WEST FROM NEAR EAST END
OF 87TH TERRACE R/W
28 PARKING METERS ON THE LEFT**



**VIEW SOUTH FROM EAST OF R/W
OF 87TH TERRACE AT BEACH AND OCEAN**



AERIAL VIEW OF SUBJECT PROPERTIES



Google earth

feet 100
meters 30



Valuation Methodology

Three basic approaches may be used to arrive at an estimate of market value. They are:

- The Cost Approach
- The Income Approach
- The Sales Comparison Approach

The **Cost Approach** is summarized as follows:

$$\begin{array}{r} \text{Cost New} \\ - \text{ Depreciation} \\ + \text{ Land Value} \\ \hline = \text{ Value} \end{array}$$

The **Income Approach** converts the anticipated flow of future benefits (income) to a present value estimate through a capitalization and or a discounted process.

The **Sales Comparison Approach** compares sales of similar properties with the subject property. Each comparable sale is adjusted for its inferior or superior characteristics. The values derived from the adjusted comparable sales form a range of value for the subject. By process of correlation and analysis, a final indicated value is derived.

The appraisal process concludes with the **Final Reconciliation** of the values derived from the approaches applied for a single estimate of market value. Different properties require different means of analysis and lend themselves to one approach over the others. This appraisal includes the following:

- Cost Approach: In this case, the cost approach is not applicable or necessary for a credible appraisal and has not been developed.
- Sales Comparison Approach: This approach is applicable, necessary and has been fully developed.
- Income Approach: In this case, the income approach is not applicable or necessary for a credible appraisal and has not been developed.

VALUATION

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.¹

- **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

The highest and best use as vacant land is for street right of way and parking use in connection for ocean access recreational use for 87th Terrace. It is not needed for access to either the north or south adjacent owners as they have access to Collins Ave..

87th Street is unimproved and is used in conjunction with the adjacent public park to the south. It currently serves as access to the Atlantic Ocean for recreational use and use as a public park which is compatible with the highest and best use as vacant.

Highest and Best Use As Improved

The adjacent land to the south of 87th Street is a public park which provides access to the ocean for recreational use in conjunction with on-site use of the uplands as a park for recreational public use. The proposed use of 87th Street is for a landscaped access way to the Atlantic Ocean for recreational use along with on-site recreational use for the public as well as for the proposed adjacent center development use. The access would not necessarily have any restrictions which might apply to the public park for use.

The right of way for 87th Terrace on the north side is not needed for access to either the adjacent south center site or the adjacent north site for access to the sites for development potential. Access is provided to both sites directly on Collins Ave. Therefore, the highest and best use of this site is compatible with the proposed use of this site as a sale to the center adjacent site owner for incorporation into the building site and use the funds for other public use in Miami Beach.

¹ *The Appraisal of Real Estate* 11th Edition, Page 297, Appraisal Institute
Bondarenko Associates, Inc.

SALES COMPARISON APPROACH

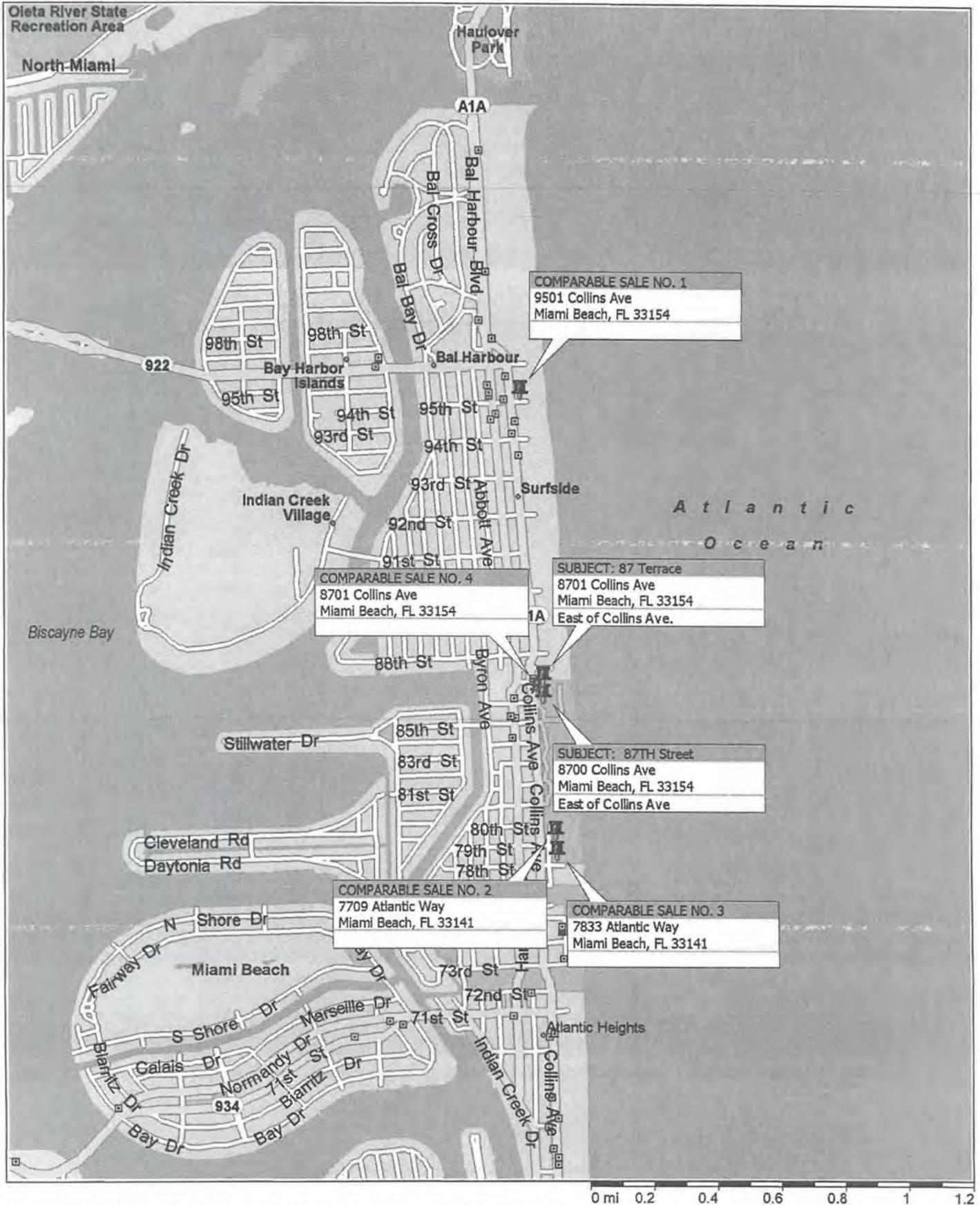
Sales Comparison Approach

The Sales Comparison Approach is based on the premise that a buyer would pay no more for a specific property than the cost of obtaining a property with the same quality, utility, and perceived benefits of ownership. It is based on the principals of supply and demand, balance, substitution and externalities. The following steps describe the applied process of the Sales Comparison Approach.

1. The market in which the subject property competes is investigated; comparable sales, contracts for sale and current offerings are reviewed.
2. The most pertinent data is further analyzed and the quality of the transaction is determined.
3. The most meaningful unit of value for the subject property is determined.
4. Each comparable sale is analyzed and where appropriate, adjusted to equate with the subject property.
5. The value indication of each comparable sale is analyzed and the data reconciled for a final indication of value via the Sales Comparison Approach.

We have researched and analyzed four comparables for this analysis. All sales have been researched through numerous sources, inspected and verified by a party to the transaction or a source deemed reliable.

COMPARABLE SALE LOCATION MAP

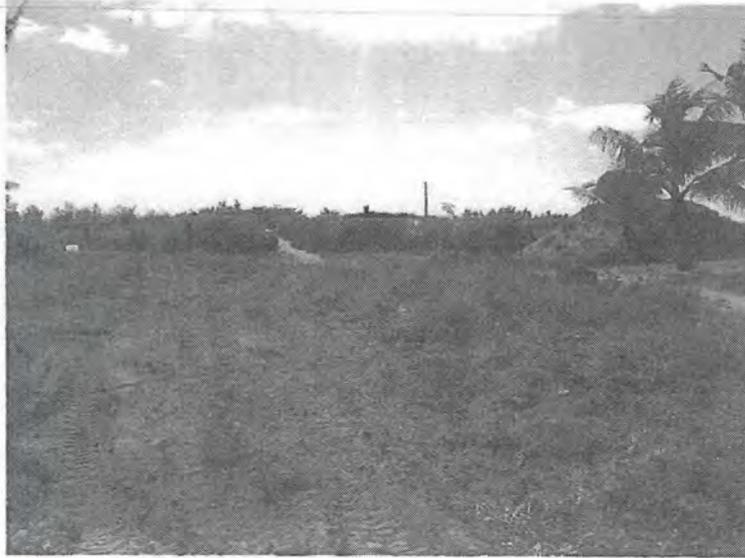


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COMPARABLE SALE NO. 1

Location:	9501 Collins Ave Surfside, FL 33154
Folio No.: 14 2235 007 0110	ORB: 27810-3524
Date of Sale: 8-25-2011	Size: 16,445 SF (55' x 299')
Sale Price: \$4,000,000	Sale Price/Sq. Ft.: \$243.24
Grantor: 9501 Collins Ave, LLC	Grantee: Greystone Residential, LLC
Water Frontage: Ocean Front	Zoning: RT-1, Tourist
Legal Description: Lot 1 Blk 2, Altos Del Mar No. 6, PB 8-106	



COMPARABLE SALE NO. 2

Location:	7709 Atlantic Way Miami Beach, Florida
Folio No.: 02 3202 004 0280	ORB: 28757-0623
Date of Sale: 8-5-2013	Size: 13,000 SF (0.298 Acres)
Sale Price: \$3,875,000	Sale Price/Sq. Ft.: \$298.08
Grantor: 1037 Orlando, LLC	Grantee: Kadey Family Beach, LP
Water Frontage: Ocean Front	Zoning: RS-3
Legal Description: Altos Del Mar NO.1 PB 31-40. Lot 5, Blk 6 50' x 260'	



COMPARABLE SALE NO. 3

Location:	7833 Atlantic Way Miami Beach, Florida
Folio No.: 02 3202 004 0190	ORB: 28783-1184
Date of Sale: 8-21-2013	Size: 13,000 SF (0.298 Acres)
Sale Price: \$3,200,000	Sale Price/Sq. Ft.: \$246.15
Grantor: Bank of America	Grantee: Loxodonta Ventures, LLC
Water Frontage: Ocean Front	Zoning: RS-3
Legal Description: Altos Del Mar NO.1 PB 31-40. Lot 2, Blk 5 50' 260'	

**SEE ADENDA SECTION "I" FOR MORE
DETAILS OF THE COMPARABLE SALES**

Analysis Grid

The above sales have been analyzed and compared with the subject property. We have considered adjustments in the areas of:

- Property Rights Sold
- Financing
- Conditions of Sale
- Economic Trends (time)
- Location
- Physical Characteristics

On the following page is a sales comparison grid displaying the subject property, the comparables and the adjustments applied.

87th Street & 87th Terrace R/W East of Collins Ave. Miami Beach, Florida 33154					
Item	Subject	Sale No. 1	Sale No. 2	Sale No. 3	Sale No. 4
Location (Ocean Front)	87th Street East of Collins Ave.	9501 Collins Ave	7709 Atlantic Way	7833 Atlantic Way	8701 Collins Ave
Location (Ocean Front)	87th Terrace East of Collins Ave. Miami Beach, FL	Ocean Front Surfside, FL	Ocean Front Miami Beach, FL	Ocean Front Miami Beach, FL	Ocean Front Miami Beach, FL
Folio No.		14-2235-007-0110	02-3202-004-0280	02-3202-004-0190	02-3202-006-0010
Folio No.					02-3202-006-0420
Size	18,033 SF (87th Street)	16,445 SF Ocean Front	13,000 SF (0.298 Acres)	13,000 SF (0.298 Acres)	73,675 SF (1.691 Acres)
Size	17,815 SF (87th Terrace)				15,312 SF (0.352)
Ocean Frontage		55 Feet	50 Feet	50 Feet	171 Feet
Zoning		RT-1 Tourist	RS-3	RS-3	RM-2
ORB/PAGE	N/A	27810-3524	28757-0623	28783-1184	28953-2657
Grantor	N/A	9501 Collins Avenue, LLC	1037 Orlando, LLC	Bank of America	Dezer Properties LLC
Grantee	N/A	Greystone Residential, LLC	Kadey Family Beach, LP	Loxodonta Venures, LLC	8701 Collins Developmet, LLC
Date of Sale		8-25-2011	8-5-2013	8-21-2013	12-16-2013
Sale Price		\$4,000,000	\$3,875,000	\$3,200,000	\$65,000,000
Sale Price/Square Foot		\$243.24	\$298.08	\$246.15	\$730.44
	Analysis The subject two rights-of-way are 50 ft. wide sites that are suitable for development in Miami Beach as demonstrated by Sales No. 2 and No. 3.	Analysis This a 55 ft wide lot that was later improved with seven apartments, in Surfside, 8 blocks north of the subject sites. This sale is an ocean front site.	Analysis This is a 50 ft. wide ocean front lot zoned for single family use. It demonstrates that 50 ft lots are buildable sites in Miami Beach. This site is located 10 blocks south of the subject sites.	Analysis This is a 50 ft. wide ocean front lot zoned for single family use. It demonstrates that 50 ft lots are buildable sites in Miami Beach. This site is located 10 blocks south of the subject sites.	Analysis This is the sale of a 1951 age apartment fronting on the ocean front in Miami Beach. This is the site that is in the middle of 87 St & 87th Terrace plus a parking lot on the west side of Collins Ave.

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87th Street & 87th Terrace R/W East of Collins Ave. Miami Beach, Florida 33154					
Item	Subject	Sale No. 1	Sale No. 2	Sale No. 3	Sale No. 4
Location (Ocean Front)	87th Street East of Collins Ave.	9501 Collins Ave	7709 Atlantic Way	7833 Atlantic Way	8701 Collins Ave
Location (Ocean Front)	87th Terrace East of Collins Ave.	Ocean Front	Ocean Front	Ocean Front	Ocean Front
	Miami Beach, FL	Surfside, FL	Miami Beach, FL	Miami Beach, FL	Miami Beach, FL
Date of Sale		8-25-2011	8-5-2013	8-21-2013	12-16-2013
Sale Price		\$4,000,000	\$3,875,000	\$3,200,000	\$65,000,000
Sale Price/Square Foot		\$243.24	\$298.08	\$246.15	\$730.44
		ADJUSTMENTS			
Market Conditions (Time)		Inferior +23%	Similar =	Similar =	Similar =
Location		Similar =	Similar =	Similar =	Similar =
Width/ Size of Site (Development Potential)		Similar =	Similar =	Similar =	Superior -60%
Ocean Frontage		Similar	Similar	Similar	Similar
Access		Similar =	Similar =	Similar =	Similar =
Utilities		Similar =	Similar =	Similar =	Similar =
Bank Sale Influence		Similar =	Similar =	Inferior +20%	Similar =
Net Adjustment Adjusted Price/SF		+23% \$299.19	0% \$298.08	+20% \$295.38	-60% \$292.18

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Analysis of Comparable Sales

The first step in the appraisal of the dedicated public rights of way of 87th Street and 87 Terrace east of Collins Ave. is to analyze how to treat the restrictions that exist in the public streets. If the restrictions were to carry over to a new owner, the land would be of little or no value to the owner. As a starting point, I interviewed the Right of Way Directors of neighboring counties to the north, Broward County and Palm Beach County as to what method they used in estimating the value of public rights of way to an adjoining owner.

In Broward County Mr. C. Kevin Bokoske was interviewed. The way that they handle it is to value it in a similar manner as valuing in the adjoining parcel without the restrictions of a public right of way.

Palm Beach County handles it a little different. Streets are first abandoned before transferring to adjoining owners. They treat excess property as in a partial right of way taking, as a bidding process to the highest adjoining bidder.

According to Mr. Demar Woodson, Right of Way Manager, Public Works Department, Miami Beach, Miami Beach has not established a policy, as they have not previously sold public street rights of way.

It is my opinion that the value estimate should be based on recent sales of similar ocean front site sizes and similar uses.

Four comparable sales were selected for comparison to the subject property rights-of-way. They are all located within 10 blocks of the subject property. All have frontage on the Atlantic Ocean as does the subject property. Three sales were within 2013 and one in 2011. Two sales were 50 feet wide with one 55 feet wide and one 171 feet wide. Single family dwellings are allowed on 50 ft wide lots, See Sales No. 2 and No. 3.

Comparable Sale No. 4 is the adjacent center parcel between the two subject streets. The density in Miami Beach is not determined by square foot area in the RM-2 multifamily zoning districts. It has a minimum square foot area of 550 SF and an average square foot area of 800 feet. The story height currently is 60 stories in RM-2 zoning. The center adjacent owner at 8701 Collins Ave, has a proposal before the City Commission asking for a height of 21 stories, second reading scheduled for April 23, 2014.

Analysis

Comparable Sale No. 1

This sale is located in Surfside 8 blocks north of the subject property. It is a 55 ft. wide ocean front site that sold in August 2011. It was later improved with 7 apartments which have not been sold to date. It sold for \$4,000,000 or \$243.24 per square foot. It is noted that this site is only 5 feet wider than the subject 50 ft. wide right of way sites. Ocean front site sales are rare to find, therefore, I could not find paired sales to support a market condition (time) adjustment. A general comparison is made to Sale No. 2 at \$298.08 per square foot in August 2013 for an ocean front site that is 50 feet wide for a single family dwelling. This comparison results in a plus 23% a plus adjustment for an adjusted value of \$299.19 per square foot to the subject site.

Comparable Sale No. 2

This sale is located 10 blocks south of the subject sites, no location adjustment is warranted. It is an August 2013 sale, no adjustment is warranted for market conditions (time). It is an ocean front site 50

ft. wide slightly smaller than the subject sizes. Access is similar. Utilities are similar. It was not a bank sale. No adjustments are indicated, indicated adjusted value is \$298.08/SF.

Comparable Sale No. 3

This sale is located 10 blocks south of the subject sites, no location adjustment is warranted. It is an August 2013 sale, no adjustment is warranted for market conditions (time). It is an ocean front site 50 ft. wide slightly smaller than the subject sizes. Access is similar. Utilities are similar. It was a bank sale. No paired sales could be found to support an adjustment for the bank sale influence. This sale is located one block south of Sale No. 2. All other items of comparison are similar. A rounded adjustment for bank sale influence is made at +20%. The estimated adjusted value is plus 20% or \$295.38/SF.

Comparable Sale No. 4

Comparable Sale No. 4 is the adjacent center parcel between the two subject streets. The density in Miami Beach is not determined by square foot area in the RM-2 multifamily zoning districts. It has a minimum square foot area of 550 SF and an average square foot area of 800 feet. The story height currently is 60 stories in RM-2 zoning. This center adjacent owner at 8701 Collins Ave, has a proposal before the City Commission asking for a story height of 21 stories. The first reading has been heard. The second reading is scheduled for April 23, 2014. This parcel has a parking site on the west side of Collins Ave. across from the larger ocean front site. The date of sale of this parcel is December 16, 2013. It sold for \$65,000,000 or \$730.44 per square foot.

No adjustment for market conditions (time) is warranted for comparison to the effective date of appraisal as it is only three months. Location is the same. Ocean frontage is the same. Access is the same. Utilities are the same. There is no bank sale influence. The only adjustment is for size of site, the width, which renders this parcel with a superior potential for development. It is 171 feet wide compared to 50 feet wide of the right of way streets of the subject. The two 50 ft. wide sales, No. 2 and No. 3, are pretty much limited to single family development as these are. No paired sales could be found for Sale No.4 at \$65,000,000. However, comparing this Sale No. 4 to Sales No.2 and No 3, a minus 60% adjustment is indicated for superior development potential for 50 foot wide sites. The adjusted value of Sale No. 4 is \$292.18/SF.

Conclusion

87th Terrace is asphalt paved and has 28 parking meters. 87th Street is unimproved. No value is attributed to improvements. Three of the comparable sales are very similar in size to the subject 50 foot wide rights of way. All sales are ocean front sales. All sales are located within 10 blocks of the subject property. All sales are residential in use. Sales No. 1, No. 2 and No. 3 were used in comparison to Sale No. 4 in support of the minus 60% adjustment for superior development potential of Sale No. 4 due to size and width of site for a major residential development. Three of the sales were in 2013, one in August 2011. The subject 87th Street site, the 87th Terrace site are considered to be most similar to Sale No. 2. Placing most weight on Sale No. 2, but considering all four of the sales, the estimated adjusted value of the subject property right of way sites is \$298.00 per square foot.

87 th Street R/W East of Collins Ave	18,033 Sq. Ft. x \$298.00/Sq. Ft. =	\$ 5,373,834
87 th Terrace R/W East of Collins Ave	17,815 Sq. Ft. x \$298.00/Sq. Ft. =	\$ 5,308,870
		\$10,682,704
	rounded to	\$10,680,000
Estimated Market Value of Total Rights of Way		\$10,680,000

Sales Comparison Approach Conclusion

Based on the above analysis, we have reconciled to a value of \$10,680,000, as of April 2, 2014, and subject to the Limiting Conditions and Assumptions of this appraisal.

RECONCILIATION

Final Reconciliation

The process of reconciliation involves the analysis of each approach to value. The quality of data applied, the significance of each approach as it relates to market behavior and defensibility of each approach are considered and weighed.

In this appraisal, only one approach to value was applied, the Sales Comparison Approach.

Value Indication

Sales Comparison Approach \$10,680,000

Sales Comparison Approach

Four comparable sales were selected for comparison to the subject property rights-of-way. They are all located within 18 blocks of the subject property. All have frontage on the Atlantic Ocean as does the subject property. Three sales were within 2013 and one in 2011. Two sales were 50 feet wide with one 55 feet wide and one 171 feet wide. Single family dwellings are allowed on 50 ft wide lots, See Sales No. 2 and No. 3.

The density in Miami Beach is not determined by square foot area in the RM-2 multifamily zoning districts. It has a minimum square area 550 SF and an average square foot area of 800 feet. The story height currently is 60 stories in RM-2 zoning. The center adjacent owner at 8701 Collins Ave, has a proposal before the City Commission asking for a height of 21 stories, second reading scheduled for April 23, 2014.

Value Conclusion

Based on the data and analyses developed in this appraisal, we have reconciled to a value estimate of \$10,680,000, as of April 2, 2014, subject to the Limiting Conditions and Assumptions of this appraisal.

TEN MILLION SIX HUNDRED EIGHTY THOUSAND DOLLARS

(\$10,680,000)

ADDENDUM

GENERAL LIMITING CONDITIONS

1. Unless otherwise stated, the value appearing in this appraisal represents my opinion of the market value or the value defined as of the date specified. Market value of real estate is affected by national and local economic conditions and consequently, will vary with future changes in such conditions.
2. The value estimated in this appraisal report is gross, without consideration given to any encumbrance, restriction or question of title, liens, unless specifically defined.
3. This appraisal report covers only the property described. Any values or rates utilized are not to be construed as applicable to any other property, however similar the properties might be.
4. It is assumed that the title to the premises is good, that the legal description is correct, that any improvements are entirely and correctly located on the property described, and that there are no encroachments on this property, but no investigation or survey has been made.
5. No responsibility is assumed for matters legal in nature, nor is any opinion of title rendered.
6. Neither all nor any part of the contents of this report (especially any conclusions, the identity of the appraiser or the firm which he is connected, or any reference to the Appraisal Institute or any of their designations shall be disseminated to the public through advertising media, public relations media, news media, sales media or any other means of communication without my prior written consent and approval.
7. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures which would render it more or less valuable. The Appraiser assumes no responsibility for such conditions or the engineering which might be required to discover these factors.
8. The contract for appraisal, consultation, or analytical service is fulfilled and total fee is payable upon completion of the report. The appraiser will not be asked or 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 an additional fee.
9. The source of any data used in this report is considered confidential and will only be revealed on a need to know basis.
10. This appraisal is prepared for the private use of the property owner or mortgage lender and may be used by the property owner, his heirs, successors or assigns, as an aid in obtaining financing and as an aid in estate planning. Any other use of the appraisal is not authorized. In the event this appraisal is used for any unauthorized purpose, the user shall indemnify and hold harmless the Appraiser, its officers, directors and employees, from any and all claims, judgments or other liability, whether or not suit is filed, including reasonable attorney's fees and the expenses of litigation.
11. This appraisal report shall not be used for syndication purposes.
12. If this is improved property, this appraisal and value estimate in no way implies a warranty of the structural integrity of the improvements (or street improvements), which are the subject of the

appraisal. Any improvements are concluded to be of suitable construction, however, no structural engineering inspection, nor foundation inspection, nor mechanical equipment inspection has been made. Unless otherwise noted herein, working order of the mechanical equipment is assumed, however, the appraiser in no way warrants the adequacy, design, and sufficiency of mechanical features. If structural inspections and an engineering report are desired, then this firm will supply such a report at an additional fee, upon request.

