



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

COMMITTEE MEMORANDUM

TO