13. The appraiser presumes that any improvements, either existing or to be built, meet the fire safety requirements of all applicable state and local building codes. It is assumed that a certificate of occupancy and acceptance has been issued by the State Fire Marshall and the local supervisory building inspector if this is improved property, unless a nonconformity is stated, defined, and considered in the appraisal report.

14. There is no reason to believe that this site has ever been used to process or store any hazardous substance or toxic waste. Never the less, the appraiser is not an engineer or environmental expert, and the appraisal assumption that there are no hazardous substances or toxic wastes on the site should not be construed as an expert conclusion.

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.

The existence of endangered species of flora or fauna, has not been considered and the appraiser assumes no responsibility in such matters. The appraiser is not qualified to detect such substances or species and, if desired, recommends that the client retain an expert in this field.

15. No termite inspection has been made, nor is a termite report available to the appraiser. It is assumed that the property is termite free.

16. The value estimates reported in this report assume that the site conforms to and meets all requirements of the mandated "concurrency" requirements, and is able to obtain building permits unless otherwise stated and defined.

17. The Market Value highlighted in this report is a nominal computation that does not adjust for carrying costs or the time value of money. The cost of taxes, utilities, and maintenance during the marketing period are not addressed in the Market Value.

18. The Americans with disabilities Act (ADA) became effective January 26, 1992. I 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 the value of the property. Since I have no direct evidence relating to this issue, I did not consider possible noncompliance with the requirements of ADA in estimating the value of the property.

19. Responsible ownership and competent property management are assumed.

20. All engineering is assumed to be correct. The plot plans and illustrative material in this report are included only to assist the reader in visualizing the property.

21. It is assumed that all required licenses, certificates of occupancy, 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.

22. Possession of this report, or a copy thereof, does not carry with it the right of publication.

23. No environmental or 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 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 subsequently becoming known to him.

24. The appraiser 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 or standards enforcement or by a court of law or body with the power of subpoena.

25. This appraisal is to be used only in its entirety and no part is to be used without the whole report. All conclusions and opinions concerning the analyses which are set forth in the report were prepared by the appraiser whose signature appears on the appraisal report. No change of any items in the report shall be made by anyone other than the appraiser and the appraiser shall have no responsibility if any such unauthorized change is made.

26. Comparable data relied upon in this report has been confirmed with one or more parties familiar with the transaction or from sources deemed reliable. All are considered appropriate for inclusion to the best of my factual judgment and knowledge.

27. The value contained within this appraisal report 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.

Special Assumptions and Limiting Conditions

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

CERTIFICATION

I certify that, to the best of my knowledge and belief...

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analyses, opinions, and conclusions.
3. I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.
4. I have not performed appraisal services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
5. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
8. My analyses, opinions, and conclusions were developed and this report was prepared in reasonable conformity with the *Uniform Standards of Professional Appraisal Practice*.
9. I have made a personal inspection of the property that is the subject of this report.
10. No one provided significant professional assistance to the person signing this report.



Date 4-7-2014

Henry R. Bondarenko, SRA, MAI
Cert Gen RZ-508

APPRAISER QUALIFICATIONS 2014 HENRY R. BONDARENKO SRA, MAI

Cert Gen RZ-508

BUSINESS ADDRESS 201 South Golf Boulevard, Suite 2007

Pompano Beach, Florida 33064

Telephone Fax (954) 942-8471 Off. (954) 942-3353

hankapr@comcast.net

EXPERIENCE

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

MEMBER

Life Member, Appraisal Institute, SRA, MAI

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, RE Market-How We Got Here 2009, Public Sector Appraising 2009, USPAP Update Feb. 2010, Florida Law for Real Estate Appraisers Feb. 2010, Roles and Rates Feb. 2010. Common Errors, Issues & Workfiles September 2010. Agreement for Services July 2011, Trial Components, Nov. 2011. Capitalization Rates-Peter Korpacz March 2012, Fundamentals of Separating Soft Costs from Real Estate, May 2012, USPAP Update, May 2012, Florida Core Law Update, May 2012. Real Estate Forecast Jan. 2013. Developing A Supportable Workfile Nov. 2013, Litigation Appraising Feb. 2014

LICENSES State Certified General Real Estate Appraiser - State of Florida #RZ-508

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 Southermost 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., Airport Area Parking Garage, Charlotte, North Carolina., hotel in Miami Beach., hotel in Ft. Lauderdale, FL..

AC# 6336788

STATE OF FLORIDA

DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION
FLORIDA REAL ESTATE APPRAISAL BD

SEQ# L12090403247

DATE	BATCH NUMBER	LICENSE NBR
09/04/2012	120097389	RZ508

The CERTIFIED GENERAL APPRAISER
Named below IS CERTIFIED
Under the provisions of Chapter 475 FS.
Expiration date: NOV 30, 2014

BONDARENKO, HENRY R
201 S GOLF BLVD #2007
POMPANO BEACH FL 33064



RICK SCOTT
GOVERNOR

DISPLAY AS REQUIRED BY LAW

KEN LAWSON
SECRETARY

ENGAGEMENT LETTER

AUTHORIZATION FOR APPRAISAL SERVICE

In consideration of this Employment Agreement between Bondarenko Associates, Inc., 201 S. Golf Blvd, Suite 2006, Pompano Beach, FL 33064 hereinafter referred to as the appraiser, Henry R. Bondarenko, MAI, SRA, Chief Appraiser, Gen Cert RZ 508 and:

Public Works Department
Demar Woodson, Right of Way Manager
1700 Convention Center Drive
Miami Beach, Florida 33139

Hereafter referred to as the client, said parties do hereby agree as follows:
The appraiser agrees to prepare a summary appraisal of the property located at

Right of Way Land of
87th Street and 87 Terrace, East of Collins Ave
Miami Beach, Florida 33139

Transfer of property by outright sale, not a temporary easement.

PURPOSE OF THE APPRAISAL: To estimate the market value of the property for sale to the adjacent owner, client is to furnish the following information;

Site plans, survey (Already Supplied)

In return for said services and appraisal reports, the client hereby agrees to compensate the appraiser in the amount of \$1,800, \$ 0 retainer, Balance of \$1,800 at the time of delivery of the appraisal reports. One e-mail copy, three hard copies.

Should additional services of the appraiser be requested by the client, his agent, his attorney, or the court, such as pre-trial conferences, court appearances, court preparation, etc., the client agrees to compensate the appraiser at the rate of \$ 200.00 per hour provided such additional services are performed within one year after delivery of said report.

The Americans with Disabilities Act (ADA) became effective January 26, 1992. It is your (the clients) responsibility to determine whether or not the property is in compliance with the various requirements of the ADA.

The report will be prepared in conformity with the requirements of the guidelines and recommendations set forth in the Uniform Standards of Appraisal Practice (USPAP), the Code of Professional Ethics and the Standards of Professional Practice of the Appraisal Institute, the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA), Title XI Regulations, and other Federal requirements.

(cont;d)

(cont'd)

All information and materials shall be kept in the strictest of confidence and shall not be disclosed in any manner whatsoever to any party whatsoever, other than to client and clients representative and his designee.

It is further understood that neither the employment to make the appraisal nor the compensation therefore is contingent upon the amount of the valuation.

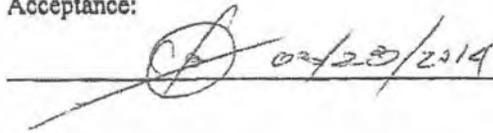
Dated:

By:

Bondarenko Associates, Inc.

Acceptance:





Henry R. Bondarenko, SRA, MAI
Cert Gen RZ 508

Client
Retainer \$ _____ -0- _____

Date: March 24, 2014
Phone (954) 942-3353
Fax (954) 942-8471
Cell (954) 471-8072
e-mail: hankapr@comcast.net

SECTION " I "

MORE DETAILS OF THE COMPARABLE SALES



COMPARABLE SALE NO. 1

Location:	9501 Collins Ave Surfside, FL 33154
Folio No.: 14 2235 007 0110	ORB: 27810-3524
Date of Sale: 8-25-2011	Size: 16,445 SF (55' x 299')
Sale Price: \$4,000,000	Sale Price/Sq. Ft.: \$243.24
Grantor: 9501 Collins Ave, LLC	Grantee: Greystone Residential, LLC
Water Frontage: Ocean Front	Zoning: RT-1, Tourist
Legal Description: Lot 1 Blk 2, Altos Del Mar No. 6, PB 8-106	



CFN 2011R0585050
 OR Bk 27810 Pg 35241 (1pg)
 RECORDED 08/31/2011 14:37:55
 DEED DOC TAX 24,000.00
 SURTAX 18,000.00
 HARVEY RUVIN, CLERK OF COURT
 MIAMI-DADE COUNTY, FLORIDA
 LAST PAGE

This instrument prepared by
 BENNETT G. FELDMAN, ESQ.
 2655 Lejeune Road, No. 514
 Coral Gables, FL 33134
 Tax Folio No. 14 22350070110

SPECIAL WARRANTY DEED

THIS INDENTURE, made this 25 day of August 2011, by and between 9501 Collins Avenue LLC, a Florida limited liability company of the County of Miami Dade, State of Florida, party of the first part, and Greystone Residential LLC, whose address is 20900 NE 30 Ave, #60, Aventura, FL 33180, party of the second part.

WITNESSETH that the said party of the first part, in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable considerations to it in hand paid by said party of the second part, the receipt whereof is hereby acknowledged, has granted, bargained and sold to the said party of the second part, her or his heirs and assigns forever, the following described land, situate, lying and being in Miami-Dade County, Florida, to-wit:

Lot 1, Block 2 of Altos Del Mar No. 6, according to the Plat thereof as recorded in Plat Book 8 at page 106 of the Public Records Of Miami Dade County, Florida

This conveyance is subject to taxes for 2011 and subsequent years; all easements, restrictions and reservations of record, however this provision shall not operate to impose same.

And the said party of the first part does hereby fully warrant the title to said land, and will defend the same against the lawful claims of all persons claiming by, through or under the party of the first part, but against none other.

IN WITNESS WHEREOF, the party of the first part has caused this Special Warranty Deed to be executed the day and year first above written.

Witnesses
 [Signature]
 PRINT NAME ANAT GABAY
 [Signature]
 PRINT NAME URI HASON

9501 COLLINS AVENUE LLC
 A Florida limited liability company
 By [Signature] (Seal)
AVI SHARABANI
 Managing Member

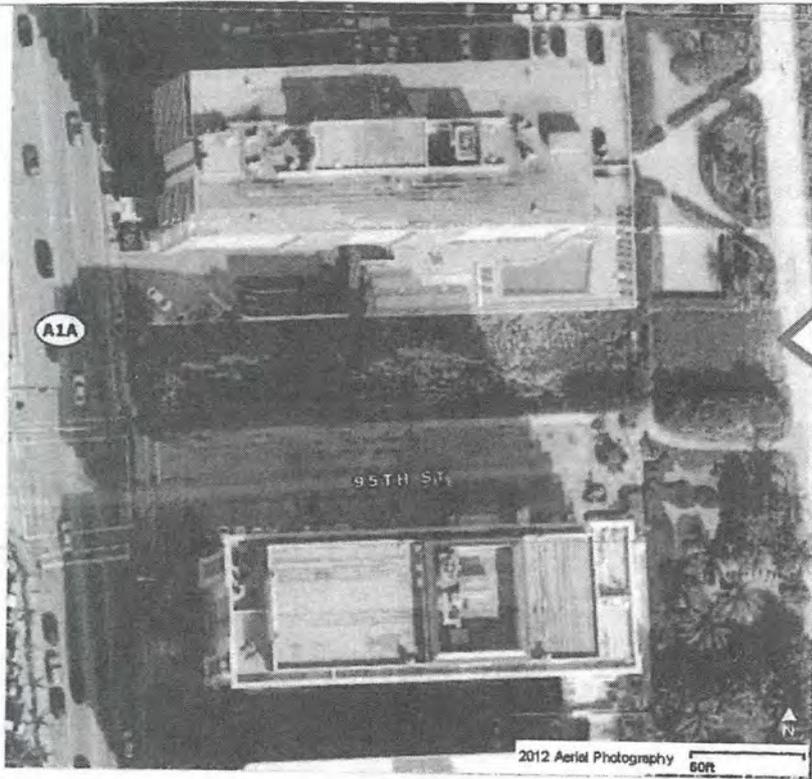
STATE OF NEW YORK
COUNTY OF NASSAU

The foregoing instrument was acknowledged before me this 25 day of August 2011 by Avi Sharabani, as the Managing Member of 9501 Collins Avenue LLC, a Florida limited liability company, and on behalf of said company and who is/are personally known to me or who has produced NYS D/L as identification and who did did not take an oath.

My commission expires:

ELIZABETH KALOGIANNIS
 Notary Public, State of New York
 Qualified in Queens County
 No. 01KA5059328
 My Commission Expires April 22 2014

[Signature]
 NOTARY PUBLIC





COMPARABLE SALE NO. 2

Location:	7709 Atlantic Way Miami Beach, Florida
Folio No.: 02 3202 004 0280	ORB: 28757-0623
Date of Sale: 8-5-2013	Size: 13,000 SF (0.298 Acres)
Sale Price: \$3,875,000	Sale Price/Sq. Ft.: \$298.08
Grantor: 1037 Orlando, LLC	Grantee: Kadey Family Beach, LP
Water Frontage: Ocean Front	Zoning: RS-3
Legal Description: Altos Del Mar NO.1 PB 31-40. Lot 5, Blk 6	
50' x 260'	

Maria Santiago



CFN 2013R0613454
OR Bk 28757 Pgs 0623 - 624; (2pgs)
RECORDED 08/05/2013 12:16:44
DEED DOC TAX 23,250.00
SURTAX 17,437.50
HARVEY RUVIN, CLERK OF COURT
MIAMI-DADE COUNTY, FLORIDA

Prepared by and return to:
Jose Luis Machado, Esq.
Pr sident
MACHADO & HERRAN, P.A.
8500 S.W. 8th Street Suite 238
Miami, FL 33144
305-261-5355
File Number: 13-339
Will Call No.:

X 501

Parcel Identification No. 02-3202-004-0280

[Space Above This Line For Recording Data]

*1709
determine
-2
7/25/13
Herrera*

Warranty Deed

(STATUTORY FORM - SECTION 689.02, F.S.)

This Indenture made this 31 day of JULY, 2013 between 1037 Orlando, LLC, a Delaware limited liability company whose post office address is 2600 Douglas Road, PH-1, Coral Gables, FL 33134 of the County of Miami-Dade, State of Florida, grantor*, and Kadey Family Beach LP, a Florida limited partnership whose post office address is 33 Charles St. East Suite 3001 Toronto, Ontario M4Y 0A2, Canada of the County of Miami-Dade, State of Florida, grantee*,

Witnesseth that said grantor, for and in consideration of the sum of TEN AND NO/100 DOLLARS (\$10.00) and other good and valuable considerations to said grantor in hand paid by said grantee, the receipt whereof is hereby acknowledged, has granted, bargained, and sold to the said grantee, and grantee's heirs and assigns forever, the following described land, situate, lying and being in Miami-Dade County, Florida, to-wit:

Lot 5, Block 6, Corrected Plat of Altos Del Mar No. 1, according to the Plat thereof, as recorded in Plat Book 31, at Page 40, of the Public Records of Miami-Dade County, Florida.

and said grantor does hereby fully warrant the title to said land, and will defend the same against lawful claims of all persons whomsoever.

* "Grantor" and "Grantee" are used for singular or plural, as context requires.

This conveyance is subject to: Real Estate taxes for the year 2013 and subsequent years which are not yet due and payable.

In Witness Whereof, grantor has hereunto set grantor's hand and seal the day and year first above written.

DoubleTimes

Signed, sealed and delivered in our presence:

Basilian B Perez
Witness Name: BASILIAN B PEREZ
[Signature]
Witness Name: Sub. F. Udd

1037 Orlando, LLC, a Delaware limited liability company

By: Fortune Capital Management Services, Inc., a Florida corporation, its Managing Member

By: [Signature]
Miguel Poyastro, President

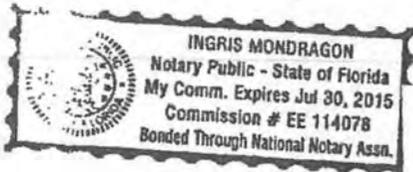
(Corporate Seal)

State of Florida
County of Miami-Dade

The foregoing instrument was acknowledged before me this 31 day of July, 2013 by Miguel Poyastro, President of Fortune Capital Management Services, Inc., a Florida corporation, the Managing Member of 1037 Orlando, LLC, a Delaware limited liability company, who [x] is personally known to me or [] has produced a driver's license as identification.

[Notary Seal]

[Signature]
Notary Public
Printed Name: Ingris Mondragon
My Commission Expires: 7/30/15



Warranty Deed (Statutory Form) - Page 2



COMPARABLE SALE NO. 3

Location:

7833 Atlantic Way
Miami Beach, Florida

Folio No.: 02 3202 004 0190

ORB: 28783-1184

Date of Sale: 8-21-2013

Size: 13,000 SF (0.298 Acres)

Sale Price: \$3,200,000

Sale Price/Sq. Ft.: \$246.15

Grantor: Bank of America

Grantee: Loxodonta Ventures, LLC

Water Frontage: Ocean Front

Zoning: RS-3

Legal Description: Altos Del Mar NO.1 PB 31-40. Lot 2, Blk 5

50' 260'

OK
8-3-2014
904 348 6855

Prepared by recording return to:

Steve B. Greenhut, Esq.
Balch & Bingham LLP
841 Prudential Drive, Suite 1400
Jacksonville, Florida 32207

3200

SPECIAL WARRANTY DEED

THIS SPECIAL WARRANTY DEED is executed as of the day and year dated herein below, and is made effective as of the 19th day of August, 2013, between **BANK OF AMERICA, N.A.**, a national association (the "Grantor"), whose address for purposes hereof is 100 South Charles Street, 3rd Floor, Baltimore, Maryland 21201, and **LOXODONTA VENTURES LLC**, a Florida limited liability company (the "Grantee"), whose address for purposes hereof is 5959 Collins Avenue, Suite 1605, Miami Beach, Florida 33140.

WITNESSETH:

THAT GRANTOR, for and in consideration of the sum of Ten and No/100 dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, by these presents does hereby grant, bargain, sell, alien, remise, release, convey and confirm unto Grantee, its successors and assigns forever, the property located in Miami-Dade County, Florida described on **Exhibit "A"** attached hereto (collectively, the "Real Property").

TOGETHER WITH all the tenements, hereditaments, easements and appurtenances thereto belonging or in anywise appertaining;

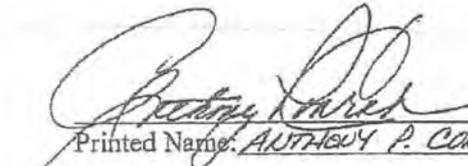
TO HAVE AND TO HOLD, the same in fee simple forever;

SUBJECT TO easements, covenants, restrictions and limitations of record, none of which shall be deemed to be re-imposed by this instrument; existing zoning ordinances and other restrictions as may be imposed by applicable governmental authority; matters which would be shown on a current survey; and taxes and assessments for the year 2013 and subsequent years, which are not yet due and payable; and

SUBJECT TO the matters described above, and those matters shown on **Exhibit "B"** attached hereto (Permitted Exceptions), if any, Grantor specially warrants the title to the Real Property and will defend the same against the lawful claims of all persons claiming by, through or under Grantor, but against none other.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, Grantor has executed under seal this Special Warranty Deed on the day and year set forth herein below, to be effective for conveyance under the terms hereof as of August 19, 2013.


Printed Name: ANTHONY P. COVEAD


Printed Name: Marjita Davis

BANK OF AMERICA, N.A., a national association


By: James M. McNicholas, Vice President

STATE OF MARYLAND)
CITY OF BALTIMORE)

The foregoing instrument was acknowledged before me this 15 day of August, 2013 by James M. McNicholas, Vice President of BANK OF AMERICA, N.A., a national association, on behalf of the corporation. He is () personally known to me or () has produced a State of Maryland Driver's License as identification.

SUZAN PEELE
NOTARY PUBLIC
CARROLL COUNTY
MARYLAND
MY COMMISSION EXPIRES NOVEMBER 23, 2014

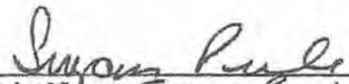

(Print Name Suzan Peele)
NOTARY PUBLIC, State of Maryland at Large
Commission # _____
My Commission Expires: 11-23-14
Personally Known
or Produced I.D. _____
[check one of the above]
Type of Identification Produced _____

EXHIBIT "A" TO DEED

Lot 2, Block 5, Corrected Plat of Altos Del Mar No. 1, according to the map or plat thereof, as recorded in Plat Book 31, Page 40, of the Public Records of Miami-Dade County, Florida





COMPARABLE SALE NO. 4

Location:	8701 Collins Ave. Miami Beach, FL
Folio No.: 02 3202 006 0010 . 02 3202 006 0420	ORB: 28953-2657
Date of Sale: 12-16-2013	Size: 73,676 SF (1.691 Acres) 15,213 SF (0.352 Acres)
Sale Price: \$65,000,000	Sale Price/Sq. Ft.: \$730.44
Grantor: Dezer Properties, LLC	Grantee: 8701 Collins Development, LLC
Water Frontage: Ocean Front	Zoning: RM-2

Legal Description:

Legal Description

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF MIAMI-DADE, STATE OF FL, AND IS DESCRIBED AS FOLLOWS:

All of Block 1; all of Block 10; and that portion of what was known as Alrosa Way lying and including between the West line of said Block 1, and the East line of said Block 10; and the South 1/2 of Block 11; all of ALTOS DEL MAR NO. 2, according to the Plat thereof, recorded in Plat Book 4, Page 162, of the Public Records of Miami-Dade County, Florida; together with all right, title and interest in that land lying between the westerly boundary of Block 1, of ALTOS DEL MAR NO. 2, according to the Plat thereof, as recorded in Plat Book 4, Page 162, of the Public Records of Miami-Dade County, Florida, and the Western Central Line, according to the Plat thereof, recorded in Plat Book 105, Page 62, of the Public Records of Miami-Dade County, Florida.



CFN 2013R0983617
 OR Bk 28953 Pgs 2657 - 2662; (6pgs)
 RECORDED 12/16/2013 16:07:37
 DEED DOC TAX 390,000.00
 SURTAX 292,500.00
 HARVEY RUVIN, CLERK OF COURT
 MIAMI-DADE COUNTY, FLORIDA

This instrument prepared by
 and return to:
 Lori R. Hartglass, Esq.
 Arnstein & Lehr LLP
 200 South Biscayne Blvd.
 Suite 3600
 Miami, FL 33131-2395
 Tax Folio Nos. 02-3202-006-0010 and
 02-3202-006-0420

SPECIAL WARRANTY DEED

THIS SPECIAL WARRANTY DEED made this 13 day of DECEMBER, 2013, by **DEZER PROPERTIES LLC**, a New York limited liability company as successor by conversion to Dezer Properties Co., a New York general partnership, whose address is 89 Fifth Avenue, 11th Floor, New York, NY 10003 (the "Grantor") to **8701 COLLINS DEVELOPMENT, LLC**, a Delaware limited liability company, whose address is 2665 S. Bayshore Drive, Suite 1020, Miami, FL 33133 (the "Grantee").

WITNESSETH, that the Grantor, for and in consideration of the sum of Ten Dollars (\$10.00), and other good and valuable consideration to the Grantor in hand paid by said Grantee, the receipt and sufficiency of which is hereby acknowledged, has granted, bargained and sold to the Grantee, and Grantee's successors and assigns forever, the following described land (the "Property"), situate, lying and being in the County of Miami-Dade, State of Florida, to-wit:

See **EXHIBIT "A"** attached hereto and made a part hereof.

TOGETHER with all the tenements, hereditaments and appurtenances thereto belonging or in anywise appertaining; but

SUBJECT TO: See **Exhibit "B"** attached hereto and made a part hereof provided this reference shall not act to reimpose same.

AND the Grantor hereby covenants with Grantee that it is lawfully seized of the Property, together with any appurtenances; that Grantor has good right and lawful authority to sell and convey the Property; and that Grantor will warrant and defend the Property hereby conveyed against the lawful claims and demands of all persons claiming by, through, or under Grantor but against none other.

11370205.1

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HARVEY RUVIN
CLERK *of the* COURTS
MIAMI-DADE COUNTY, FLORIDA



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EXHIBIT "A"

Legal Description

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF MIAMI-DADE, STATE OF FL., AND IS DESCRIBED AS FOLLOWS:

All of Block 1; all of Block 10; and that portion of what was known as Airoso Way lying and including between the West line of said Block 1, and the East line of said Block 10; and the South 1/2 of Block 11; all of ALTOS DEL MAR NO. 2, according to the Plat thereof, recorded in Plat Book 4, Page 162, of the Public Records of Miami-Dade County, Florida; together with all right, title and interest in that land lying between the Eastealy boundary of Block 1, of ALTOS DEL MAR NO. 2, according to the Plat thereof, as recorded in Plat Book 4, Page 162, of the Public Records of Miami-Dade County, Florida, and the Erosion Control Line, according to the Plat thereof, recorded in Plat Book 105, Page 62, of the Public Records of Miami-Dade County, Florida.

11336670 1

Book28953/Page2660 CFN#20130983617

Page 4 of 6

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MIAMI-DADE COUNTY, FLORIDA



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EXHIBIT "B"

1. Taxes and assessments for the year 2014 and subsequent years, which are not yet due and payable.
2. Any encroachment, encumbrance, violation, variation or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the land.
3. Any dispute as to the boundaries caused by a change in the location of any water body within or adjacent to the land, and any adverse claim to all or part of the land that is, or was previously under water.
4. Taxes or special assessments not shown as liens in the public records or in the records of the local tax collecting authority.
5. Any lands waterward of the Erosion Coastal Lines as same is shown on the EROSION CONTROL LINE Plat recorded in Plat Book 105, Page 62, of the Public Records of Miami-Dade County, Florida; any land between the mean high water line of the Erosion Control Line Plat and the Erosion Control Line as shown therein, which may have vested as a result of the implementation of Chapter 161 of the Florida Statutes.
6. Terms and conditions as contained in that Order for a variance, recorded April 14, 1997 in Official Records Book 17600, Page 565, of the Public Records of Miami-Dade County, Florida.
7. Terms and conditions as contained in that unrecorded Lease made by and between Global Tower, LLC, a Delaware limited liability company, and MetroPCS California/Florida, Inc., a Delaware corporation, as referenced in that Memorandum of Site Lease Acknowledgment, recorded March 30, 2005 in Official Records Book 23218, Page 30, of the Public Records of Miami-Dade County, Florida.
8. Terms and conditions as contained in that unrecorded Lease made by and between Global Tower, LLC, a Delaware limited liability company, and MetroPCS California/Florida, Inc., a Delaware corporation, as referenced in that Memorandum of Site Lease Agreement, recorded May 10, 2005 in Official Records Book 23356, Page 4978, of the Public Records of Miami-Dade County, Florida.
9. Terms and conditions as contained in that unrecorded Lease made by and between Global Tower, LLC, a Delaware limited liability company, and Sprint Spectrum, L.P., a Delaware limited partnership, as referenced

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MIAMI BEACH

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

COMMITTEE MEMORANDUM

TO: Finance and Citywide Projects Committee

FROM: Jimmy L. Morales, City Manager

DATE: July 18, 2014

SUBJECT: **DISCUSSION REGARDING THE GREATER MIAMI CONVENTION & VISITORS BUREAU INTERLOCAL AGREEMENT**

BACKGROUND

The City has been contracting with the Greater Miami Convention & Visitors Bureau (GMCVB) since 1984 for the purpose of promoting the Miami Beach Convention Center and the destination. The GMCVB is the entity primarily responsible for pursuing and securing Convention business for the Convention Center, with the Convention Center management company also responsible for pursuing booking business, which typically includes shorter term uses. A booking policy governs priority of bookings. The GMCVB also engages in local, national and international marketing of the overall destination in an effort to promote tourism. The goal of both the convention booking and destination marketing is to secure hotel room nights in the City, and further enhance the City's tourism economy. Funding for the City's Agreement with the GMCVB is derived from the Municipal Resort Tax revenue. The GMCVB derives additional funding from Miami-Dade County, Village of Bal Harbour, member fees and cooperative marketing partnerships. The GMCVB's activities are focused primarily in marketing and convention sales/meeting sales.

In 1984, the City of Miami Beach (CMB), Miami Dade County, the City of Miami and the Village of Bal Harbour, entered into an Interlocal Agreement with the Greater Miami Convention and Visitor's Bureau to perform tourism and convention sales and promotion functions. On July 7, 1999 the Mayor and City Commission adopted Resolution No. 99-23237 approving an agreement with the GMCVB for an initial term commencing on October 1, 1999 and ending on September 30, 2002 with one, two (2) year renewal option, at the City's discretion. On December 8, 2004, the City Commission adopted Resolution No. 2004-25767 which approved an agreement with the GMCVB for five (5) years from October 1, 2004 – September 30, 2009. On July 7, 2009, the Finance and Citywide Projects Committee directed the Administration to negotiate a new five (5) year agreement with the GMCVB. On September 24, 2009, the City Commission adopted Resolution No. 2009-27217 approving a new five (5) year agreement commencing on October 1, 2009, and ending on September 30, 2014.

CURRENT AGREEMENT TERMS:

The current agreement, which expires September 30, 2014 has the following terms:

TERMS	
1. Term	<p>Five (5) years commencing on October 1, 2009, and ending on September 30, 2014; termination for convenience with 60 day notice.</p> <p>A "contract year" shall be defined as the period from October 1 through September 30 of the following year (coinciding with the City's Fiscal Year).</p>

TERMS	
2. Base Fee	<p>\$5,000,000 per year.</p> <p>At the commencement of the 2nd contract year of the Agreement, and at the beginning of every year thereafter, the annual City's contribution will be adjusted by 3% or the increase in the CPI-U, whichever is less.</p>
3. Sub-Market Initiatives	<p>GMCVB agrees that not less than \$950,000 will be targeted annually to support and implement sub-market initiatives developed by the City, in partnership with the Bureau, that market, promote or support activities or events in the City, or that directly benefit the City. These sub-market initiatives will be revisited annually and established by the City, in its reasonable discretion, on an annual basis.</p> <p>The Bureau's Marketing and Tourism Committee must fully reflect and be representative of the sub-market initiatives referenced above.</p>
4. Cultural Arts Council	<p>GMCVB will make an annual contribution to the City's Cultural Arts Council of \$50,000 per year.</p>
5. Performance Objectives	<p>The following performance objectives shall be included in the Agreement for achievement during the Agreement term:</p> <ul style="list-style-type: none"> A. Organizational Improvement <ul style="list-style-type: none"> o Report on/update the status of the current five-year Strategic Plan (year 1) o Develop and present for approval a new Strategic Plan (year 1) o Conduct an annual retreat (year 1, year 3) o Report on/update the status of the new Strategic Plan developed in year 1 (year 3) B. Develop, plan and/or implement certain mutually agreed upon recommendations from the Mayor's Blue Ribbon Task Force on Tourism C. New Bookings at the Miami Beach Convention Center: <ul style="list-style-type: none"> o Book a minimum of twenty (20) new conventions/meetings/Corporate business D. New Bookings at Miami Beach Hotels <ul style="list-style-type: none"> o Book a minimum of 125 new events/meetings/corporate business E. Achieve no less than a 90% positive rating on customer service surveys for convention bookings (positive = excellent/good) <p>* Note: The term "Booking" will be further defined in the Agreement; "new refers to non-renewal business.</p>
6. Reports	<p>Provide at beginning of term and subsequently as needed/updated:</p> <ul style="list-style-type: none"> • Operating Policies and Procedures <ul style="list-style-type: none"> o Convention Sales Standard Operating Procedures o Convention Services Standard Operating Procedures o GMCVB, Global Spectrum, Messe Schweiz Marketing Partnership <p>Provide Monthly:</p> <ul style="list-style-type: none"> • Tourism Sales <ul style="list-style-type: none"> o New Leisure visitor generated and estimated visitor receipts o Visitor Demographics (with breakdown for MB) • Convention Sales <ul style="list-style-type: none"> o Conversion of Sales Leads to Booked Business <ul style="list-style-type: none"> ▪ Booked Business Report – sales closed (all) ▪ Booked Business Report – sales closed (convention center related)

TERMS	
	<ul style="list-style-type: none"> <ul style="list-style-type: none"> <ul style="list-style-type: none"> ▪ Booked Business Report – sales closed (Miami Beach Hotels) <ul style="list-style-type: none"> ○ Business targets (leads, including bid opportunities for major events and international business opportunities) ○ Lost Business Reports (all and convention center related) ○ Cancelled Business Reports (all and convention center related) ○ In-kind Partnership Reports ○ Convention Income Survey • Convention Summary Reports ▪ GMCVB Membership <ul style="list-style-type: none"> ○ Private Membership participation ○ Leverage and In-kind support • Marketing <ul style="list-style-type: none"> ○ Total number of paid media placements and media impressions (all) ○ Total number of paid media placements and media impressions (convention-related) ○ Total number of earned media opportunities and impressions (all) ○ Total number of earned media opportunities and impressions (convention-related) • Targeted Initiatives <ul style="list-style-type: none"> ○ Boutique Hotel <ul style="list-style-type: none"> ▪ Marketing Report (number of media placements, number of media impressions, number of earned media opportunities) ▪ Sales Report (number of booked new business - leisure and convention/meetings) ○ Gay/Lesbian Travel/business <ul style="list-style-type: none"> ▪ Marketing Report (number of media placements, number of media impressions, number of earned media opportunities) ▪ Sales Activities (marketing efforts targeted to leisure travel, convention/meetings, leads, etc.) ○ Survey results as required per agreement • Convention Center Sales Customer Service Feedback Reports Provide annually (within 90 days after end of term) • ROI Analysis <ul style="list-style-type: none"> ○ Conventions and Meetings (annual number booked, anticipated visitors/delegates, room nights and total receipts/economic impact) ○ Advertising (conversion analysis actual new visitors, hotel room nights and visitor receipts) ○ GMCVB Website (hotel booking results) ○ Tourism Sales ○ Revenue Per Available Rooms (Rev Par)
<p>7. Marketing Support</p>	<p>GMCVB will participate in monthly Sales and Marketing Meeting held by the CMB and MBCC</p> <ul style="list-style-type: none"> ▪ Minimum of 25% of GMCVB's total convention marketing funds available per the approved GMCVB budget will be used to promote the availability and use of the MBCC. • All MBCC convention/meeting industry publication ads are to be

TERMS	
	drafted and reviewed with the MBCC Director of Sales and Marketing Manager. <ul style="list-style-type: none"> • GMCVB's Advertising and Marketing Costs shall be at least 50% of the overall GMCVB annual budget. • GMCVB will support and highlight targeted City events and/or amenities (e.g. golf clubs, Sleepless Night), in GMCVB publications (in-room magazines, etc.)
8. European Sales:	Partner with Messe Schweiz for European convention sales and marketing. <ol style="list-style-type: none"> 1. Coordinate at least one annual meeting with Messe Schweiz to develop annual international sales and marketing plan.
10. Governance	<ul style="list-style-type: none"> • City representation on the Executive Committee and Board will be not less than 30%. • City's representation on any and all Bureau committees/ and/or subcommittees shall be a number proportionate to the percentage amount of the City's total annual financial contribution to the Bureau, but in no event shall be less than 30%. • The City manager or his designee shall be a voting member of the Finance Committee. • The General Manager of the MBCC shall be a voting member of the Convention Sales Committee.

Attached is a summary of their annual performance report Since FY 2003-04. I have also attached for your review a summary of the GMCVB current annual revenues, as well as a comparison of the City's funding allocation to the GMCVB versus the City's resort tax collections. The GMCVB did meet their Performance Objectives but, in hindsight, these objectives were not challenging. As a result, the City began to review the agreement in an effort to make it more performance based.

NEW AGREEMENT

In anticipation of the expiration of the GMCVB agreement, the City contracted with Strategic Advisory Group (SAG) to assist the City in analyzing the current GMCVB agreement and recommend revisions. As you know, SAG is the City's consultant for the Convention Center Renovation Project. In addition to these services SAG also has destination marketing experience. Mr. Daniel Fenton, Associate Partner with SAG, has over 25 years of Hospitality and Destination Marketing experience. Prior to joining SAG, Mr. Fenton was CEO of the San Jose Convention and Visitors Bureau and has held senior management positions with Radisson, Amfac and Hyatt Hotels. He is a graduate of the Cornell School of Hospitality Management.

Mr. Fenton specifically performed the following services for the City:

1. Reviewed and analyzed the current GMCVB agreement;
1. Reviewed historical bookings and recommended future production goals and goal setting process;
2. Reviewed proposed Term Sheet by GMCVB;
3. Reviewed budget information from CMB and Bureau including summary data on key measures from the past three to five years;

4. Reviewed hotel inventory data for Miami Beach and the Greater Miami area, including trends in transient occupancy tax collections; and
5. Conducted interviews with stakeholders including City staff, and multiple interviews with key staff of the Convention Center.
6. This research effort established industry standards, as well as suggest alternative strategies that are currently working well in other locations (along with lessons learned from failed experiments elsewhere).
7. Identified opportunities to refine approach to guiding future performance; and
8. Proposed revisions to current GMCVB agreement.

SAG RECOMMENDATIONS

SAG's primary recommendation was to change the overall direction of the proposed terms for the GMCVB contract with the City to a performance based agreement from a fee for services approach. This new direction focuses on the achievement of key metrics and the overall measureable success of GMCVB in their contractual relationship with the City. As part of this recommendation, the City would establish a base fee and establish an incentive fee to be paid based on the overall achievement of agreed-upon annual performance goals.

Although the details still need to be negotiated and agreed upon by both parties, recommended performance measures could include the following categories:

Citywide Conventions

- Definite Room Nights
 - Associated with future Convention Center bookings
 - Associated with agreed-upon future need periods
- Convention Center Fiscal Performance

As a key partner in the overall success of the Miami Beach Convention Center (MBCC), the GMCVB will have performance metrics tied to the fiscal results. The following are the performance metrics:

- MBCC Revenue
 - Future Revenue booked into MBCC annually
 - Future revenue will be determined based on the estimated revenues in rent, food and beverage, electric and audio visual
 - Current Revenue
 - As an indicator of past sales efforts, current annual MBCC revenue will be a performance metric
- Economic Impact
 - Using an agreed-upon formula, the economic impact of future citywide bookings

Miami Beach Hotels "In house" group bookings

- Room Nights
 - Room nights associated with future "in house booking"

- Economic Impact
 - Using an agreed-upon formula, the economic impact of “in house” bookings

Leisure Groups

- The efforts to secure group tour/leisure business will be measured with the following metrics:
 - Consumed Room Nights
 - Consumed room nights are defined as actual rooms occupied by tour groups and others verified through hotel rooming lists
 - Economic Impact
 - Using an agreed-upon formula, the economic impact of leisure groups will be determined

Individual Leisure Travel

- The marketing and conversion of leisure travel will be measured with the following metrics:
 - Room Night Conversion
 - Using an agreed-upon methodology, an annual conversion study will be conducted to determine the direct impact of leisure travel marketing efforts.
 - Online Bookings
 - Room nights booked through the online booking engine

Joint Goal Setting

In order to establish the annual performance measures the GMCVB will finalize a goal setting process related to the contractual metrics that includes a defined internal process and the participation of the hospitality industry and MBCC operator. The GMCVB will collaborate with MBCC to create a singular marketing plan in the area of citywide convention sales and marketing. The marketing plan will include an outline of the agreed-upon key vertical markets, a collaborative approach to all marketing channels, and a deployment plan.

Reporting

GMCVB would also be required to create a monthly report that will encompass the contractual performance metrics and the results in comparison to annual agreed-upon goals and the previous year's results.

GMCVB will coordinate a joint reporting plan with MBCC incorporating all shared metrics.

GMCVB will also produce a “pace” report that will indicate the current level of activity and overall group performance for future years.

All GMCVB reports will be provided to the City, Convention Center, and Convention Center Advisory Board.

RECOMMENDATION

Transitioning to a performance based agreement requires the City and GMCVB to begin a goal setting process with the hospitality industry, which will take place over several months. Therefore, the City Administration recommends a one (1) year extension of the current Agreement under the same terms and conditions to allow time for the goal setting process to occur. *This will allow the*

Administration and GMCVB to finalize negotiations of a new agreement for consideration by the City Commission.

Additionally, this allows the Administration to finalize the Convention Center renovation plans and timelines. Finally, this also provides time for the Administration to begin drafting Convention Center Booking Policy amendments that will address future bookings at the Center.

The City provides the GMCVB with \$5,366,000 of funding in the current fiscal year (FY 2013/14). If the Contract is extending under the current terms the GMCVB would received approximately \$5,527,000.

CONCLUSION

Based on the foregoing, it is recommended that the Finance and Citywide Projects Committee recommend a one (1) year extension of the City's Agreement with the GMCVB under the same terms and conditions.


JLM/KGB/MAS

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GMCVB ANNUAL PERFORMANCE REPORT (FY 12/13 as of September 30, 2013)

	FY 03/04 (Base Yr.)	FY 04/05 (Yr. 1)	FY 05/06 (Yr. 2)	FY 06/07 (Yr. 3)	FY 07/08 (Yr. 4)	FY 08/09 (Yr. 5)	FY 09/10 (Yr. 6)	FY 10/11 (Yr. 7)	FY 11/12 (Yr. 8)	FY 12/13 (Yr. 9)
Bookings/Meetings										
Hotel Bookings/Meetings	459	489	441	470	485	494	593	659	623	664
Est. Room Nights	273,294	224,528	149,272	225,296	240,890	236,466	281,660	347,057	304,552	324,535
Est. Economic Impact	\$101,100,439	\$79,775,772	\$47,939,779	\$97,827,253	\$135,281,343	\$100,696,959	\$122,115,579	\$168,934,382	\$143,835,846	\$145,624,929
MBCB Bookings	41	27	48	32	51	41	33	30	46	38
Est. Room Nights	250,078	89,148	231,021	86,747	229,541	102,924	111,918	165,540	233,503	166,089
Est. Economic Impact	\$159,033,151	\$63,678,452	\$175,294,443	\$69,585,557	\$132,533,411	\$80,248,014	\$70,763,961	\$138,802,385	\$195,505,343	\$157,304,331
Meeting Express Division										
Bookings/Meetings	N/A	191	195	206	261	153	295	345	325	342
Est. Room Nights	N/A	15,220	17,555	15,843	27,320	13,834	33,092	53,501	55,344	59,165
Est. Economic Impact	N/A	\$12,622,440	\$16,992,000	\$12,571,000	\$23,264,000	\$9,103,000	\$21,345,000	\$26,872,000	\$38,592,000	\$29,314,000
Total Bookings	500	516	483	520	536	525	659	727	703	742
Est. Room Nights	523,372	313,676	400,097	341,502	470,431	339,390	452,051	551,816	581,868	523,089
Est. Economic Impact	\$260,133,590	\$154,225,616	\$240,226,222	\$178,130,810	\$267,814,754	\$160,944,973	\$214,361,052	\$338,688,632	\$365,767,306	\$332,318,196
Leads Generated										
MBCB Leads Generated	93	77	98	81	119	104	109	77	98	111
Hotel Leads Generated	1,109	1,226	1,249	1,368	1,280	964	1,178	1,320	1,428	1,655
Other Center Leads	69	63	70	104	131	104	128	160	172	182
Total Leads Generated	1,271	1,366	1,417	1,553	1,530	1,172	1,415	1,557	1,698	1,948
Fam Trips										
Convention Sales Fam Trips	4	4	4	4	3	5	6	6	4	5
Meeting Planner Attendees	21	26	47	32	35	60	165	328	50	48
Site Inspections										
Meeting Planner Site Inspections	172	184	165	186	222	185	245	238	230	215
Meeting Planner Attendees	195	182	162	309	400	380	488	453	381	329
Convention Services										
Meetings Serviced	370	570	579	619	450	452	433	538	569	1,359
Total Delegates	189,726	220,000	275,611	362,864 *	265,723	229,606	293,671	236,170	450,675	728,416
* Superbowl										
Media Relations										
Fam Tours	19	19	26	27	23	26	27	26	42	24
Media Hosted	128	138	148	155	161	182	189	175	294	120
Media Missions	13	16	14	23	15	16	21	13	17	13
Media Contacts	420	575	580	590	432	464	609	377	493	392
Media Visits	119	156	130	200	136	173	327	368	392	349
Media Serviced	150	193	181	2,500	1,750	1,900	3,900	4,200	4,472	3,982
Special Media Projects	43	39	38	35	13	24	30	32	29	21
Audience Impressions Generated	471 m	572 m	567 m	658 m	700 m	1.1 b	3.3 b	2.7 b	3.0 b	13.5 b
Estimated/Comparable Ad Promotional	\$10.8 m	\$12.0 m	\$13 m	\$13.2 m	\$15.9 m	\$25.5 m	\$34.4 m	\$63.7 m	\$41.2 m	\$65 m

GMCVB ANNUAL PERFORMANCE REPORT (FY 12/13 as of September 30, 2013)

	FY 03/04 (Base Yr.)	FY 04/05 (Yr. 1)	FY 05/06 (Yr. 2)	FY 06/07 (Yr. 3)	FY 07/08 (Yr. 4)	FY 08/09 (Yr. 5)	FY 09/10 (Yr. 6)	FY 10/11 (Yr. 6)	FY 11/12 (Yr. 8)	FY 12/13 (Yr. 9)
Tourism Sales										
Trade Shows/Missions	122	194	177	207	183	140	122	186	220	317
Travel Trade Client Contacts	12,733	15,666	16,730	47,503	35,620	31,500	33,908	38,646	72,000	82,061
Fam Tours	80	98	85	75	82	60	51	52	53	66
Travel Trade Clients Hosted	1,468	1,903	1,764	1,902	1,950	1,380	1,297	668	890	1,038
Advertising										
Advertising Impressions	44,896,264	207,279,160	216,211,905	140,037,581	101,628,015	378,751,278	293,168,091	668,824,932	335,554,303	381,000,000
Call Center Inquiries	11,908	9,696	5,567	4,842	5,287	5,573	2,847	1,918	2,650	2,405
Website Visitors	1,308,546	2,092,456	2,685,882	3,454,840	3,907,228	3,088,979	4,380,748	2,548,551	1,590,600	1,910,032
Website Registered Users/Email Opt-ins	8,196	18,916	22,593	33,257	23,668	5,282	15,966	847	8,262	8,743
Website Brochure Requests	19,324	19,681	18,102	16,858	16,068	13,005	20,268	20,196	17,930	7,278
Publishing										
Advertising Revenue Generated	\$1,247,000	\$1,330,000	\$1,237,528	\$1,259,912	\$1,140,172	\$907,991	\$815,199	\$975,000	\$958,561	\$977,787
Collateral Projects	145	212	237	320	451	600	750	900	1,250	1,500
Collateral Projects Volume/Circulation	423,791	624,370	919,989	387,002	680,294	810,000	925,000	1,200,000	1,500,000	1,575,000
Membership										
Renewal Members	887	898	858	881	863	928	914	935	1,010	787
Renewal Revenue	\$1,044,900	\$1,047,111	\$1,053,632	\$902,733	\$907,013	\$1,111,395	\$1,200,733	\$1,177,114	\$1,982,816	\$1,255,689
New Members	159	127	163	153	171	151	152	150	83	191
New Member Revenue	\$125,000	\$114,878	\$154,522	\$120,864	\$162,769	\$140,544	\$145,642	\$121,488	\$198,668	\$189,603
Total Members	1,046	1,025	1,021	1,034	1,034	1,079	1,066	1,085	961	978
Total Member Revenue	\$1,170,040	\$1,161,989	\$1,208,154	\$1,023,598	\$1,140,782	\$1,251,939	\$1,346,376	\$1,299,603	\$1,291,585	\$1,445,292
Lost Members	-193	-148	-167	-144	-206	-203	-154	-131	-75	-185
Lost Member Revenue	-\$145,759	-\$142,425	-\$122,246	\$132,840	\$177,483	\$194,946	\$135,402	\$115,618	\$55,051	\$160,181
Annual Membership Retention/Renewal Rate	79%	86%	83%	88%	91%	79%	83%	88%	93%	81%

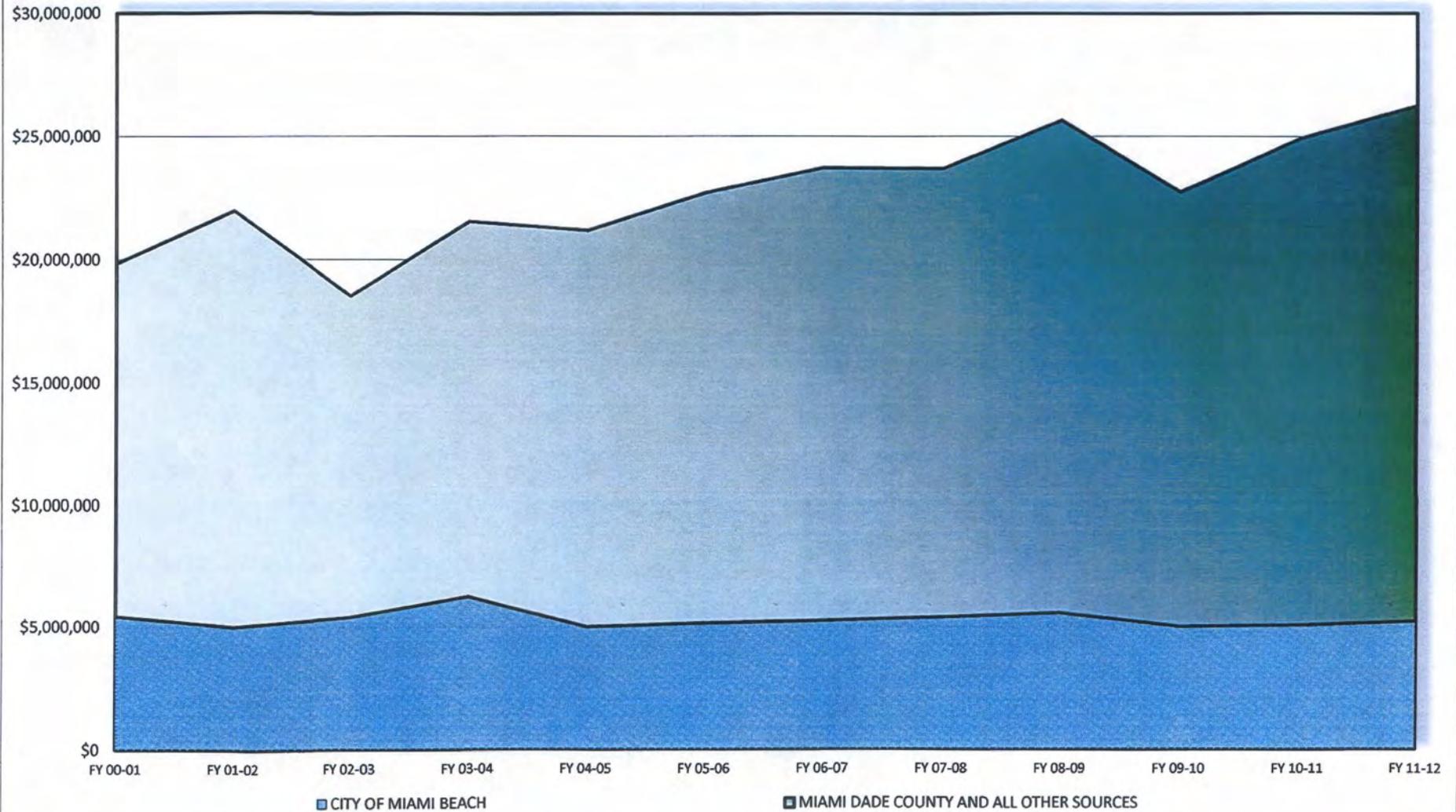
Updated: April 7, 2014

Greater Miami Convention & Visitors Bureau
Analysis of CMB Revenue as a % of Total Revenues

	Actual / Audited											Total All Years	
	FY 00-01	FY 01-02	FY 02-03	FY 03-04	FY 04-05	FY 05-06	FY 06-07	FY 07-08	FY 08-09	FY 09-10	FY 10-11		FY 11-12
MIAMI DADE COUNTY (TDT & FB)	10,470,737	9,070,487	9,539,409	10,978,954	12,392,838	13,720,824	14,701,149	14,908,491	11,895,916	12,738,323	14,755,015	16,545,542	151,717,685
CITY OF MIAMI BEACH	5,437,379	5,000,000	5,389,491	6,249,274	5,000,000	5,150,000	5,258,000	5,405,378	5,567,540	5,000,000	5,055,000	5,206,650	63,718,712
VILLAGE OF BAL HARBOUR	200,000	200,000	200,000	100,000	100,000	0	0	50,000	75,000	25,000	50,000	0	1,000,000
SUB-TOTAL PUBLIC REVENUE	16,108,116	14,270,487	15,128,900	17,328,228	17,492,838	18,870,824	19,959,149	20,363,869	17,538,456	17,763,323	19,860,015	21,752,192	216,436,396
PARTNER DUES	1,202,358	1,201,978	1,245,158	1,259,497	1,246,815	1,220,794	1,201,338	1,278,123	1,445,455	1,325,467	1,342,411	1,398,247	15,367,641
MEMBER PROGRAMS	1,494,082	5,710,783	1,263,362	2,044,016	1249760	1,150,739	1,127,661	794,333	4,938,533	2,442,808	1,608,093	1,188,847	25,013,018
REGISTRATION SERVICES	263,896	132,901	137,865	142,380	278817	227,009	177,470	157,898	154,783	197,979	54,798	0	1,925,796
CONTRIBUTED SERVICES	625,960	620,688	716,612	762,111	804479	952,985	910,914	929,807	1,528,187	978,982	1,994,796	1,873,434	12,698,954
SUB-TOTAL PRIVATE REVENUE	3,586,296	7,666,350	3,362,997	4,208,003	3,579,871	3,551,527	3,417,383	3,160,160	8,066,958	4,945,236	5,000,098	4,460,529	55,005,409
INTEREST INCOME	154,092	58,739	30,646	28,051	114575	302,409	361,544	183,448	51,800	38,416	43,534	39,130	1,406,385
TOTAL ALL REVENUE	19,848,504	21,995,576	18,522,544	21,564,283	21,187,284	22,724,760	23,738,076	23,707,477	25,657,214	22,746,975	24,903,647	26,251,851	272,848,190
CMB % of Total	27%	23%	29%	29%	24%	23%	22%	23%	22%	22%	20%	20%	23%

← Current Contract Term

Greater Miami Convention & Visitors Bureau Analysis of All Revenue Sources



Greater Miami Convention & Visitors Bureau

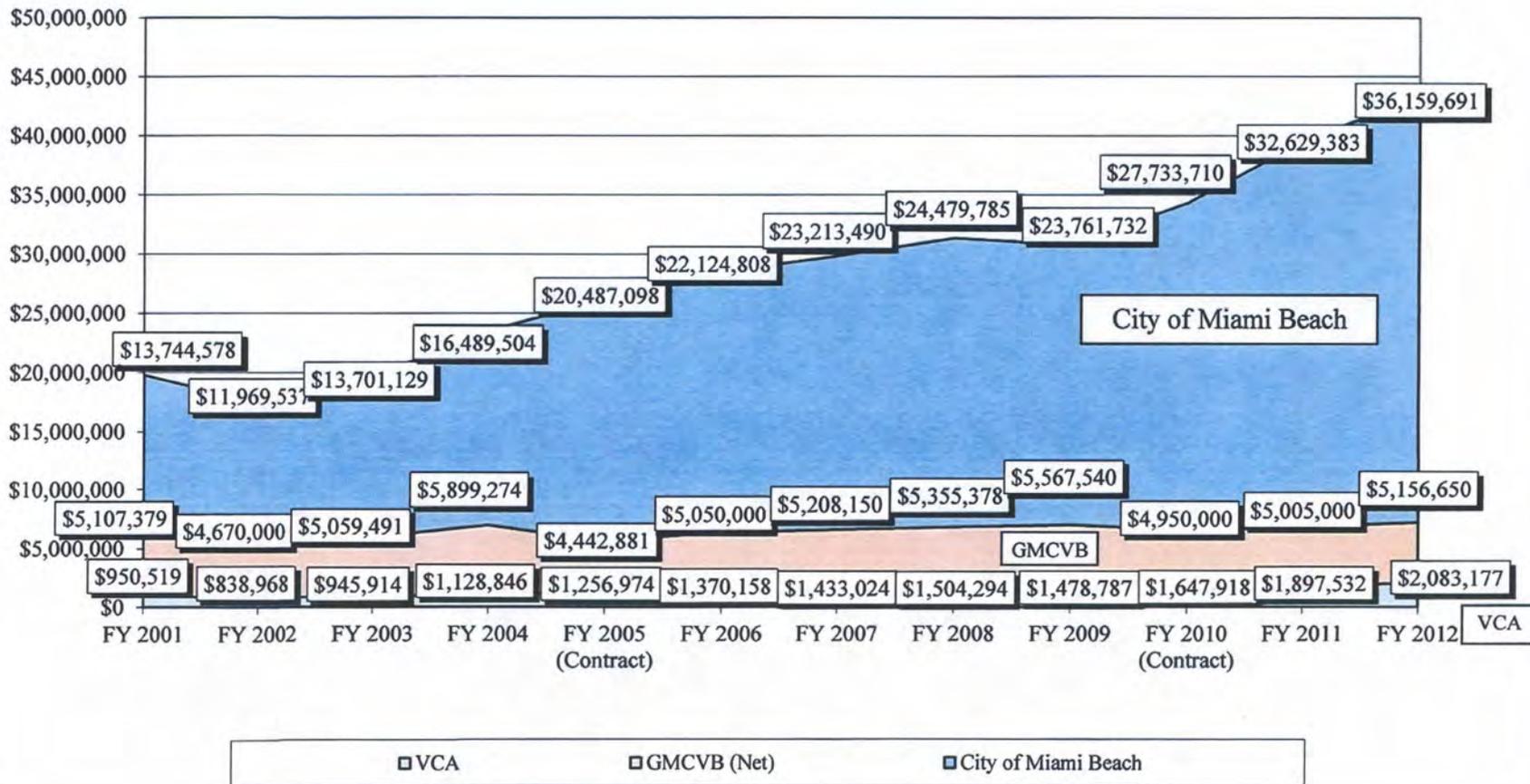
Analysis of Distribution of Resort (Hotel & F & B) Tax Collected by the City of Miami Beach

Fiscal Years 2001-2002-2003-2004-2005-2006-2007-2008-2009-2010-2011-2012

	GMCVB (Net)	VCA	City of Miami Beach	Total	% to CVB	% to VCA	% to CMB
FY 2001	\$5,107,379	\$950,519	\$13,744,578	\$19,802,476	26%	5%	69%
FY 2002	4,670,000	838,968	11,969,537	\$17,478,505	27%	5%	68%
FY 2003	5,059,491	945,914	13,701,129	\$19,706,534	26%	5%	70%
FY 2004	5,899,274	1,128,846	16,489,504	\$23,517,624	25%	5%	70%
FY 2005 (Contract)	4,442,881	1,256,974	20,487,098	\$26,186,953	17%	5%	78%
FY 2006	5,050,000	1,370,158	22,124,808	\$28,544,966	18%	5%	78%
FY 2007	5,208,150	1,433,024	23,213,490	\$29,854,664	17%	5%	78%
FY 2008	5,355,378	1,504,294	24,479,785	\$31,339,457	17%	5%	78%
FY 2009	5,567,540	1,478,787	23,761,732	\$30,808,058	18%	5%	77%
FY 2010 (Contract)	4,950,000	1,647,918	27,733,710	\$34,331,628	14%	5%	81%
FY 2011	5,005,000	1,897,532	32,629,383	\$39,531,915	13%	5%	83%
FY 2012	5,156,650	2,083,177	36,159,691	\$43,399,518	12%	5%	83%

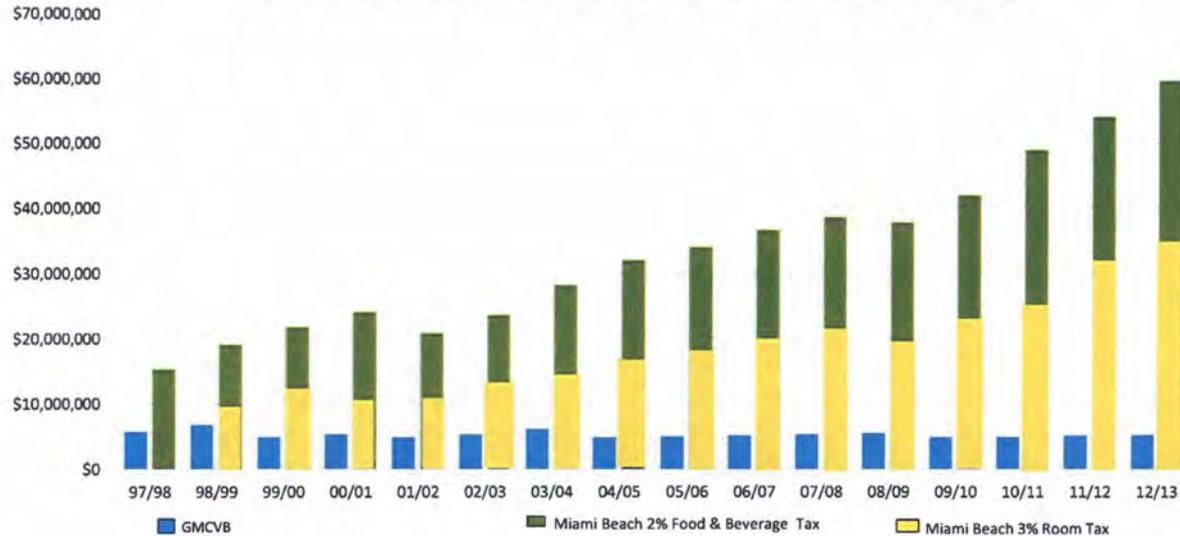
Note: VCA receives 5% of the Resort Tax less a 4% collection fee.

Greater Miami Convention & Visitors Bureau Analysis of Distribution of Resort (Hotel & Food and Beverage) Tax Collected by the City of Miami Beach



Greater Miami Convention Visitors Bureau
Analysis of City of Miami Beach Room and Food Beverage Tax Collections
Fiscal Years 1997/1998 to 2012/2013* (16 Years)
***Projected**

GMCVB and City of Miami Beach Room and F&B Tax Comparison



Fiscal Year	3% Room	Fiscal Year	2% F & B	Fiscal Year	GMCVB	Total Collections	GMCVB % of Collections
97/98	\$8,152,910	97/98	\$7,247,163	97/98	\$5,837,568	\$15,400,073	37.9%
98/99	\$10,636,299	98/99	\$8,528,672	98/99	\$6,912,500	\$19,164,971	36.1%
99/00	\$11,793,777	99/00	\$10,032,692	99/00	\$5,000,000	\$21,826,469	22.9%
00/01	\$12,989,436	00/01	\$11,130,708	00/01	\$5,437,379	\$24,120,144	22.5%
01/02	\$10,511,805	01/02	\$10,430,992	01/02	\$5,000,000	\$20,942,797	23.9%
02/03	\$12,015,479	02/03	\$11,663,794	02/03	\$5,389,491	\$23,679,273	22.8%
03/04	\$14,685,556	03/04	\$13,594,246	03/04	\$6,249,274	\$28,279,802	22.1%
04/05	\$16,554,553	04/05	\$15,490,526	04/05	\$5,000,000	\$32,045,079	15.6%
05/06	\$17,730,824	05/06	\$16,291,916	05/06	\$5,150,000	\$34,022,740	15.1%
06/07	\$19,398,252	06/07	\$17,276,319	06/07	\$5,258,150	\$36,674,571	14.3%
07/08	\$20,706,940	07/08	\$17,917,547	07/08	\$5,405,378	\$38,624,487	14.0%
08/09	\$19,678,107	08/09	\$18,150,738	08/09	\$5,567,539	\$37,828,845	14.7%
09/10	\$22,112,123	09/10	\$19,873,982	09/10	\$5,000,000	\$41,986,105	11.9%
10/11	\$26,285,403	10/11	\$22,725,978	10/11	\$5,055,000	\$49,011,381	10.3%
11/12	\$29,751,712	11/12	\$24,319,507	11/12	\$5,206,650	\$54,071,219	9.6%
12/13	\$33,500,428	12/13	\$26,216,429	12/13	\$5,305,580	\$59,716,857	8.9%

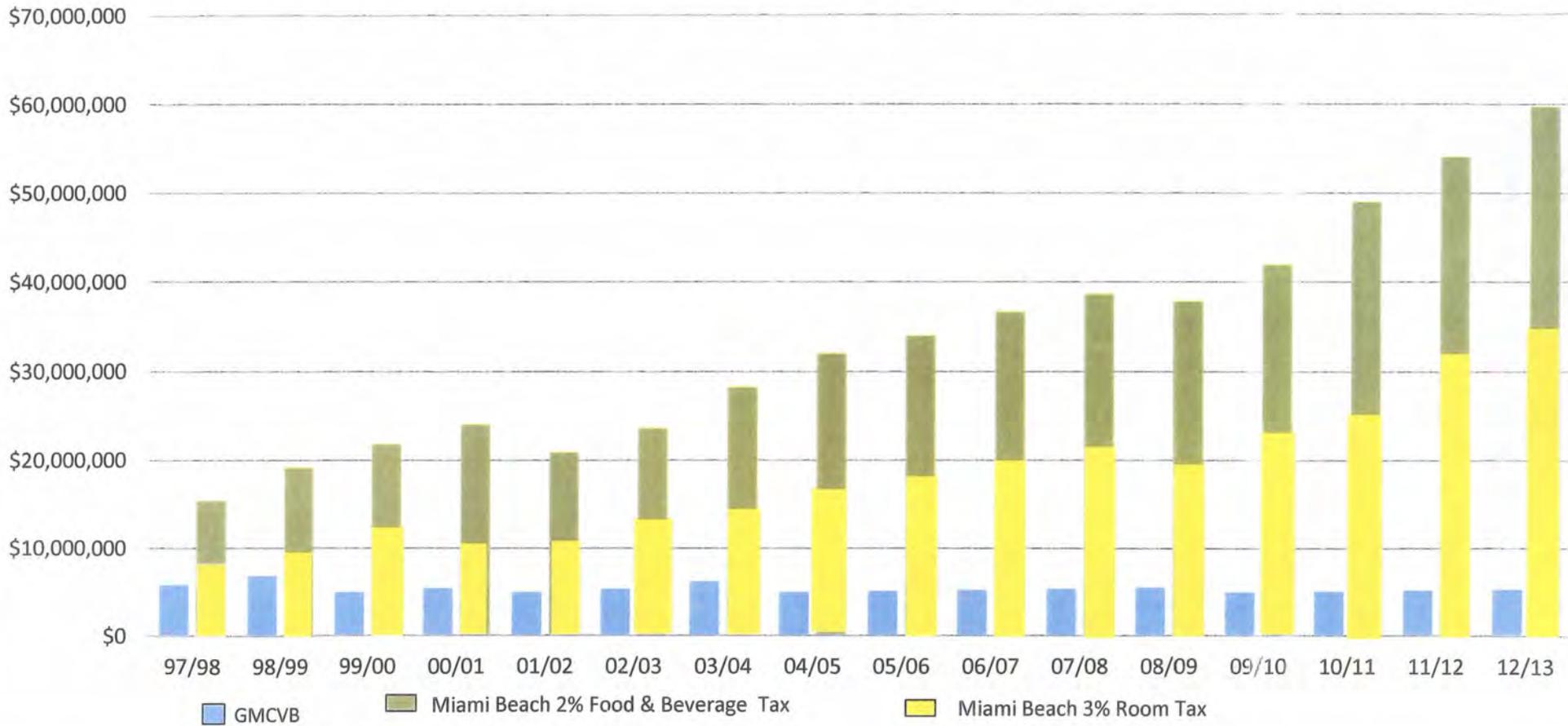
Greater Miami Convention Visitors Bureau

Analysis of City of Miami Beach Room and Food Beverage Tax Collections

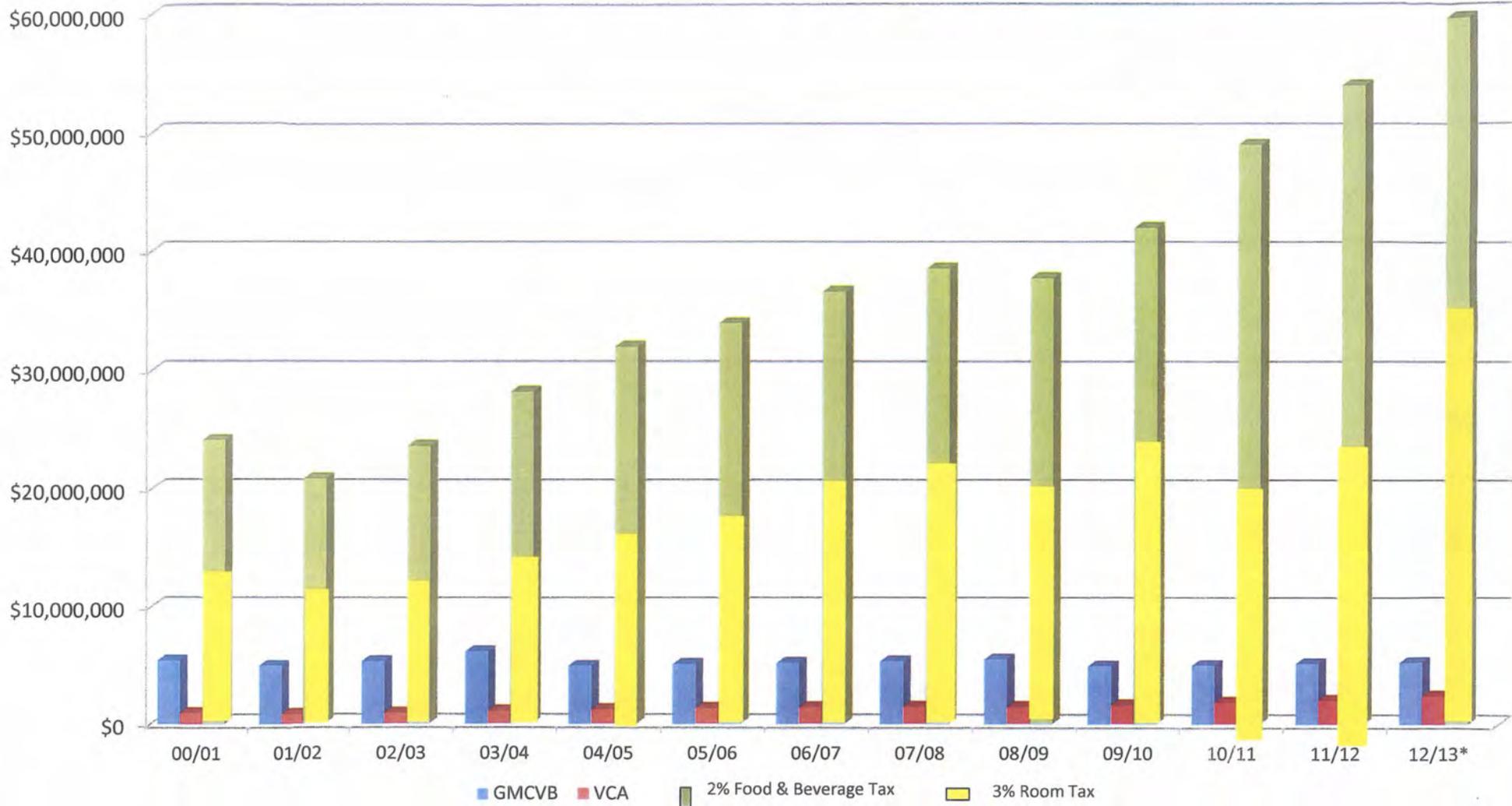
Fiscal Years 1997/1998 to 2012/2013* (16 Years)

*Projected

GMCVB and City of Miami Beach Room and F&B Tax Comparison



GMCVB, VCA and City of Miami Beach Room and F&B Tax Comparison



GMCVB and City of Miami Beach Room and F&B Tax Comparison

City of Miami Beach Tax Collections

	Fiscal Year	3% Room
16	97/98	\$8,152,910
15	98/99	\$10,636,299
14	99/00	\$11,793,777
13	00/01	\$12,989,436
12	01/02	\$10,511,805
11	02/03	\$12,015,479
10	03/04	\$14,685,556
9	04/05	\$16,554,553
8	05/06	\$17,730,824
7	06/07	\$19,398,252
6	07/08	\$20,706,940
5	08/09	\$19,678,107
4	09/10	\$22,112,123
3	10/11	\$26,285,403
2	11/12	\$29,751,712
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05/06	\$5,150,000	\$34,022,740
06/07	\$5,258,150	\$36,674,571
07/08	\$5,405,378	\$38,624,487
08/09	\$5,567,539	\$37,828,845
09/10	\$5,000,000	\$41,986,105
10/11	\$5,055,000	\$49,011,381
11/12	\$5,206,650	\$54,071,219
12/13*	\$5,305,580	\$59,716,857

* FY 2012/13 IS PROJECTED

GMCVB , VCA and City of Miami Beach Room and F&B Tax Comparison

City of Miami Beach Tax Collections

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11/12	\$5,206,650	\$2,083,177	\$54,071,219
12/13*	\$5,305,580	\$2,427,502	\$59,716,857

* FY 2012/13 IS PROJECTED

GREATER MIAMI CONVENTION AND VISITORS BUREAU

TOP 25 HOTEL MARKETS

REVPAR

2013 Rank	City	Oct. 2013	Oct. 2012	Oct. 2008	% Change 13 vs 12	% Change 13 vs 08
1	New York	\$270.91	\$260.79	\$257.43	3.9%	5.2%
2	San Francisco	\$197.09	\$181.70	\$135.06	8.5%	45.9%
3	Boston	\$171.69	\$149.61	\$131.75	14.8%	30.3%
4	Oahu Island	\$162.57	\$147.75	\$116.67	10.0%	39.3%
5	New Orleans	\$117.37	\$115.85	\$76.06	1.3%	54.3%
6	Miami	\$111.45	\$114.59	\$91.20	-2.7%	22.2%
7	Washington	\$108.84	\$114.55	\$126.36	-5.0%	-13.9%
8	Los Angeles	\$107.94	\$103.38	\$91.87	4.4%	17.5%
9	Chicago	\$105.25	\$111.38	\$98.78	-5.5%	6.5%
10	San Diego	\$97.35	\$93.50	\$94.79	4.1%	2.7%
11	Seattle	\$96.54	\$90.49	\$85.29	6.7%	13.2%
12	Anaheim	\$94.70	\$93.09	\$76.82	1.7%	23.3%
13	Philadelphia	\$89.96	\$86.83	\$93.08	3.6%	-3.4%
14	Nashville	\$83.06	\$72.39	\$62.81	14.7%	32.2%
15	Denver	\$82.29	\$82.10	\$66.68	0.2%	23.4%
16	Minneapolis	\$81.00	\$73.33	\$62.88	10.5%	28.8%
17	Houston	\$77.15	\$68.04	\$93.02	13.4%	-17.1%
	United States	\$73.48	\$70.57	\$66.82	4.1%	10.0%
18	Phoenix	\$69.26	\$65.34	\$72.20	6.0%	-4.1%
19	Dallas	\$68.81	\$61.97	\$60.83	11.0%	13.1%
20	Orlando	\$67.33	\$63.22	\$65.97	6.5%	2.1%
21	St Louis	\$65.36	\$58.82	\$55.00	11.1%	18.8%
22	Atlanta	\$61.02	\$57.24	\$54.16	6.6%	12.7%
23	Tampa	\$56.49	\$54.59	\$52.67	3.5%	7.3%
24	Detroit	\$55.66	\$55.89	\$46.51	-0.4%	19.7%
25	Norfolk	\$39.30	\$39.68	\$40.95	-1.0%	-4.0%

Source: Smith Travel Research

GREATER MIAMI CONVENTION AND VISITORS BUREAU

TOP 25 HOTEL MARKETS

OCCUPANCY

2013					% Change	% Change
Rank	City	Oct. 2013	Oct. 2012	Oct. 2008	13 vs 12	13 vs 08
1	San Francisco	90.3%	87.8%	79.6%	2.8%	13.4%
2	New York	89.1%	89.0%	82.7%	0.1%	7.7%
3	Boston	86.1%	81.0%	76.4%	6.3%	12.7%
4	Oahu Island	80.8%	82.0%	73.3%	-1.5%	10.2%
5	Los Angeles	78.4%	77.6%	70.9%	1.0%	10.6%
6	Anaheim	75.7%	75.7%	65.7%	0.0%	15.2%
7	Denver	75.1%	72.4%	62.1%	3.7%	20.9%
8	New Orleans	74.9%	78.0%	64.5%	-4.0%	16.1%
9	Minneapolis	74.6%	69.7%	61.0%	7.0%	22.3%
10	Nashville	74.5%	70.2%	62.9%	6.1%	18.4%
11	Seattle	73.6%	72.7%	66.2%	1.2%	11.2%
12	Miami	73.5%	75.4%	66.2%	-2.5%	11.0%
13	Chicago	73.4%	75.7%	69.4%	-3.0%	5.8%
14	Houston	72.7%	69.6%	84.8%	4.5%	-14.3%
15	San Diego	70.8%	70.1%	68.6%	1.0%	3.2%
16	Philadelphia	70.6%	70.2%	71.8%	0.6%	-1.7%
17	Dallas	70.0%	66.7%	61.8%	4.9%	13.3%
18	Orlando	67.6%	65.5%	61.7%	3.2%	9.6%
19	Washington	67.4%	72.3%	73.6%	-6.8%	-8.4%
20	St Louis	66.7%	64.8%	62.0%	2.9%	7.6%
21	Atlanta	66.6%	63.3%	57.5%	5.2%	15.8%
	United States	64.7%	64.2%	61.9%	0.8%	4.5%
22	Detroit	64.6%	67.9%	54.3%	-4.9%	19.0%
23	Phoenix	61.3%	59.6%	59.4%	2.9%	3.2%
24	Tampa	59.6%	58.5%	52.0%	1.9%	14.6%
25	Norfolk	50.2%	52.0%	51.7%	-3.5%	-2.9%

Source: Smith Travel Research

GREATER MIAMI CONVENTION AND VISITORS BUREAU

TOP 25 HOTEL MARKETS

ROOM RATE

2013					% Change	% Change
Rank	City	Oct. 2013	Oct. 2012	Oct. 2008	13 vs 12	13 vs 08
1	New York	\$304.02	\$293.02	\$311.19	3.8%	-2.3%
2	San Francisco	\$218.18	\$206.93	\$169.73	5.4%	28.5%
3	Oahu Island	\$201.12	\$180.29	\$159.09	11.6%	26.4%
4	Boston	\$199.42	\$184.59	\$172.46	8.0%	15.6%
5	Washington	\$161.47	\$158.47	\$171.72	1.9%	-6.0%
6	New Orleans	\$156.76	\$148.55	\$117.87	5.5%	33.0%
7	Miami	\$151.72	\$152.07	\$137.86	-0.2%	10.1%
8	Chicago	\$143.36	\$147.05	\$142.43	-2.5%	0.7%
9	Los Angeles	\$137.71	\$133.29	\$129.50	3.3%	6.3%
10	San Diego	\$137.55	\$133.39	\$138.20	3.1%	-0.5%
11	Seattle	\$131.18	\$124.42	\$128.87	5.4%	1.8%
12	Philadelphia	\$127.42	\$123.74	\$129.69	3.0%	-1.8%
13	Anaheim	\$125.14	\$122.97	\$116.84	1.8%	7.1%
	United States	\$113.48	\$109.86	\$107.89	3.3%	5.2%
14	Phoenix	\$112.96	\$109.71	\$121.58	3.0%	-7.1%
15	Nashville	\$111.48	\$103.17	\$99.83	8.1%	11.7%
16	Denver	\$109.62	\$113.38	\$107.43	-3.3%	2.0%
17	Minneapolis	\$108.65	\$105.25	\$103.07	3.2%	5.4%
18	Houston	\$106.09	\$97.83	\$109.65	8.4%	-3.2%
19	Orlando	\$99.63	\$96.48	\$106.99	3.3%	-6.9%
20	Dallas	\$98.32	\$92.90	\$98.41	5.8%	-0.1%
21	St Louis	\$98.05	\$89.57	\$88.73	9.5%	10.5%
22	Tampa	\$94.72	\$93.33	\$101.19	1.5%	-6.4%
23	Atlanta	\$91.69	\$90.46	\$94.22	1.4%	-2.7%
24	Detroit	\$86.20	\$82.29	\$85.67	4.8%	0.6%
25	Norfolk	\$78.24	\$76.35	\$79.27	2.5%	-1.3%

Source: Smith Travel Research

MIAMI BEACH TARGETED INITIATIVES

	2011/12	2012/13
Art Basel Miami Beach	\$ 55,000	
Art Basel (Art Fairs Unlimited - Pavillion and installation)		\$ 25,040
Art Basel (Media Support/airline tickets)	\$ 10,000	\$ 10,000
Art Basel, Basel, Switzerland - Staff Travel	\$ 5,771	\$ 6,161
Miami Beach Resident Program		
South Beach Wine and Food Festival Marketing	\$ 46,800	\$ 46,800
South Beach Comedy Festival	\$ 5,000	\$ 5,000
Marketing-Public Relations / LGBT Social Media with Current MB Golf Club and Normandy Golf Course and Shop Miami Beach - HCP Ads	\$ 250,000	\$ 250,000
MB Golf Club and Normandy Golf Course and Shop Miami Beach - HCP Ads	\$ 15,925	\$ 17,850
Welcome Channel (Shop MB, Park & Culture and Events)	\$ 22,500	\$ 15,000
Miss Miami Beach USA	\$ 5,000	
Shop Miami Beach	\$ 15,000	\$ 16,871
Shop Miami Beach Brochure Distribution through CTM	\$ 4,600	\$ 3,067
Miami Beach Itineraries Bochures	\$ 3,970	
Miami Beach Police/Water Safety Brochure Translations		\$ 1,342
Funding for Miami Beach Visitor Center currently operated by the Miami Beach Chamber	\$ 30,000	\$ 30,000
Customer Service	\$ 10,000	\$ 10,000
Boutique Hotel Program	\$ 225,000	\$ 225,000
Boutique Hotel Brochure Repring		\$ 60,468
Gay & Lesbian Tourism Research & Co-op Advertising	\$ 145,000	\$ 150,000
Gay Pride Miami Beach	\$ 5,000	
Orgullo	\$ 15,000	\$ 5,000
Miami Beach OutGames		\$ 50,849
Miami Beach OutGames Delegation Expenses		\$ 5,000
Film, Fashion & Entertainment		
Trade Shows/events (Graham Winick's Expenses)	\$ 27,941	\$ 20,541
Miami Beach Website	\$ 24,247	\$ 10,854
Respect the Scene Campaign	\$ 59,288	\$ 25,524
Polo Life, LLC	\$ 20,000	\$ 10,000
Film Life, Inc. (American Black Film Festival)	\$ 15,000	\$ 17,250
Miami Beach Latin Chamber Visitor Center	\$ 5,000	\$ 5,000
Total	\$ 1,021,042	\$ 1,022,617

November 25, 2013

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MIAMI BEACH

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

COMMITTEE MEMORANDUM

TO: Finance and Citywide Projects Committee

FROM: Jimmy L. Morales, City Manager

DATE: July 18, 2014

SUBJECT: **A DISCUSSION REGARDING ADOPTION OF AN UPDATED STRATEGIC PLAN FOR THE CULTURAL AFFAIRS PROGRAM, TO INCLUDE UTILIZATION OF FILLMORE COMMUNITY BENEFIT FUND, CULTURAL ARTS COUNCIL ENDOWMENT, AND CULTURAL AFFAIRS PROGRAM FUND BALANCE FUNDS FOR GREATER CULTURAL BENEFITS FOR RESIDENTS AND VISITORS**

ADMINISTRATION RECOMMENDATION

Refer discussion to Finance/Citywide Projects Committee as recommended by the Administration.

ANALYSIS

The Cultural Affairs Program (CAP) in the Department of Tourism, Culture and Economic Development serves as an invaluable resource for the Miami Beach community and beyond. Working closely with the Miami Beach Cultural Arts Council (CAC), the 11-member advisory board founded in 1997, CAP sustains, develops and supports the arts in Miami Beach for the enjoyment, education, enrichment and benefit of residents and visitors.

Since 1997 the City has awarded more than \$10 million to approximately 130 nonprofit arts groups through its annual cultural grants program. Further, CAP partners with the Miami Beach Visitor and Convention Authority to award grants to projects that generate substantial cultural tourism.

CAP also provides active marketing assistance to individual cultural events and institutions, and markets Miami Beach as a cultural destination; supplementary arts education programs (since 2006) in Miami Beach schools and parks, serving more than 3,000 students annually; oversight of City-owned cultural facilities; and free outdoor arts programming through Arts in the Parks (since 2006), Sleepless Night (2007, 2009 and 2011) and SoundScape Cinema Series (since 2011).

CAP staff met with the CAC Budget Committee on October 15, 2013 to formulate strategies and goals for a new strategic plan. The Committee's proposals were discussed by the CAC at its meetings on November 7 and December 12, 2013, and again on January 14, 2014. The proposed strategic plan draft, attached here as Exhibit "A", was approved unanimously by the CAC at its March 6, 2014 meeting.

This item was discussed at the May 20, 2014 Finance and Citywide Projects Committee meeting and the staff was directed to provide more detail regarding the need for an expanded Community Benefit Fund program and how the funds would be used and to bring the item back to the Finance Committee before July if it needs to be included in next year's budget.

Exhibit "A"

Cultural Affairs Program Strategic Plan draft

To ensure that the needs and aspirations of the community are met moving into the future, CAP would concentrate on four areas:

- Variety of cultural activities, opportunities and facilities
- Growth of citizen participation, particularly among underserved and special needs populations
- Partnership development
- Value for all ages and ethnicities

Since funding is key, CAP staff will work to increase grant funding and to identify new revenue streams, both from within the City (dedicated Quality of Life funding, Community Benefit Fund, Art in Public Places Fund) and without. CAP's current annual budget is \$1,153,000, funded by the Greater Miami Convention and Visitors Bureau (per contract), Resort Taxes and Quality of Life funds. CAP currently has two restricted funds: a CAC endowment fund of \$1,581,873, and a CAP Fund Balance in the amount of \$2,640,184. The endowment fund was created by the CAC in an optimistic attempt to become self-sufficient, but no contributions to it have been made in several years. The Fund Balance serves as a "rainy day" fund to ensure that CAP operations and grants can continue in the event of a disastrous tourism year; it grows at the end of each fiscal year from leftover balances in CAP budget line items (unclaimed grants, excess marketing dollars, etc.) Revenue sources from outside the City could include corporate sponsorships and grants from government and private granting agencies and foundations.

PROPOSED STRATEGIES AND GOALS

Grants

- Increase funding for our existing cultural assets, particularly our Cultural Anchors
- Based on the success of the Byron bonus, North Beach Initiative, and Fresh Air Fund programs, craft further proactive grant programs to fulfill specific cultural needs (live theater for example), reach targeted age groups and ethnicities, and provide free programming in various parts of the City

Marketing

- Expand social media marketing efforts
- Continue to refine mbculture.com website and mobile website
- Continue paid marketing efforts to direct people to websites and to promote subscriptions to the weekly e-blast and the text messaging services
- Reinstate Sleepless Night or a similar large-scale, major, annual, City-funded cultural festival that attracts global attention
- Facilitate enhanced partnership with the hospitality industry

Education

- Expand in-school and after-school arts instruction at City schools, parks and youth centers through additional funding and/or corporate partnerships
- Facilitate hands-on arts instruction programs for resident adults

Cultural Facilities

- Continue to facilitate the relationship between the City and the Friends of the Bass Museum
- Propose expanded use agreement for Carl Fisher Clubhouse and Little Stage Theater to allow for more diverse cultural offerings for the community

- Manage the Community Benefit Fund Rent Waiver Grants program for the Fillmore
- Manage the SoundScape Wall Use Grants program
- Facilitate a "youth only" exhibition and performance space
- Encourage the city to set aside 20% of retail space in city garages for nonprofit arts uses

Arts in the Parks

- Expand offerings of live outdoor performances citywide
- Increase SoundScape Cinema Series screenings and digital art projections
- Promote local, resident-driven events and festivals to coincide with the residencies of major international trade shows for music, visual arts, etc

Additional Services

- Create a detailed, user-friendly manual to guide cultural providers through City processes, especially the Special Events Permit process
- Create an up-to-date cultural asset inventory, including both permanent venues and appropriate temporary performance/exhibition locations
- Maintain a Cultural Tourism calendar in cooperation with the GMCVB and MBVCA
- Arrange with outside providers to create affordable equipment rental packages to transform indoor and outdoor spaces for performers

FUNDING

As previously mentioned a substantial amount of existing funding could be made available to CAP to realize these goals and strategies and strengthen Miami Beach's position as the preeminent cultural tourism destination in Florida.

ENDOWMENT

The original CAC created an endowment fund in 1998 with the thought that it would eventually grow large enough to provide enough income to fund the annual cultural grants program. From 1998 through 2001 the CAC contributed \$200,000 annually. In 2002 \$160,000 was contributed. The following year, due to decreased revenues from resort tax, no contribution was made. \$50,000 was contributed in 2004, and \$100,000 in both 2005 and 2006. Since that time no further contributions have been made, despite a significant increase in Resort Tax Quality of Life funding, since the CAC and the Administration agreed that greater public benefit would result from utilizing all available funds for grants and other cultural programming. The current balance of the endowment fund is \$1,581,873. CAC feels that it is highly unlikely that this fund could ever grow large enough to provide a useful source of income, and proposes liquidating the endowment over a three-year period to cover increased programmatic expenses for Sleepless Night and other free outdoor programs. Unforeseen future expenses or reduction in Quality of Life funding would be covered by the Fund Balance.

FUND BALANCE

The current CAP Fund Balance stands at \$2,640,184. The CAC proposes capping the Fund Balance at this amount, which if necessary could adequately cover the expenses of the Cultural Affairs Program for two years. Funds remaining at the end of each fiscal year should be added to the CAC's grants budget for the following year.

DEDICATED FUNDING

One-half of one percent of Resort Tax collection accounts for Quality of Life funding. Originally divided into three parts (South Beach, Middle Beach and North Beach,) CAP was added as a fourth recipient in 2004. Last year a fifth recipient (the North Beach circulator) was added, with the stipulation that CAP funding would be frozen at current levels until the other four recipients reach equal funding. The CAC

respectfully requests that the Mayor and Commission honor this ongoing commitment to arts funding and not allow further dilution of the Quality of Life funds.

COMMUNITY BENEFIT FUND

The Community Benefit Fund at the Jackie Gleason Theater was established by Resolution No. 83-17447 to provide discounted show tickets to senior citizen and student residents. It is funded by a \$1.50 surcharge on each ticket sold. The fund's purpose was further defined by Resolution No. 92-20454 to "present and promote performances, programs, shows and entertainment at reduced prices or free admission for the residents of Miami Beach." Resolution No. 98-22762 created the Community Benefit Fund Rent Waiver program, which pays the operator for theater rental fee waivers for up to twelve non-profit organizations per calendar year. Management of the rent waiver program was transferred from the Convention Center Advisory Board to the Miami Beach Cultural Arts Council (CAC) in 2009. The CAC is proposing a new requirement that all future rent waiver recipients be required to offer free or discounted tickets to Miami Beach residents.

At this writing the balance in the Community Benefit Fund is \$746,822. Funds are currently used only for the discount ticket program and to pay the operator for the twelve rent waivers available each calendar year. The fund nets between \$38,000 and \$108,000 annually after the rent waiver and discount ticket program costs are deducted.

The CAC is proposing to utilize the fund for greater community benefit by increasing the number of annual rental fee waivers from 12 to 24. This would allow the fund to continue to grow while meeting its other obligations, since the maximum cost of the additional waivers would be \$36,000. The CAC feels strongly that the additional 12 waivers are necessary for the CAC to realize its initiative to increase live theater offerings in Miami Beach. The Colony Theatre is both too large and too expensive for most of South Florida's theater groups, and it has suffered a decrease in bookings as new alternative and more affordable venues have opened on the mainland. The Fillmore's new "backstage" performance space, which seats 204 persons, is an ideal size for local theater groups, and the CAC is proposing a new targeted pilot grant program to begin in Fall 2014 which, in tandem with the rental fee waiver program, would enable theater groups (and cabaret and spoken word artists) to rehearse and present their shows at no cost for the theater, sound and lighting equipment and technicians. Ticket prices, including all house and Ticketmaster surcharges, would be capped at \$19. Waivers would continue to be available for the main theater as well, but the 12 additional waivers would be restricted for use with this new targeted live theater grant program. All rental fee waiver recipients would be required to offer free or discounted tickets to Miami Beach residents.

Fiscal Year	Opening Balance	Surcharge Revenue	Interest Earned	Grants Paid	Ending Balance
FY 07/08	\$188,666	\$107,558	\$8,373	(\$7,799.00)	\$296,797
FY 08/09	\$296,797	\$50,879	\$9,621	(\$13,002.50)	\$344,295
FY 09/10	\$344,295	\$95,264	\$6,899	(\$28,400.00)	\$418,057
FY 10/11	\$418,057	\$88,757	\$5,427	(\$26,200.00)	\$486,042
FY 11/12	\$486,042	\$125,276	\$4,793	(\$23,400.00)	\$592,710
FY 12/13	\$592,710	\$102,409	\$4,195	(\$40,400.00)	\$658,914
FY 13/14	\$658,914	\$108,988	\$2,121	(\$23,200.00)	\$746,822
FY 14/15 Projected	\$746,822	\$97,018	\$5,919	(\$72,000.00)	\$777,759
FY 15/16 Projected	\$777,759	\$97,018	\$5,919	(\$72,000.00)	\$808,696

SLEEPLESS NIGHT

The CAC believes that it is essential for the City to present a major annual citywide cultural festival to maintain its position as an international cultural destination. CAC members unanimously endorsed the return of an annual Sleepless Night, building on the existing substantial international recognition of the brand. Seed funding could derive from liquidation of the CAC endowment, with additional funding from sponsorships and grants.

SLEEPLESS NIGHT was initiated in 2007 by the CAC as a way to focus the cultural spotlight on Miami Beach after the cancellation of the annual "Invitation to the Arts" at the Gleason. It was more than just the cultural takeover of Miami Beach, with 150 free arts and entertainment offerings at 80 different locations spread throughout the city and the 13-hour night that marks the end of Daylight Savings Time. It was in fact an enormous and successful intersection of community and culture that crossed all barriers of age, race, taste, economics and education. Its free programming was designed to appeal to every segment of our diverse population, providing a unique opportunity to create community through the universality of shared arts experiences. At the first Sleepless Night (November 3, 2007) an instant and enthusiastic community of 100,000 people enjoyed arts and entertainment offerings both familiar and new. The second Sleepless Night (November 7, 2009,) made possible by funding from the Knight Arts Challenge, drew more than 130,000 residents and visitors for free museum admissions, indoor and outdoor art installations and performances, street spectacle, music, dance, theater, comedy, circus and more, all connected by free shuttle buses with onboard arts programming. Sleepless Night is huge and inclusive: in one night it draws more than twice as many people as Art Basel Miami Beach or the South Beach Wine & Food Festival, and its residual effects for both artists and audiences are lasting. It sends the positive message that Art Matters to our residents, visitors and businesses. The 2009 event received nearly a billion media impressions and attracted artist inquiries from across the U.S., Europe, Canada and South America. The 2011 Sleepless Night, again with major Knight Foundation and National Endowment for the Arts funding, received similar local praise and international media coverage, including a feature in Travel & Leisure magazine and a segment on Good Morning America. The CAC firmly believes that Sleepless Night has the potential to be as significant as any of the international *Nuit Blanche* events if it can be held on an annual basis to maintain the marketing and sponsorship momentum necessary for it to continue to grow. And for residents the incorporation into the event of the new and existing circulator buses will allow even greater neighborhood reach citywide.

CONCLUSION

The Administration recommends the following items as recommended by the CAC:

1. Endowment: It is highly unlikely that the CAC Endowment Fund, which has a balance of \$1,581,873 could ever grow large enough to provide a useful source of income. It is recommended that the endowment be used over a three-year period to cover increased programmatic expenses for Sleepless Night and other free outdoor cultural programs. \$527,291 allocated annually for Sleepless Night in 2015, 2016 and 2017 would guarantee that the event could occur for the three consecutive years necessary to apply for increased funding levels from the County and the National Endowment for the Arts. Additional Sleepless Night funding, traditionally from the VCA, State, NEA, Knight Foundation and corporate sponsors, would release Endowment Funds to be used for free programming in the Band Shell, Collins Park and SoundScape on a year-round basis.
2. Fund Balance: The Administration recommends capping the Fund Balance at its current level of \$2,640,184, which if necessary could adequately cover the expenses of the Cultural Affairs Program for two years. Funds remaining at the end of each fiscal year will be added to the CAC's grants budget for the following fiscal year.

1. Community Benefit Fund:

- Addition of a new Community Benefit Fund Grant requirement that all future rent waiver recipients be required to offer free or discounted tickets to Miami Beach residents.
- Increase the number of annual rental fee waivers from 12 to 24. The additional grants (12 annually), will be specifically for live theater in the City.
- The Community Benefit Fund Grant when used at the Fillmore “backstage” would require grantees to offer tickets at \$19, including all house and Ticketmaster surcharges.

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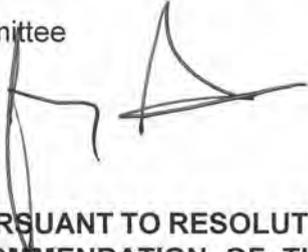


MIAMI BEACH

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

COMMITTEE MEMORANDUM

TO: Finance & Citywide Projects Committee

FROM: Jimmy L. Morales, City Manager 

DATE: July 18, 2014

SUBJECT: **STATUS OF NEGOTIATIONS PURSUANT TO RESOLUTION NO. 2012-27917 WHICH ACCEPTED THE RECOMMENDATION OF THE CITY MANAGER PERTAINING TO THE RANKING OF FIRMS, PURSUANT TO REQUEST FOR PROPOSALS (RFP) NO. 27-11/12, FOR DISASTER RECOVERY SERVICES AND WHICH AUTHORIZED THE ADMINISTRATION TO ENTER INTO NEGOTIATIONS WITH THE TOP RANKED FIRMS OF CERES ENVIRONMENTAL SERVICES, INC., ASBRITT, INC., TAG GRINDING SERVICES, INC., BYRD BROTHERS ENVIRONMENTAL SERVICES, INC., D&J ENTERPRISES, INC., AND PHILLIPS AND JORDAN, INC.**

ANALYSIS

In the event of an emergency, such as a hurricane, the City would lack sufficient resources to undertake debris recovery operations. While assistance is available from the County, State and Federal governments, it is not sufficient to restore a community that has suffered a catastrophic disaster. Also, the resources of the various governments are spread thin over the affected areas, necessitating contracted private sector assistance.

It is in the City's best interest to enter into agreements with firms that have the capability and flexibility to provide disaster recovery services in the event of a declared emergency that is of the magnitude to utilize said professional services.

The Federal Emergency Management Agency (FEMA) provides public assistance funds for debris clearance and removal and disposal operations. Eligible applicants include State and local governments. On August 28, 2005, FEMA determined that the damage in certain areas of the State of Florida resulting from Hurricane Katrina which occurred on August 24, 2005, and with Hurricane Wilma shortly after, were sufficient in severity and magnitude to warrant a major disaster declaration under the Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. §§ 5121-5206 (the Stafford Act).

The City currently has contracts with the following four (4) companies for the provision of these services: Ashbritt, Inc., Ceres Environmental Services, Inc., Phillips And Jordan, Inc., and Crowdergulf Joint Ventures, Inc. The initial term of these contracts were effective through January 31, 2011, with three (3) additional one-year options for renewal. These contracts were renewed through January 31, 2013 and subsequently extended on a month to month basis.

On June 6, 2012, the Commission approved Resolution No. 2012-27917, authorizing the Administration to enter into negotiations with the top ranked firms of Ceres Environmental services, Inc., Ashbritt, Inc, Tag Grinding Services, Inc., Byrd Brothers Environmental Services, Inc., D&J Enterprises, Inc., and Phillips and Jordan, Inc.

Negotiations were held with five (5) of the top six (6) proposers in accordance with the Sunshine Law requirements. The sixth vendor (Byrd Brothers) was not responsive to multiple calls and emails regarding the negotiation and as a result, they have been removed from consideration. The attached spreadsheet shows the original pricing that was submitted in response to the solicitation and the best and final price for each of the items after negotiations.

CONCLUSION

We believe that the results of the negotiations are favorable to the City and we recommend moving forward with the execution of contracts with these five firms. This information is being presented for discussion.

Attachment



MT\ETC\WJF

F:\WORK\ALL\1) EMPLOYEE FOLDERS\FIORELLA SARMIENTO\FINANCE COMMITTEE- ALL ITEMS\Disaster Recovery Services - Memo.doc

ATTACHMENT

To be handed out at the meeting

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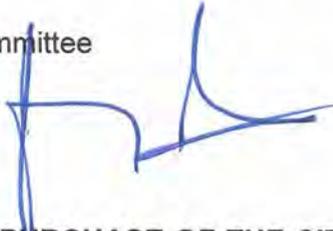
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COMMITTEE MEMORANDUM

TO: Finance and Citywide Projects Committee

FROM: Jimmy L. Morales, City Manager 

DATE: July 18, 2014

SUBJECT: **DISCUSSION REGARDING THE PURCHASE OF THE CITY OWNED PARKING LOT AT FOR 226-87TH TERRACE TO PERMIT THE DEVELOPMENT OF A MIXED USE PROJECT BY 8701 COLLINS DEVELOPMENT, TO INCLUDE 120 CITY OWNED PARKING SPACES**

HISTORY/BACKGROUND

8701 Collins Development (the "Developer") has proposed the purchase of the City owned parcel located at 226 87th Terrace, currently used as a public parking lot. The Developer owns the adjacent parcel to the City's existing parking lot and proposes to join the two lots, subject to a Declaration of Condominium, for the purpose of developing a mixed use project consisting of parking garage, retail space, and residential/hotel units.

Existing parking revenue from the City's 15 spaces is proposed to be replaced by providing the City with 120 parking spaces within the proposed project, which shall also be consideration for Developer's purchase of the City property. Developer shall be responsible for all costs associated with design, development and construction of the City's spaces. These spaces will be physically segregated from the remainder of the parking.

The Developer is also the owner of the two parcels located directly across the street (formerly the "Dezerland Hotel"), to the east, where it is developing a residential property and a hotel. The attached proposed terms have been presented to the administration by the Developer and are being presented for discussion to this Committee.

In furtherance of this discussion, the Administration commissioned an appraisal of the City's parcel, which is also attached hereto.

CONCLUSION

The Administration recommends that the Finance and Citywide Projects Committee discuss the proposal further and provide appropriate policy direction.

JLM/JMJ

**Developer's Proposed Terms
of Purchase and Sale Agreement
226 87 Terrace**

- The City will convey fee simple interest in the property.
- The conveyance will occur following the issuance of all necessary development approvals and the conclusion of the Chapter 82 hearing process, expected within one year following execution of the agreement.
- 8701 Collins Development (“Developer”) will construct a main use parking garage (the “Project”) on the property and adjacent land including the following:
 - a retail/commercial use component on the first floor;
 - one or more levels directly above the first floor consisting of a parking garage; and
 - hotel or residential component above the garage levels.
- The garage will be constructed within three years following permit issuance.
- The Project will be subject to a Declaration of Condominium.
- The City will be provided with a condominium unit that consists of 120 parking spaces within the garage. These spaces will be physically segregated from the remainder of the parking and will be transferred to the City within 90 days from the issuance of the certificate of occupancy.
- The Developer will install, at its cost and expense, a “Welcome to Miami Beach” sign at the northwest corner of the building.

**SLACK
JOHNSTON
MAGENHEIMER**
REAL ESTATE APPRAISERS & CONSULTANTS

7245 S.W. 87 AVENUE, SUITE 300
MIAMI, FLORIDA 33173

APPRAISAL OF REAL PROPERTY

**0.35-ACRE SITE LOCATED AT
226 87 TERRACE
MIAMI BEACH, MIAMI-DADE COUNTY, FLORIDA**

DRAFT

**APPRAISAL REPORT
SJM FILE: 14067**

PREPARED FOR

**MR. ERIC CARPENTER
PUBLIC WORKS DIRECTOR
CITY OF MIAMI BEACH
1700 CONVENTION CENTER DRIVE
MIAMI BEACH, FLORIDA 33139**

**SLACK
JOHNSTON
MAGENHEIMER**
REAL ESTATE APPRAISERS & CONSULTANTS

ANDREW H. MAGENHEIMER, MAI
CERT.GEN. RZ1073

THEODORE W. SLACK, MAI
(1902-1992)

THEODORE C. SLACK, MAI
(RETIRED)

SUE BARRETT SLACK, MAI
(RETIRED)

June 30, 2014

Mr. Eric Carpenter
Public Works Director
City of Miami Beach
1700 Convention Center Drive
Miami Beach, Florida 33139

RE: Appraisal of Real Property – 0.35-Acre Site Located at 226 87 Terrace, Miami Beach, Miami-Dade County, Florida
SJM File: 14067

Dear Mr. Carpenter:

At your request, we have prepared an appraisal of the market value of the fee simple interest in the above referenced property, as of June 24, 2014, the effective date of the appraisal. The scope of this appraisal includes an analysis to estimate the market value of the subject property, as of a current date of valuation. This appraisal will be based on an "across the fence" valuation of the property utilizing the sales comparison approach to estimate the fee simple value of the property based on the hypothetical condition the site has a land use and zoning similar to the site located adjacent to the south of the subject property.

The subject property consists of a 0.35-acre site located at 226 87 Terrace in the City of Miami Beach. The rectangular site has a dual-corner location with road frontage and access from Collins Avenue, 87 Terrace and Harding Avenue. The site is currently zoned GU (Civic and Government Use) and has a land use of P (Parking), based on its ownership and use by the City of Miami Beach. This appraisal is based on the hypothetical condition it has a land use and zoning of RM-2 (Residential Multifamily, Medium Intensity), consistent with the adjacent uses to the south. All utilities are available to the site. Site improvements include asphalt paving, concrete curbs and sidewalks, parking meters and minimal landscaping.

Mr. Eric Carpenter
June 30, 2014
Page Two

The appraisal report states our opinion of market value, subject to various assumptions and limiting conditions contained in this report. The property visit and analyses forming the basis of our valuation have been performed by the undersigned. The appraisal has been prepared in accordance with the Uniform Standards of Professional Appraisal Practice (USPAP), as adopted by the Appraisal Standards Board of the Appraisal Foundation.

Based on our investigation and analysis, we have formed the opinion that the market value of the fee simple interest in the subject property, as of June 24, 2014, was as follows:

**TWO MILLION SEVEN HUNDRED THOUSAND DOLLARS
(\$2,700,000).**

The following report summarizes the results of our investigation.

Respectfully submitted,

SLACK, JOHNSTON & MAGENHEIMER, INC.

DRAFT

Andrew H. Magenheimer, MAI
CERT. GEN. RZ1073

DRAFT

Zachary Olen
CERT. GEN. RZ3124

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DRY

SUMMARY OF SALIENT FACTS AND CONCLUSIONS

Property Appraised: 226 87 Terrace, Miami Beach, Florida

Property Type: Vacant land

2013 Tax and 2014 Assessment Information:

Folio No.:	02-3202-006-0430
Land Value:	\$1,990,690
Improvement Value:	\$5,069
Total Market Value:	\$1,995,759
2013 Taxes:	Exempt

Ownership: City of Miami Beach
1700 Convention Center Drive
Miami Beach, Florida 33139

Interest Appraised: Fee Simple

Land Area: 15,313 square feet; 0.35 acres

Current Zoning: GU (Civic and Government Use); City of Miami Beach

Current Land Use: P (Parking); City of Miami Beach

Assumed Zoning: RM-2 (Residential Multifamily, Medium Intensity);
City of Miami Beach

Assumed Land Use: RM-2 (Residential Multifamily, Medium Intensity);
City of Miami Beach

Highest and Best Use: Future development of an optimum size building
within the constraints of zoning and market demand.

Date of Valuation: June 24, 2014

Date of Report: June 30, 2014

“As Is” Value Indication: \$2,700,000

AERIAL PHOTOGRAPH OF THE SUBJECT PROPERTY



Source: Google Earth - Not to scale. For illustrative purposes.

CERTIFICATION

We certify that, to the best of our knowledge and belief, ...

- the statements of fact contained in this report are true and correct.
- the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- we have no present or prospective interest in the properties that are the subject of this report and no personal interest with respect to the parties involved.
- we have no bias with respect to the properties that are the subject of this report or to the parties involved with this assignment.
- our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- the reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice (USPAP).
- the undersigned has made a visit to the property that is the subject of this report.
- no one provided significant real property appraisal assistance to the persons signing this certification.
- the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- we have not performed services regarding the subject property within the prior three years.
- as of the date of this report, Andrew H. Magenheimer, has completed the continuing education program of the Appraisal Institute.

SLACK, JOHNSTON & MAGENHEIMER, INC.

DRAFT

Andrew H. Magenheimer, MAI
CERT. GEN. RZ1073

DRAFT

Zachary Olen
CERT. GEN. RZ3124

ASSUMPTIONS AND LIMITING CONDITIONS

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

1. No responsibility is assumed for the legal description or for matters including legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.
2. No legal opinion related to a title search was provided and all existing liens and encumbrances, including deed restrictions and developers agreements, have not been investigated unless otherwise stated. The property is appraised as though free and clear.
3. Responsible ownership and competent property management are assumed.
4. The information furnished by others has been gathered from sources deemed to be reliable, however, no warranty is given for its accuracy.
5. All engineering and surveying is assumed to be correct. Any sketches, plats, or drawings included in this report are included to assist the reader in visualizing the property. We have made no survey of the property, and assume no responsibility in connection with such matters.
6. It is assumed that there are no hidden or inapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for unusual soil conditions and no opinion as to these matters is to be inferred or construed from the attached report other than those specifically stated in the report. Unless stated otherwise, the soil conditions of the subject property are assumed to be adequate to support development utilizing conventional construction techniques. We recommend the client obtain an opinion from a competent engineering firm.
7. 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.
8. 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.
9. It is assumed that all required licenses, certificates of occupancy, 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.

10. It is assumed that the utilization of the land and any improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.
11. Any proposed or partially completed improvements included in this report are assumed to be completed in accordance with approved plans and specifications and in a workmanlike manner.
12. Our estimates of future values were formulated based upon market conditions as of the date of appraisal, considerate of future projections concerning supply and demand. The appraiser has no responsibility for significant events that alter market conditions subsequent to the effective date or dates of appraisal.
13. This study is to be used in whole and not in part. No part of it shall be used in conjunction with any other appraisal. Publication of this report or any portion thereof without the written consent of the appraiser is not permitted.
14. The appraiser, by reason of this report, is not required to give further consultation, testimony, or be in attendance in court with reference to the property in question unless arrangements have been previously made.
15. Neither all, nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected), shall be disseminated to the public through advertising, public relations, news, sales, or other media without the written consent and approval of the appraiser. The use of this report in any public offering or syndication document is specifically prohibited.
16. 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. It is recommended that the client retain an expert in this field, if needed.
17. Section 404.056(8) of the Florida Statutes requires that prior to or at the time a rental agreement or contract for any building is executed, the following disclosure statement must be issued:

"RADON GAS: is a naturally occurring gas that, when it is has accumulated in a building in sufficient quantities, may present risk to persons who are exposed to it over time. Levels of radon that exceed federal and state guidelines have been found in building in Florida. Additional information regarding radon and radon testing may be obtained from your public health unit."

It is assumed that sellers will comply with this law.

18. Disclosure of the contents of this report by the appraiser is controlled by the Appraisal Institute of which one or more signatures of this report is an MAI member and by the Florida Department of Professional Regulation, Division of Appraisal State Certification. The analysis and value conclusions, as well as non-public information about the subject property, are confidential matters and cannot be divulged to any persons other than the party for whom the report is prepared.

Exceptions to this confidentiality provision are requests by committees of the Appraisal Institute or the Florida Department of Professional Regulations for peer review, and subpoenas by any court having jurisdiction to request production of the report.

Appraisal Assumptions

19. The site is currently zoned GU (Civic and Government Use) and has a land use of P (Parking), based on its ownership and use by the City of Miami Beach. This appraisal is based on the hypothetical condition the site is zoned RM-2 (Residential Multifamily, Medium Intensity).

Acceptance or use of this report constitutes acceptance of the preceding conditions.

IDENTIFICATION OF THE PROPERTY

The subject property consists of a 0.35-acre site located at 226 87 Terrace in the City of Miami Beach. The rectangular site has a dual-corner location with road frontage and access from Collins Avenue, 87 Terrace and Harding Avenue. The site is currently zoned GU (Civic and Government Use) and has a land use of P (Parking), based on its ownership and use by the City of Miami Beach. This appraisal is based on the hypothetical condition it has a land use and zoning of RM-2 (Residential Multifamily, Medium Intensity), consistent with the adjacent uses to the south. All utilities are available to the site. Site improvements include asphalt paving, concrete curbs and sidewalks, parking meters and minimal landscaping.

LEGAL DESCRIPTION

The following is a legal description for the subject site was taken from the Miami-Dade County tax roll:

Parcel 1 a/k/a the North 1/2 of Block 11, Altos De Mar No. 2, Plat Book 4, Page 162, Miami-Dade County, Florida.

OWNERSHIP AND HISTORY OF THE PROPERTY

According to the Miami-Dade County tax rolls, the subject property is currently owned by the City of Miami Beach, 1700 Convention Drive, Miami Beach, Florida 33139. The property is currently used for public parking. There have been no transfers of ownership in the past five years.

PURPOSE, INTENDED USE AND DATE OF THE APPRAISAL

The purpose of this appraisal is to develop and report an opinion of the market value of the fee simple interest in the subject property, as of June 24, 2014, the effective date of appraisal. The date of the report is June 30, 2014. The client and intended user of this report is The City of Miami Beach. The intended use of the appraisal is to assist in negotiating the sale of the parcel. There are no other intended users or intended uses of this appraisal.

SCOPE OF THE APPRAISAL

The scope of this appraisal report is defined by the purpose, which is to develop and report the current market value of the fee simple estate in the subject property. This appraisal will be based on an "across the fence" valuation of the property utilizing the sales comparison approach based on the hypothetical condition the site has a land use and zoning of RM-2 (Residential Multifamily, Medium Intensity), consistent with the site located adjacent to the south of the subject property. We have visited the neighborhood and the property.

Subsequent to our site visit, research was conducted in support of an estimation of the highest and best use, as of the date of valuation. The highest and best use analysis considers all physically possible, legally permissible and economically feasible uses to which the property can be put as vacant and improved. As will be discussed, the highest and best use of the subject property, as though vacant, is for development within the constraints of zoning and market demand.

After concluding the highest and best use, the valuation methods were considered. The appraisal process can include three basic approaches to value. These are the income, sales comparison, and cost approaches. The application of these approaches is determined by the type of property being appraised, as well as the scope of the valuation assignment. As discussed, the subject property represents a vacant site. The sales comparison approach was considered the only applicable approach in the valuation of the subject property.

Our research included analyzing comparable land sales, which extended from January, 2012 to the effective date of this appraisal. Our search concentrated on sales and listings of similar sites located in the subject's market area for purposes of comparison to the subject site. Analysis of the selected sales included reviewing the deed and confirming sale details with one or more of the parties to the transaction, or other reliable sources, as stated herein. A visual inspection of each sale was made when accessible.

The final step in our analysis is a reconciliation of the appraisal methods used. The quantity and quality of the data used, and the reliability of their value indications, are the basis for the final conclusion of value.

DEFINITION OF VALUE AND INTEREST APPRAISED

The Uniform Standards of Professional Appraisal Practice (USPAP 2014-15) defines **Market Value** as “a type of value, stated as an opinion, that presumes the transfer of a property (i.e. a right of ownership or a bundle of rights), as of a certain date, under specific conditions set forth in the definition of the term identified by the appraiser as applicable in an appraisal.”

We have relied on the Dictionary of Real Estate Appraisal, Fifth Edition, definition of **Market Value** as "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 well informed or well advised, and acting in what they consider their best interests;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in cash in United States 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.

(12 C.F.R. Part 34.42 (g); 55 *Federal Register* 34696, August 24, 1990, as amended at 57 *Federal Register* 12202, April 9, 1992; 59 *Federal Register* 29499, June 7, 1994). "

Other pertinent definitions from the Dictionary of Real Estate Appraisal, Fifth Edition, as follows:

Fee Simple Estate is the “absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.”

Exposure Time is “the estimated length of time to property interest being appraised would have been offered in the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal.”

Marketing Time is “an opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of the appraisals.”

Hypothetical Condition is "that which is contrary to what exists but is supposed for the purpose of analysis.”

EXPOSURE AND MARKETING TIME

Exposure and marketing times are the typical periods of time necessary to expose and actively market the subject property on the open market to achieve a sale at a price consistent with the market value estimate and on terms consistent with the definition of market value recited herein. The length of time is a function of several factors including price, terms, investment quality and exposure to a given market. Exposure time is the hypothetical period immediately preceding the effective date of the appraisal and market time is the period immediately after the effective date of the appraisal.

A review of current market activity for land located in the subject neighborhood, as well as conversations with brokers active within this market, was performed in order to estimate an exposure time for the subject property. Most brokers indicated that exposure/marketing times are typically less than one year, if the property is priced realistically. We have further estimated a marketing time of up to 12 months.

NEIGHBORHOOD ANALYSIS

The subject property is located at 226 87 Terrace or on the south side of 87 Terrace, between Collins and Harding Avenues. This location is within the central section of Miami-Dade County, within the City of Miami Beach. The subject property is located about 8.00 miles northeast of the Central Business District of Miami and 9.75 miles northeast of the Miami International Airport.

The City of Miami Beach was incorporated on March 26, 1915. It is an island which is approximately 1.0 mile wide and comprises a land area of 7.1 square miles. The City is bounded on the north by the City of Surfside, which begins at the subject property. The southern boundary of Miami Beach is Government Cut, which is the cargo shipping channel extending from the Atlantic Ocean to the Port of Miami. The western boundary is Biscayne Bay/Intracoastal Waterway and the eastern boundary is the Atlantic Ocean.

Access to Miami Beach, from the mainland, is provided by four causeways. The northernmost causeway is located at 79 Street on the mainland, and is known as the North Bay Causeway. At about 36 Street is the Julia Tuttle Causeway or Interstate 195. The Venetian Causeway reaches Miami Beach at approximately 17 Street. The MacArthur Causeway (Interstate 395) enters Miami Beach at 5 Street. The MacArthur Causeway extends west to downtown Miami and also intersects with Interstate 95, which is the major north/south artery of the Florida eastern coast. Continuing further west, this causeway is known as the Dolphin Expressway (State Road 836), which provides direct access to Miami International Airport and the Florida Turnpike. The North Bay Causeway serves the northern portion of Miami Beach at 79 Street, where the subject property is located.

Local access in the subject neighborhood in a north/south direction includes Indian Creek Drive and Collins Avenue (State Road A-1-A). Collins Avenue runs from Government Cut to the south to the Miami-Dade County line to the north. In the subject area, north of 60 Street, Collins Avenue is a northbound access road. As noted, the subject property has frontage along the east side of Collins Avenue. South of 60 Street, Collins Avenue is a paved, six-lane, median divided north/south bound road. Indian Creek Drive is also a major thoroughfare in this part of Miami Beach. Indian Creek Drive terminates and merges with Collins Avenue at 26 Street, more or less. East/west traffic is limited to local roads since this part of Miami Beach is fairly narrow.

The general boundaries of the subject property's neighborhood are considered to be the Indian Creek Waterway to the west, Atlantic Ocean and beaches to the east, 88 Street to the north and 41 Street to the south. Indian Creek is a partly natural and partly man-made waterway. The map on the following page shows the subject property's location.



The majority of residential development in the subject neighborhood on the east side of Collins Avenue is comprised of high-rise rental apartments, residential condominiums and hotel uses. Adjacent to the east of the subject property is the Howard Johnson Plaza Dezerland Beach and Spa 225-room hotel. Development on the west side of Collins Avenue consists of low- and mid-rise residential projects. There are scattered commercial uses along the east and west sides of Collins Avenue.

In conclusion, the neighborhood appears to be over 90% built out. New development in the area generally follows the demolition of older improvements.

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DESCRIPTION OF THE SITE



Not to scale. For illustrative purposes.

- Location: 226 87 Terrace, Miami Beach, Florida.
- Land Area: 15,313 square feet; 0.35 acre
- Shape: Basically Rectangular
- Frontage/Dimensions: The subject property has approximately 175 feet of frontage along 87 Terrace and 87.5 feet of frontage along Collins and Harding Avenues.

Access: Vehicular access to the property is provided from the west side of Collins Avenue, the south side of 87 Terrace and the east side of Harding Avenue. At the subject property, Collins Avenue is a three lane paved road and provides only northbound traffic flow. Harding Avenue is a three lane paved road and provides only southbound traffic flow. 87 Terrace is a two land paved road and provides access via Collins or Harding Avenues.

Topography: Basically level and at street grade.

Flood Insurance: Zone "AE"; Base flood elevations determined. Elevation 8 feet. National Flood Insurance Community Panel Number 12086C0317L, dated September 11, 2009.

Soil Conditions: No soil report of the property was provided. It is assumed that the soil is of sufficient load bearing capacity to support the construction of permanent structures. No evidence of any adverse soil conditions at the site was observed upon our visit of the property.

Utilities: All public utilities are available to the site. The City of Miami Beach utilizes the Miami-Dade County Water and Sewer Department for water and sanitary sewage, with the City of Miami Beach being responsible for solid waste collection and disposal. Electricity is provided by FPL and local telephone service is provided by AT&T.

Land Use Restrictions: No authoritative report of title has been provided or reviewed. There do not appear to be any easements, encroachments, or restrictions that would adversely affect the utilization of the site.

Environmental Study: An environmental study was not provided. This appraisal report is based on the assumption that no conditions exist that would adversely affect the utilization or marketability of the property.



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REAL ESTATE TAX ANALYSIS

The subject property is located within the City of Miami Beach and would be subject to both city and county ad valorem taxes on real property, if under private ownership. The Florida Statutes provide for assessment and collection of ad valorem taxes on real property; however, the taxes are assessed, collected, and used on the local county level. The assessment for the property is established each year as of January 1st by the Miami-Dade County Property Appraiser's Office at 100% of "Just Value". The tax due is computed according to annual millage rates established by Miami-Dade County. Millage rates are the amount paid to each taxing body for every \$1,000 of assessed value. Taxes are payable in November with a 4% discount and become delinquent on April 1st.

According to the Miami-Dade County tax rolls, the 2013 real estate taxes and 2014 assessments for the subject property are as follows:

Folio Number:	02-3202-006-0430
Total Land Value Assessment	\$1,990,690
Total Building Value Assessment	<u>\$ 5,069</u>
2014 Total Market Value Assessment	\$1,995,759
2014 Total Assessed Value	\$654,167
2013 Total Real Estate Taxes:	Exempt

The market value for the site equates to \$130.33 per square foot, based on 15,313 square feet (0.35 acre).

LAND USE AND ZONING

Land Use

According to the City of Miami Beach Planning Department's Comprehensive Plan, the subject property is located within an area designated as "Parking" (P).

Zoning

The subject property is located within the jurisdictional boundaries of the City of Miami Beach and is currently zoned "GU" (Civic and Government Use).

Summary

As discussed, the current land use and zoning is based on its ownership and use by the City of Miami Beach. This appraisal is based on the assumption that if the site were privately owned it would be zoned RM-2 (Residential Multifamily, Medium Intensity), consistent with the adjacent uses.

Refer to the following pages for a copy of the land use and zoning maps. The "RM-2" district provides for main permitted uses such as; single-family detached dwellings, townhomes, apartments, apartment-hotels and hotels. Conditional uses permitted in the "RM-2" district include adult congregate living, day care, nursing home, religious institutions, private and public institutions, schools, commercial and noncommercial parking lots and garages and accessory neighborhood impact establishments.

Development Regulations Applicable to the Subject Property:

Maximum Floor Area	2.0
Minimum Lot Area	7,000 Square Feet
Minimum Lot Width	50 Feet
Minimum Unit Size	550 Square Feet
Average Unit Size	800 Square Feet
Maximum Building Height	60 Feet
Maximum Number of Stories	6-Stories
Setbacks	Front – 20 feet; side, interior – 5 feet, side, facing a street, 5 feet; and rear 5 feet.

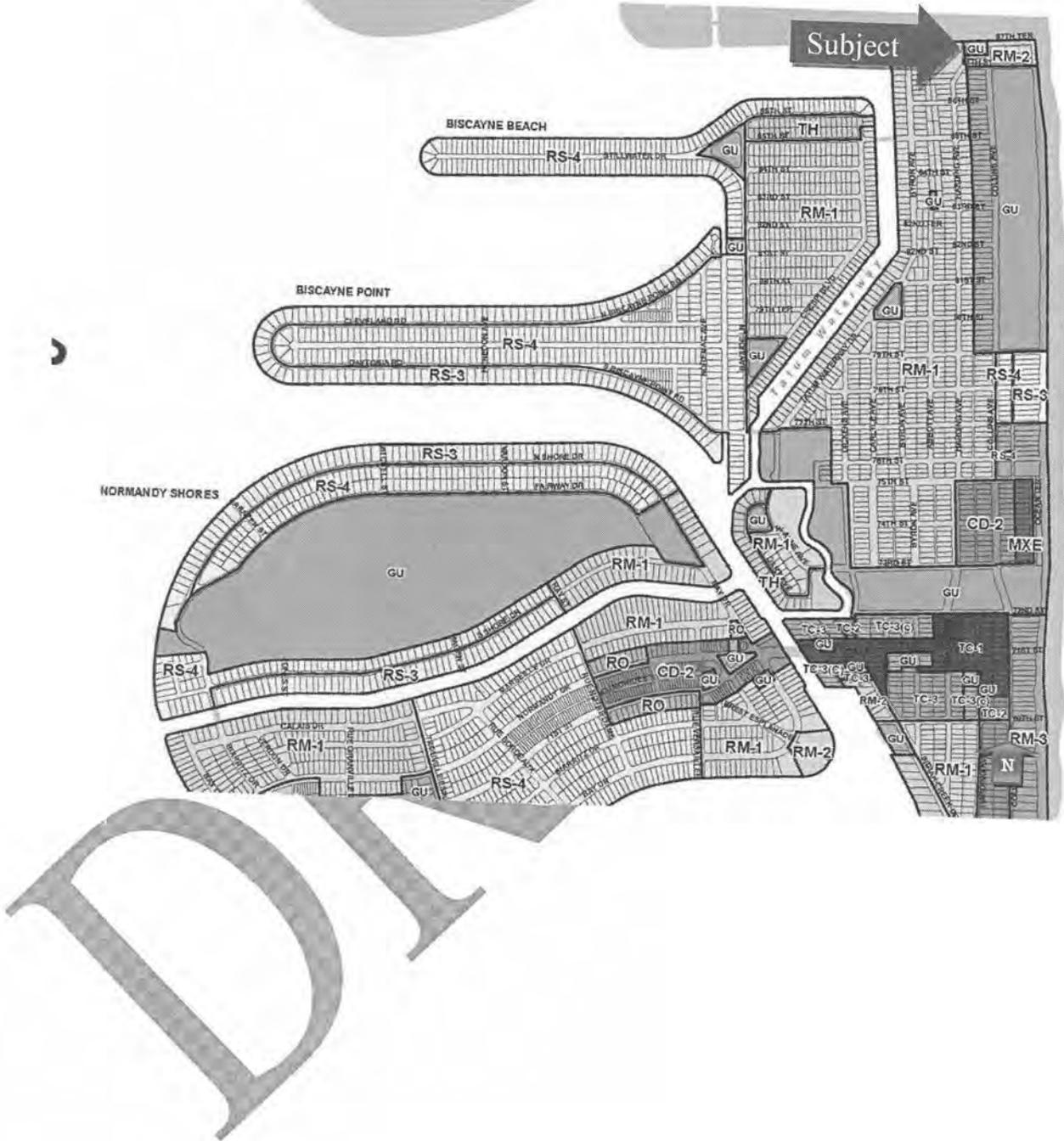
The above stated zoning restrictions are basic requirements outlined in the zoning code. There are several overlapping sections of the zoning code, as well as building code requirements, which would be considered in a full zoning code compliance review. A copy of the zoning code is located in the addenda.

LAND USE MAP



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ZONING MAP



HIGHEST AND BEST USE

The following definitions are from The Dictionary of Real Estate Appraisal (Fifth Edition) published by the Appraisal Institute:

Highest and Best Use is the “reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria that highest and best use must meet are legal permissibility, physical possibility, financial feasibility and maximum profitability.”

Highest and Best Use As Though Vacant is “among all reasonable alternative uses, the use that yields the highest present land value, after payments are made for labor, capital, and coordination. The use of a property based on the assumption that the parcel of land is vacant or can be made vacant by demolishing any improvements.”

As Improved is the “use that should be made of a property as it exists. An existing property should be renovated or retained, as is, so long as it continues to contribute to the total market value of the property, or until the return from a new improvement would more than offset the cost of demolishing the existing building and constructing a new one.”

In estimating highest and best use, there are essentially four stages of analysis:

1. Possible Use – normally dictated by physical constraints.
2. Permissible Use – what use would be permitted in consideration of existing zoning and other applicable laws governing the use of the property, as well as any deed restrictions that may exist.
3. Feasible Use – which possible and permissible uses will produce a net return to the owner of the site.
4. Maximally Productive – among feasible uses, which use will produce the highest net return to the land.”

To meet the tests of highest and best use, the use cannot be speculative or conjectural. It must be legal and probable. There must be a profitable demand for such use and it must return to the land the highest net return for the longest period of time. These tests have been applied to the subject property. In arriving at the estimate of highest and best use, the subject property was analyzed as vacant.

As Though Vacant

Physically Possible: The subject site is rectangular and contains approximately 15,313 square feet or 0.35 acre. Although no soil report for the subject site has been provided, a visit to the property, as well as existing developments in the area revealed no problems associated with the physical aspects of developing the site. The area has good local access and availability to public utilities. The physical characteristics of the site and surrounding area support a variety of uses based on its configuration and size.

Legally Permissible: Permissible or legal uses are those permitted by zoning and land use regulations. No recent title search was provided to the appraisers. It is assumed that there are no covenants, restrictions or easements that would adversely affect the use of the site to such an extent that it would negatively impact its value. As discussed, this appraisal is also based on the hypothetical condition the site has a land use and zoning of RM-2 (Residential Multifamily, Medium Intensity), consistent with the uses to the south. Based on the this zoning, the property could be developed with a variety of residential uses.

Feasible or Maximally Productive Use: It has been established that the subject property is of adequate size and shape for development. We have also established that the RM-2 zoning would allow the development of a variety of uses. Based on a review of the trend of development and recent market conditions, the site would likely be developed with a residential project. As discussed previously, the Miami Beach area is beginning to see new construction again after three or four years of inactivity.

Conclusion: Considering the location, physical characteristics and permissible uses of the property, and based upon an analysis of the site, the surrounding neighborhood, land uses and the real estate market in general, it is our opinion that the highest and best use of the subject property, as vacant, is for the development of an optimum size residential building within the constraints of zoning and market demand.

VALUATION PROCESS

There are three generally recognized approaches considered in the valuation of real property. They include the income, sales comparison, and cost approaches. It should be noted that the appropriateness and reliability of each approach depends on the type of property being appraised, the age and condition of the improvements, if any, and the availability and quality of market data available for analysis.

The income approach provides an indication of value of a property based on a conversion of anticipated benefits (net income). The method of conversion is called capitalization and is either based on a single year's income (direct capitalization), or several years' income (discounted cash flow). The sales comparison approach provides an indication of value based on sales of properties considered similar. The cost approach provides an indication of the value of a property represented by the reproduction cost of the existing improvements, less accrued depreciation, to which is added the land value.

The appraisal process is concluded by a review and re-examination of each of the approaches to value employed. Consideration is given to the type and reliability of data used and the applicability of each approach. These factors are reconciled and a final value estimate is made.

The scope of this appraisal report is defined by the purpose, which is to develop and report the current market value of the fee simple estate in the subject property. As noted, the subject property is currently zoned GU (Civic and Government Use) and has a land use of P (Parking), based on its ownership and use by the City of Miami Beach. This appraisal will be based on an "across the fence" valuation of the property utilizing the sales comparison approach based on the hypothetical condition the site has a land use and zoning of RM-2 (Residential Multifamily, Medium Intensity) consistent with the property located adjacent to the south of the subject property. Our research and analysis focused on vacant land sales and redevelopment sites with similar zoning, located in the subject market area. The sales included in this report are considered of good quality and representative of the best available market data. Our analysis was considered to provide a credible indication of value for the subject property.

SALES COMPARISON APPROACH

The sales comparison approach produces an estimate of value for real estate by comparing recent sales of similar properties in the subject's surrounding or competing area. Inherent in this approach is the principle of substitution, which states that when a property is replaceable in the market, its value tends to be set at the cost of acquiring an equally desirable substitute property, assuming that no costly delay is encountered in making the substitution.

By analyzing sales which qualify as arm's-length transactions between willing, knowledgeable buyers and sellers, price trends can be identified from which value parameters may be extracted. Comparability as to physical, locational, and economic characteristics are important criteria in evaluating the sales in relation to the subject property. The basic steps involved in the application of this approach are as follows:

1. Researching recent relevant property sales and current offerings throughout the competitive area.
2. A selection process to focus on properties considered most similar to the subject, and then analyzing the selected comparable properties giving consideration to the time of sale and any change in economic conditions which may have occurred as of the date of valuation. Other relevant factors of a physical, functional, or locational nature are also considered.
3. Reducing the sales to a meaningful unit of comparison, i.e., price per unit or price per square foot.
4. Making appropriate adjustments to the comparable properties.
5. Interpreting the data analyzed to draw a meaningful conclusion of value.

The validity of this approach is dependent upon the availability and relevancy of the data. The sales of properties having characteristics similar as the subject have been collected and analyzed. Typically, land sells based on units of comparison particular to the property type (e.g., price per square foot, price per acre, price per unit). In this analysis, the price per square foot of land area was analyzed in the valuation of the subject property.

In the research of comparable sales, we have reviewed sales of similarly zoned sites in the subject neighborhood and similar competitive areas. We have included sales of parcels located in the subject neighborhood with zoning that permits residential use. Based on our research, there was limited information concerning current listings of similar properties in the subject neighborhood. A summary chart and location map are included on the following pages. Detailed sales information is presented in the addenda.

SUMMARY OF LAND SALES

	LOCATION	ZONING	MAX PERMITTED STORIES	BASE RESIDENTIAL FAR	LAND SIZE/SQ.FT.	ACRES	SALE DATE	SALES PRICE	PRICE/ PER SQ.FT.
1	6064 & 6080 Collins Ave. Miami Beach	RM-2	6	2.00	20,000	0.46	Dec-13	\$3,500,000	\$175.00
2	6372 & 6382 Collins Ave. Miami Beach	RM-2	6	2.00	20,413	0.47	Nov-12	\$3,000,000	\$146.97
3	1312 & 1320 14 Terr. Miami Beach	RM-1	5	1.25	16,000	0.37	Jan-14	\$1,955,000	\$122.19
4	220 180 Dr. Sunny Isles Beach	RMF-2	4	2.00	15,000	0.34	Nov-13	\$2,700,000	\$180.00
<hr/>									
	SUBJECT PROPERTY 226 87 Terr. Miami Beach	RM-2	6	2.00	15,313	0.35			

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Land Sales Discussion

The land sales under analysis occurred between November, 2012 and January, 2014. The three land sales represent sites with zoning classifications that permit multi-family development, similar to the subject property. The sales presented are considered indicative of the subject property's land value. The sales unadjusted unit prices range from \$122.19 to \$175.00 per square foot. The sales range in size from 15,000 to 20,413 square feet.

Sale No. 1 is located at 6064 and 6080 Collins Avenue, in the City of Miami Beach. This property has a mid-block location with road frontage and access from Collins Avenue. The rectangular site contains approximately 20,000 square feet (0.46 acre). The site has a zoning classification of "RM-2" (Residential Multifamily, Medium Intensity). Based on the zoning requirements, this site has a maximum allowable height of 6 stories with a base FAR of 2.00.

This vacant site was previously planned for development of a 32-unit condominium project, a second phase of the Terra Beachside Villas. The planned density was 69.6 units per acre. Title to this property was transferred to the lender (Regions Bank) through foreclosure proceedings. During the lender's foreclosure process, the site's approvals lapsed and there are currently no approvals or permits for the site. Regions Bank listed the property for sale with an asking price of \$3,000,000, or \$150.00 per square foot. The seller was reportedly only interested in "all cash" offers. The site sold in December, 2013 for \$3,500,000 or \$175.00 per square foot. According to the broker, the adjacent property owner purchased the site and acknowledged paying a slight premium for assemblage. The broker indicated the buyers plan to develop the site with a boutique condominium project.

Sale No. 2 is located at 6372-6382 Indian Creek Drive in the City of Miami Beach. This property is L-shaped and contains 20,413 square feet or 0.47 acre. The site has a corner location with frontage and access from two streets. The site is zoned RM-2 (Residential Multifamily, Medium Intensity). Based on the zoning requirements, this site has a maximum allowable height of 6 stories with a base FAR of 2.00. The property was previously listed for sale for \$3,200,000 or \$157.02 per square foot of land area. The site sold in November, 2012 for \$3,000,000 or \$146.97 per square foot.

Sale No. 3 is located at 1312 and 1320 14 Terrace in the City of Miami Beach. This property is basically rectangular and contains 16,000 square feet or 0.37 acre. The site has a corner location with frontage and access from two streets. The site is zoned RM-1 (Residential Multifamily, Low Intensity). Based on the zoning requirements, this site has a maximum allowable height of 5 stories with a base FAR of 1.25. The property sold in January, 2014 for \$1,955,000 or \$122.19 per square foot of land area. According to the

buyers, the site was purchased at below market value and has been subsequently listed for sale for \$5,600,000 or \$350.00 per square foot. The buyers indicated that they are marketing the site above market in hopes to attract a foreign buyer. The buyer indicated that if the site does not sell, there are plans to develop a 25,000 square foot condominium project. This size project indicates an FAR of 1.60 attributable to an architectural bonus FAR.

Sale No. 4 is located at 220 180 Drive in Sunny Isles Beach. The rectangular site contains 15,000 square feet or 0.34 acre. The site has an interior location with frontage and access from one street. The site is zoned RMF-2 (Medium-High Density Residential). Based on the zoning requirements, this site has a maximum allowable height of 4 stories with a base FAR of 2.00. The property was previously listed for sale for \$2,750,000 or \$183.33 per square foot of land area. The site sold in November, 2013 for \$2,700,000 or \$180.00 per square foot.

Discussion of Adjustment Factors

Property characteristics and sale terms considered in our analysis are financing, changes in market conditions, conditions of sale, location, condition, zoning and size. Each of these items has been analyzed and compared to the subject property and is discussed on the following paragraphs.

Financing: All of the sales were cash to the seller transactions, with typical terms of purchase for the subject market and no adjustments for financing are warranted.

Condition/Terms of Sale: Sales 2 and 4 were sold as arm's length transactions; therefore, no adjustments are required. Sale 1 was reportedly purchased by the adjacent property owners that acknowledged paying a slight premium for assemblage. Sale 3 was purchased at discount according to the buyer and the property has been placed back on the market for sale. Sale 1 requires a slight downward adjustment and Sale 3 requires an upward adjustment for conditions of sale.

Time/Market Conditions: The sales transpired between November, 2012 and January, 2014. Based on our research and conversations with brokers familiar with the subject's and comparable's markets, we have determined that the market for residential land has experienced increased activity and increased sales prices in 2013. Sales 1, 3 and 4 are considered to represent current market conditions and do not require any adjustments. Sale 2 warrants a slight upward adjustment for improved market conditions.

Location: The subject property is located within the northern portion of the City of Miami Beach. Sales 1, 2 and 4 are located in the northern portion of Miami Beach and Sunny Isles Beach and are considered to have similar locations to the subject property and do

not require any adjustments. Sale 3 is considered to have a superior location to the subject property and requires a downward adjustment.

Size/Configuration: The subject property contains 15,313 square feet and is basically rectangular. The sales range in size from 15,000 to 20,413 square feet. The land sales reflected no discernable difference in unit price based on land size; therefore, no adjustments were warranted for size.

Condition: The subject site is vacant, at street grade, with utilities available to the site. All of the sales were vacant, at street grade and had utilities available to the sites at the time of sale, therefore no adjustments are required.

Land Use/Zoning/Density: As noted, this appraisal is based on the assumption the subject property would be zoned "RM-2", if under private ownership, which allows a variety of residential uses. The subject's zoning classification permits multifamily residential uses with an FAR of 2.0 and a maximum of 6 stories. Land Sale 3 is zoned RM-1 and therefore permits a building height of 5 stories. Land Sale 3 requires an upward adjustment. Sales 1, 2 and 4 have the same zoning as the subject property and do not require any adjustment.

Based on the above, the sales reflected the following:

No.	1	2	3	4
Sale Date	Dec-13	Nov-12	Jan-14	Nov-13
Price/Sq.Ft.	\$175.00	\$146.97	\$122.19	\$180.00
Financing	=	=	=	=
Terms of Sale	-	=	+	=
Time	=	+	=	=
Location	=	=	-	=
Size	=	=	=	=
Condition	=	=	=	=
LU/Zoning	=	=	+	=
Overall	-	+	+	=

Conclusion: The sales under analysis were considered to be of good quality and indicative of land value for the subject property. Our analysis was based on the highest and best use of the subject property, as though vacant. Based on an analysis of the above land sales, we have formed the opinion that, as of June 24, 2014 the market value of the subject property would be within the range of \$150.00 to \$200.00 per square foot, which is calculated as follows:

$$15,313 \text{ Square Feet} \times \$150.00 \text{ Per Square Foot} = \$2,296,950$$

15,313 Square Feet x \$200.00 Per Square Foot = \$3,062,600
Concluded: \$2,700,000

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RECONCILIATION AND FINAL VALUE ESTIMATE

The process of reconciliation reviews and reexamines the approaches to value which were included in the appraisal. In this analysis, the sales comparison approach provides an indication of value for the subject property as described herein. The sales comparison approach was utilized to estimate the land value based on a comparison of recent land sales.

Based on our investigation and analysis, we have formed the opinion that the market value of the fee simple interest of the subject property, as of June 24, 2014, was as follows:

**TWO MILLION SEVEN HUNDRED THOUSAND DOLLARS
(\$2,700,000).**

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ADDENDA

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ADDENDUM A – PHOTOGRAPHS OF THE SUBJECT PROPERTY

Photographs of the Subject Property



View looking north along Collins Avenue.



View looking northwest from Collins Avenue.

Photographs of the Subject Property



View looking west along 87 Terrace from Collins Avenue.



View looking southwest from Collins Avenue.

Photographs of the Subject Property



View looking south along Harding Avenue.

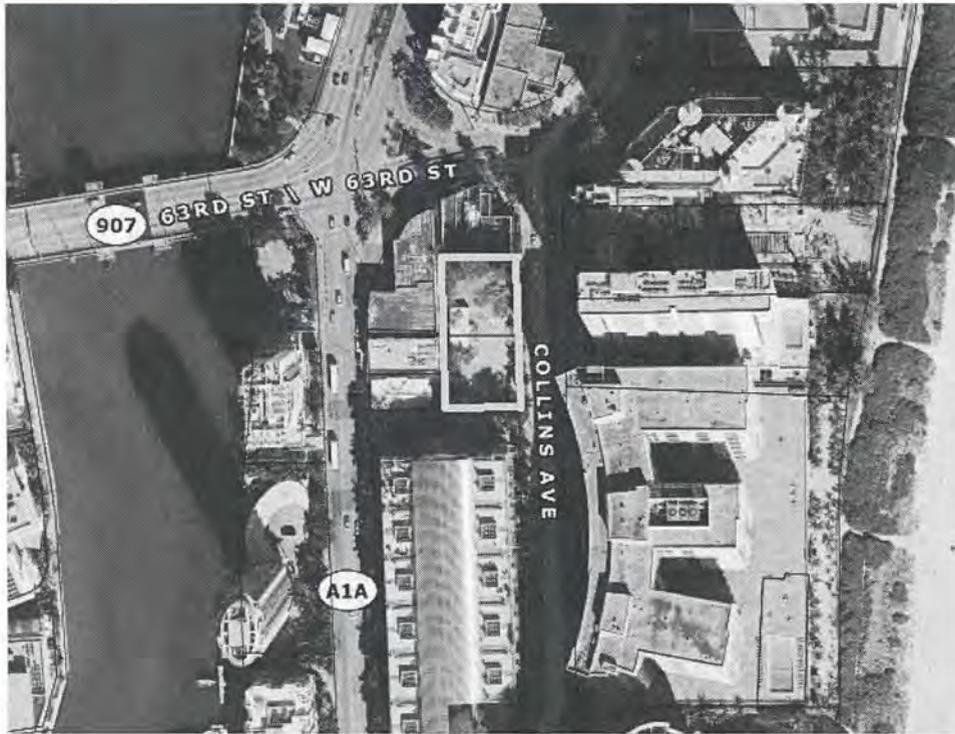


View looking northeast from Harding Avenue.

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ADDENDUM B – COMPARBLE LAND SALES INFORMATION

LAND SALE 1



Location: South of 63 Street, on the west side of Collins Avenue, Miami Beach

Legal Description: Lots 2, 3, 4 and 5, LYLE G. HALL SUBDIVISION, Plat Book 40, Page 5, Miami-Dade County, Florida

Folio Number: 02-3211-008-0020 and 0030

Sales Information:	
Grantor	Regions Bank
Grantee	6080 Collins LLC
Date of Sale	December, 2013
ORB/Page	28945/2709
Asking Price	\$3,500,000
Terms of Sale	Cash to Seller.
Unit Price	\$175.00 Per Square Foot
Prior Sale	July, 2013 - foreclosure deed

Physical Description:

Land Area	20,000 Square Feet 0.46 Acre
Topography	Basically level and at, or near, street grade.
Shape	Rectangular
Frontage	Collins Avenue
Zoning	“RM-2” (Residential Multifamily, Medium Intensity); City of Miami Beach
Utilities	All available to the site.

Comments:

At the time of sale the site was and had no approvals in place. According to the broker, the adjacent property owner purchased the site and acknowledged paying a premium for assemblage. The buyer plans to develop it with a boutique condominium project.

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LAND SALE 2



Location: 6372 and 6382 Collins Avenue, Miami Beach

Legal Description: Lots 5 and 6, Block 7, of the AMENDED PLAT OF THE SECOND OCEAN FRONT SUBDIVISION, Plat Book 28, Page 28, Miami-Dade County, Florida, and Lot 60 less the westerly 15 feet, Block 7, SECOND OCEAN FRONT, Plat Book 28, Page 28, Miami-Dade County, Florida

Folio Number: 02-3211-007-1530
02-3211-007-1540
02-3211-007-2050

Sales Information:
Grantor Arck MB LLC and Cohenanat32178, Inc.
Grantee MYPP Holdings LLC
Date of Sale November, 2012
ORB/Page 28405/1706 and 28405/1709
Sales Price \$3,000,000
Terms of Sale Cash to Seller.

Unit Price \$146.97 Per Square Foot
Prior Sale None three years prior

Physical Description:

Land Area 20,413 Square Feet
0.47 Acre
Topography Basically level and near street grade.
Shape L-shaped
Frontage Collins Avenue and Indian Creek Drive
Zoning "RM-2" (Multifamily Residential – Medium Density);
City of Miami Beach
Utilities All available to the site.

Comments:

A portion of this site was improved with an abandoned apartment building.

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LAND SALE 3



Location: 1312 and 1320 14 Terrace, Miami Beach

Legal Description: Lots 4, 5 and 6, Block 79C, Resubdivision of Blocks 67 and 79 of Alton Beach Realty CO's Alton Beach Bay Front Subdivision, Plat Book 16, Page 1, Miami-Dade County, Florida

Folio Number: 02-3233-016-0460
02-3233-016-0470

Sales Information:	
Grantor	Optima Highland, LLC
Grantee	West Avenue Development, LLC
Date of Sale	January, 2014
ORB/Page	29022/2682
Sales Price	\$1,955,000
Terms of Sale	Cash to Seller.
Unit Price	\$122.19 Per Square Foot
Prior Sale	None three years prior

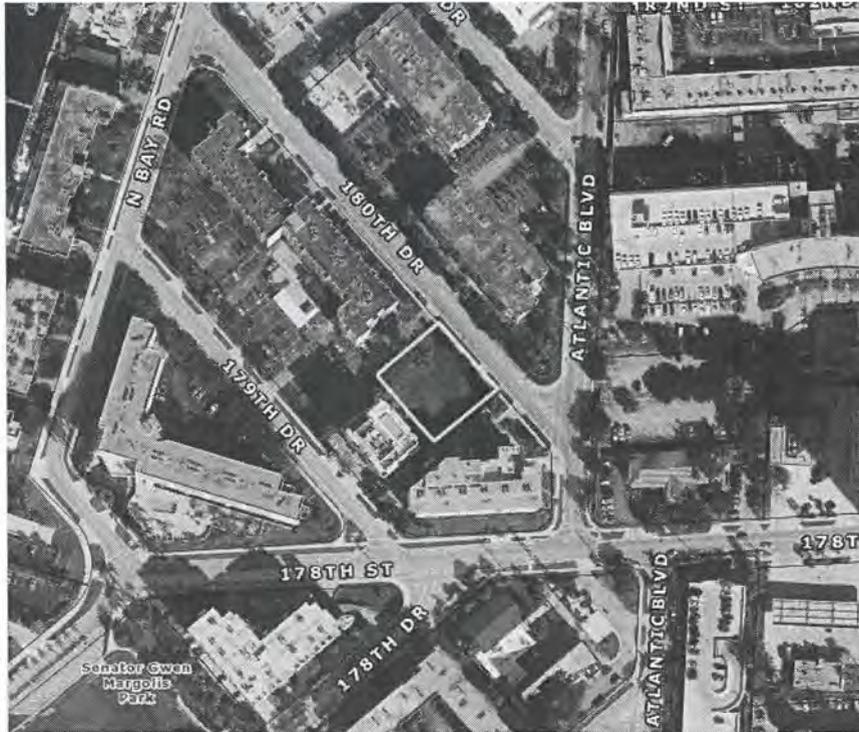
Physical Description:

Land Area	16,000 Square Feet 0.37 Acre
Topography	Basically level and near street grade.
Shape	Rectangular
Frontage	14 Terrace and West Avenue
Zoning	RM-1; City of Miami Beach
Utilities	All available to the site.

Comments:

According to the buyers, the site was purchased at below market value and has been subsequently listed for sale for \$5,600,000 or \$350.00 per square foot. The buyers indicated that they are marketing the site above market in hopes to attract a foreign buyer. The buyer indicated that if the site does not sell, there are plans to develop a 25,000 square foot condominium project. This size indicates an FAR of 1.60 attributable to an architectural bonus FAR.

LAND SALE 4



Location: 220 180 Drive, Sunny Isles Beach

Legal Description: Lot 6 and the Northwesterly 25 feet of Lot 7, as measured along the Northeasterly boundary, Block 5, Sunny Isles Shores Section "A", Plat Book 53, Page 95, Miami-Dade County, Florida

Folio Number: 31-2211-002-0560

Sales Information:	
Grantor	Comfort Homes Development, Inc.
Grantee	Brickell Tower Business , LLC
Date of Sale	November, 2014
ORB/Page	28919/1486
Sales Price	\$2,700,000
Terms of Sale	Cash to Seller.
Unit Price	\$180.00 Per Square Foot
Prior Sale	None three years prior

Physical Description:

Land Area	15,000 Square Feet 0.34 Acre
Topography	Basically level and near street grade.
Shape	Rectangular
Frontage	180 Drive
Zoning	RMF-2; Sunny Isles Beach
Utilities	All available to the site.

Comments:

According to the broker, the site was previously listed for \$2,750,000 or \$183.33 per square foot. The buyers purchased the site for the development of a residential condominium project.

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ADDENDUM C – ZONING INFORMATION

Miami Beach, Florida, Code of Ordinances >> Subpart B - LAND DEVELOPMENT REGULATIONS >>
Chapter 142 - ZONING DISTRICTS AND REGULATIONS >> ARTICLE II. - DISTRICT REGULATIONS >>
DIVISION 3. - RESIDENTIAL MULTIFAMILY DISTRICTS >> Subdivision IV. RM-2 Residential Multifamily,
Medium Intensity >>

Subdivision IV. RM-2 Residential Multifamily, Medium Intensity

[Sec. 142-211. Purpose.](#)
[Sec. 142-212. Main permitted uses.](#)
[Sec. 142-213. Conditional uses.](#)
[Sec. 142-214. Accessory uses.](#)
[Sec. 142-215. Prohibited uses.](#)
[Sec. 142-216. Development regulations.](#)
[Sec. 142-217. Area requirements.](#)
[Sec. 142-218. Setback requirements.](#)
[Sec. 142-219. Regulations for new construction.](#)
[Secs. 142-220—142-240. Reserved.](#)

Sec. 142-211. Purpose.

The RM-2 residential multifamily, medium intensity district is designed for medium intensity multiple-family residences.

(Ord. No. 89-2665, § 6-3(A)(1), eff. 10-1-89; Ord. No. 96-3050, § 2, 7-17-96)

Sec. 142-212. Main permitted uses.

The main permitted uses in the RM-2 residential multifamily, medium intensity district are single-family detached dwellings; townhomes; apartments; apartment-hotels; and hotels; except that in the Palm View corridor as defined in this subdivision as all properties abutting the west side of Meridian Avenue between 17th street and Collins Canal; and in the West Avenue Corridor, defined in this subdivision as that area bordered by Collins Canal to the north, Alton Road to the east, Biscayne Bay to the West and 6th Street to the south, apartment-hotel or hotel uses are only permitted if issued a building permit or occupational license prior to May 28, 2013, or are approved by the design review board pursuant to a complete application filed and pending prior to May 28, 2013, in which event they shall be considered a "legal conforming use." A property that has a "legal conforming use" as used in this subdivision prior to May 28, 2013, may retain all, and apply for new, expansions and modifications to, permitted, conditional and/or accessory uses permitted in the zoning category as of May 28, 2013, and apply for building permits to add, improve and/or expand existing structures, or construct new structures for permitted, conditional and/or accessory uses permitted in the zoning category, if FAR remains available.

(Ord. No. 89-2665, § 6-3(A)(2), eff. 10-1-89; Ord. No. 95-3020, eff. 11-4-95; Ord. No. 96-3050, § 2, 7-17-96; Ord. No. 2013-3819, § 1, 10-16-13; Ord. No. 2013-3820, § 1, 10-16-13)

Sec. 142-213. Conditional uses.

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Conditional uses in the RM-2 residential multifamily, medium intensity district are adult congregate living facility; day care facility; nursing home; religious institutions; private and public institutions; schools; commercial or noncommercial parking lots and garages; and accessory neighborhood impact establishment, as set forth in article V, division 6 of this chapter.

(Ord. No. 89-2665, § 6-3(A)(3), eff. 10-1-89; Ord. No. 95-3020, eff. 11-4-95; Ord. No. 96-3050, § 2, 7-17-96)

Sec. 142-214. Accessory uses.

The accessory uses in the RM-2 residential multifamily, medium intensity district are as required in article IV, division 2 of this chapter and uses that serve alcoholic beverages as listed in article V, division 4 of this chapter, pertaining to alcoholic beverages. RM-2 properties within the Palm View, or West Avenue corridors may not have accessory outdoor entertainment establishments. Notwithstanding the foregoing, a property that had a legal conforming use as of May 28, 2013, shall have the right to apply for and receive special event permits that contain entertainment uses.

(Ord. No. 89-2665, § 6-3(A)(4), eff. 10-1-89; Ord. No. 95-3020, eff. 11-4-95; Ord. No. 96-3050, § 2, 7-17-96; Ord. No. 2013-3819, § 1, 10-16-13; Ord. No. 2013-3820, § 1, 10-16-13)

Sec. 142-215. Prohibited uses.

The prohibited uses in the RM-2 residential multifamily, medium intensity district are accessory outdoor entertainment establishment, accessory open air entertainment establishment, as set forth in article V, division 6 of this chapter; and accessory outdoor bar counter; and for properties located within the Palm View, and West Avenue corridors, hotels and apartment-hotels, except to the extent preempted by F.S. § 509.032(7), and unless they are a legal conforming use. Properties that voluntarily cease to operate as a hotel for a consecutive three-year period shall not be permitted to later resume such hotel operation. Without limitation, (a) involuntary hotel closures due to casualty, or (b) cessation of hotel use of individual units of a condo-hotel, shall not be deemed to be ceasing hotel operations pursuant to the preceding sentence.

(Ord. No. 89-2665, § 6-3(A)(5), eff. 10-1-89; Ord. No. 96-3050, § 2, 7-17-96; Ord. No. 2013-3819, § 1, 10-16-13; Ord. No. 2013-3820, § 1, 10-16-13)

Sec. 142-216. Development regulations.

The development regulations in the RM-2 residential multifamily, medium intensity district are as follows:

- (1) Max. FAR: 2.0.

(Ord. No. 89-2665, § 6-3(B)(1), (2), eff. 10-1-89; Ord. No. 94-2949, eff. 10-15-94; Ord. No. 94-2954, eff. 11-30-94; Ord. No. 98-3107, § 1, 1-21-98; Ord. No. 98-3149, § 1, 11-4-98)

Sec. 142-217. Area requirements.

The area requirements in the RM-2 residential multifamily, medium intensity district are as follows:

Minimum Lot Area (Square Feet)	Minimum Lot Width (Feet)	Minimum Unit Size (Square Feet)	Average Unit Size (Square Feet)	Maximum Building	Maximum Number of Stories
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				Height (Feet)	
7,000	50	New construction—550 Non-elderly and elderly low and moderate income housing: See section 142-1183 Rehabilitated buildings—400 Hotel unit: 15%: 300—335 85%: 335+	New construction—800 Non-elderly and elderly low and moderate income housing: See section 142-1183 Rehabilitated buildings—550 Hotel units—N/A	Historic district—50 (except as provided in section 142-1161) Area bounded by Indian Creek Dr., Collins Ave., 26th St., and 44th St.—75 Area fronting west side of Collins Ave. btwn. 76th St. and 79th St.—75 Area fronting west side of Alton Rd. between Arthur Godfrey Rd. and W. 34th St.—85 Otherwise—60 Lots fronting Biscayne Bay less than 45,000 sq. ft.—100 Lots fronting Biscayne Bay over 45,000 sq. ft.—140 Lots fronting Atlantic Ocean over 100,000 sq. ft.—140	Historic district—5 (except as provided in section 142-1161) Area bounded by Indian Creek Dr., Collins Ave., 26th St., and 44th St.—8 Area fronting west side of Alton Rd. between Arthur Godfrey Rd. and W. 34th St.—8 Area fronting west side of Collins Ave. btwn. 76th St. and 79th St.—8 Otherwise—6 Lots fronting Biscayne Bay less than 45,000 sq. ft.—11 Lots fronting Biscayne Bay over 45,000 sq. ft.—15 Lots fronting Atlantic Ocean over 100,000 sq. ft.—15

(Ord. No. 89-2665, § 6-3(B)(3), eff. 10-1-89; Ord. No. 94-2954, eff. 11-30-94; Ord. No. 97-3097, § 2, 10-8-97; Ord. No. 98-3150, § 1, 11-4-98; Ord. No. 99-3218, § 1, 11-17-99; Ord. No. 2005-3483, § 3, 5-18-05; Ord. No. 3744, § 5, 10-19-11; Ord. No. 2014-3839, § 1, 2-12-14)

Sec. 142-218. Setback requirements.

The setback requirements in the RM-2 residential multifamily, medium intensity district are as follows:

	Front	Side, Interior	Side, Facing a Street	Rear
At-grade parking lot on the same lot except where (b) below is applicable	20 feet	5 feet, or 5% of lot width, whichever is greater	5 feet, or 5% of lot width, whichever is greater	Non-oceanfront lots—5 feet Oceanfront lots—50 feet from bulkhead line
Subterranean	20 feet	5 feet, or 5% of lot width, whichever is greater. (0 feet if lot	5 feet, or 5% of lot width, whichever is greater	Non-oceanfront lots—0 feet Oceanfront lots—50

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		width is 50 feet or less)		feet from bulkhead line
Pedestal	20 feet Except lots A and 1-30 of the Amended Plat Indian Beach Corporation Subdivision and lots 231-237 of the Amended Plat of First Ocean Front Subdivision-50 feet	Sum of the side yards shall equal 16% of lot width Minimum-7.5 feet or 8% of lot width, whichever is greater	Sum of the side yards shall equal 16% of lot width Minimum-7.5 feet or 8% of lot width, whichever is greater	Non-oceanfront lots-10% of lot depth Oceanfront lots-20% of lot depth, 50 feet from the bulkhead line whichever is greater
Tower	20 feet + 1 foot for every 1 foot increase in height above 50 feet, to a maximum of 50 feet, then shall remain constant. Except lots A and 1-30 of the Amended Plat Indian Beach Corporation Subdivision and lots 231-237 of the Amended Plat of First Ocean Front Subdivision-50 feet	The required pedestal setback plus 0.10 of the height of the tower portion of the building. The total required setback shall not exceed 50 feet	Sum of the side yards shall equal 16% of the lot width Minimum-7.5 feet or 8% of lot width, whichever is greater	Non-oceanfront lots-15% of lot depth Oceanfront lots-25% of lot depth, 75 feet minimum from the bulkhead line whichever is greater

- (b) In cases where the city commission approves after public hearing a public-private parking agreement for a neighborhood based upon an approved street improvement plan, the minimum front yard setback for parking subject to the agreement shall be zero feet. The street improvement plan must be approved by the design review board if outside an historic district, or the historic preservation board if inside an historic district.

(Ord. No. 89-2665, §§ 6-3(C), 6-5, eff. 10-1-89; Ord. No. 90-2722, eff. 11-21-90; Ord. No. 91-2767, eff. 11-2-91; Ord. No. 93-2885, eff. 11-27-93; Ord. No. 94-2954, eff. 11-30-94; Ord. No. 96-3050, § 2, 7-17-96; Ord. No. 98-3108, § 2, 1-21-98; Ord. No. 2004-3464, § 2, 11-10-04)

Sec. 142-219. Regulations for new construction.

In the RM-2, residential district, all floors of a building containing parking spaces shall incorporate the following:

- (1) Residential or commercial uses, as applicable, at the first level along every facade facing a street, sidewalk or waterway. For properties not having access to an alley, the required residential space shall accommodate entrance and exit drives.
- (2) Residential uses above the first level along every facade facing a waterway.
- (3) For properties less than 60 feet in width, the total amount of residential space at the first level along a street side shall be determined by the design review or historic preservation board, as applicable. All facades above the first level, facing a street or sidewalk, shall include a substantial portion of residential uses; the total amount of residential space shall be determined by the design review or historic preservation board, as applicable, based upon their respective criteria.

(Ord. No. 2006-3510, § 3, 3-8-06)

Secs. 142-220—142-240. Reserved.

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ADDENDUM D – QUALIFICATIONS OF THE APPRAISERS

QUALIFICATIONS OF APPRAISER

ANDREW H. MAGENHEIMER, MAI

EDUCATION:

Bachelor's Degree, The University of the South, Sewanee, Tennessee, 1986

EXPERIENCE:

Eighteen years in the field of real estate, involved in various forms of consultation, appraisal, economic research and market analysis.

June, 1997 to Present, Principal, Slack, Johnston & Magenheimer, Inc.

August, 1991 to May, 1997, Senior Appraiser, Slack & Johnston, Inc.

February, 1987 to July, 1991, Staff Appraiser, Dixon & Friedman, Inc.

GENERAL APPRAISAL EXPERIENCE:

Appraisals - Vacant land, aviation facilities, industrial facilities, shopping centers, office buildings, apartment buildings, residential developments and single-family residences.

Consulting - Economic research, market analysis, feasibility analysis and ad valorem real estate tax assessment appeals pertaining to industrial, commercial and residential properties.

AFFILIATIONS:

Licensed Florida Real Estate Broker

Florida State-Certified General Real Estate Appraiser, Certification No. RZ1073

Appraisal Institute Member, MAI, Certificate Number 10133, Continuing Education Completed

HUD MAP Training

2002 President of the South Florida Chapter of the Appraisal Institute

ZACHARY J. OLEN

EDUCATION:

Bachelor's Degree, Florida State University, Tallahassee, Florida, 2004

EXPERIENCE:

June, 2004 to Present, Slack, Johnston & Magenheimer, Inc.

Appraisal/consulting experience includes the following property types:

Aeronautical Property
Apartment
Automobile Dealership
Marketability/Feasibility Study
Office Building
Warehouse
Vacant Land (various zoning classifications)

GENERAL APPRAISAL EXPERIENCE:

Appraisals - Vacant land, aviation facilities, industrial facilities and office buildings.

Consulting - Economic research, market analysis, feasibility analysis, real estate tax appeals pertaining to residential and agricultural properties.

AFFILIATIONS:

Licensed Florida Real Estate Salesman

Florida State - Certified General Real Estate Appraiser, Certification No. RZ3124

Appraisal Institute Candidate

F&CWP Pending Items - Commission Referrals

Attachment 1

Item #	Title	Referred By	Date Referred	Handled By	Date Expiring per Reso # 2013-28147	Note
1	Status update on Business Tax Process Improvement.	Jorge R. Exposito		Patricia Walker Kathie Brooks	7/30/2014	Awaiting new business tax system 9/20/13 The Committee recommended leaving this item on the agenda since the new ACCELA process is still pending. 1/30/14 Commissioner Weithorn is working with P. Walker on this item that is still awaiting ACCELA implementation 3/21/14 Item expiration extended from when the item was reheard
182	Discussion regarding bicycle safety campaign with the Miami Beach police department, Decobike and local bicycle rental companies.	Edward L. Tobin	December 11, 2013 Commission Item R9H	Jose Gonzalez	8/21/2014	2/21/14 The Committee recommended moving forward with the Bicycle Safety Campaign focusing on the importance of bicycle and driver awareness when sharing the streets of Miami Beach. The Committee also agreed to a partnership with local bicycle advocate Mr. Richard Cahlin involving the sale of cycling clothing to help raise funds for bicycle programs. The Committee requested that someone speak to the movie theater to do an in kind video advertisement spot. The source of funding will be looked into and approved later as a separate item along with the items in the preliminary cost breakdown. 6/20/14 The Committee recommended staff work with FDOT to organize events and practical workshops that focus on providing bike safety information and to bring the cost breakdown to budget for the funds that will be needed to implement these programs.
183	Discussion regarding the Washington Avenue pump station for funding allocation	Edward L. Tobin	December 11, 2013 Commission Item R9H	Eric Carpenter	8/21/2014	2/21/14 The Committee recommended referring this item to the Planning Department that would recommend ideas for staining the concrete and how to construct the wall that contains the electrical panel and power meter in the same finishes. Finance will approve the cost options in 2 months with the proposal to be sent by LTC of the different sketches. DRB will way in after receipt of this recommendation.
187	Discussion regarding Financial Impact of the Proposed Roadway Closure Applications for 87 Street and 87 Terrace Filed by 8701 Collins Development	Deede Weithorn	March 5, 2014 Commission Item C4D	Eric Carpenter	11/20/2014	5/20/14 The Committee recommended referring this item to Land Use and the appraisal re-evaluated. The item is to be brought back to the June Finance Committee meeting.
188	Discussion regarding The Greater Miami Convention and Visitors Bureau Interlocal Agreement	Tourism, Culture and Economic Development	March 5, 2014 Commission Item C4F	Max Sklar	9/5/2014	
189	Discussion regarding the Miami Beach Police Athletic League (PAL)	Joy Malakoff	March 5, 2014 Commission Item R9N	Arthur Martineau	9/5/2014	3/21/2014 Item to be brought back when their audit is complete
190	Discussion regarding Adoption of an Updated Strategic Plan for the Cultural Affairs Program, to include utilization of Fillmore Community Benefit Fund, Cultural Arts Council Endowment, and Cultural Affairs Program Fund Balance Funds for Greater Cultural Benefits for Residents and Visitors	Tourism, Culture and Economic Development	April 23, 2014 Commission Item C4B	Max Sklar	11/20/2014	5/20/14 The Committee recommended going back to the Cultural Arts Council to update the Strategic Plan and funding needs and bring it back to the Finance Committee before July if it needs to be included in next year's budget.
192	Discussion regarding Police and Parking Department Towing Permit Requirements	Parking	April 23, 2014 Commission Item C4G	Saul Frances	11/20/2014	5/20/14 The Committee recommended no action and that Saul Frances Parking Director follow up on the implementation of the technology enhancements. This item is to be brought back to the September Finance Committee Meeting.
195	Discussion regarding Parking - Strategic Pricing	Parking	May 21, 2014 Commission Item C4E	Saul Frances	11/21/2014	6/20/14 The Committee recommended the item be deferred to the July Budget Meeting
196	Discussion regarding creating a Property Assessed Clean Energy (PACE) Program by resolution and joining the existing Interlocal Agreement between by Harbor Islands, Biscayne Park, and Surfside	Jonah Wolfson	May 21, 2014 Commission Item R9N	Betsy Wheaton Patricia Walker	11/21/2014	

Item #	Title	Referred By	Date Referred	Handled By	Date Expiring per Reso # 2013-28147	Note
200	Discussion regarding the Use of the Byron Carlyle Theater	Tourism, Culture and Economic Development	June 11, 2014 Commission Item C4D		12/11/2014	6/20/14 The Committee recommended staff bring back options available for the Committee to consider for use of the space to Budget.
201	Discussion referral to the Finance and Citywide Projects Committee to discuss the Schedule of User Fees for Various Parks and Recreation Programs and Services, Facility Admissions and Rentals	Parks and Recreation	June 11, 2014 Commission Item C4F	John Rebar	12/11/2014	
202	Discussion regarding the Purchase and Sale Agreement for 226-87th Terrace to permit the Development of a Parking Garage to include at least 100 Public Parking Spaces	Deede Weithorn	June 11, 2014 Commission Item C4I	Eric Carpenter Joe Jimenez	12/11/2014	
203	Discussion regarding A Resolution Rescinding the prior action taken by the City Commission on June 6, 2012, pursuant to Resolution No. 2012-27917, which accepted the recommendation of the City Manager pertaining to the ranking of firms, pursuant to request for Proposals (RFP) No. 27-11/12, for Disaster Recovery Services and which authorized the Administration to enter into negotiations with the top ranked firms of Ceres Environmental Services, Inc., Asbritt, Inc., Tag Grinding Services, Inc. Byrd Brothers Environmental Services, Inc., D&J Enterprises, Inc. and Phillips and Jordan, Inc. and to execute agreements upon the conclusion of successful negotiations by the Administration with Ashbritt, Inc. as the Primary Firm; And further rejecting all proposals received resulting from RFP No. 27-11/12	Public Works Procurement Deede Weithorn	June 11, 2014 Commission Item R7U	City Attorney Eric Carpenter	12/11/2014	
204	Discussion regarding rebuilding of the Sunset 1 and 2 Guard Houses	Joy Malakoff Neighborhoods	May 21, 2014 Commission Item C4A	Eric Carpenter	11/21/2014	
205						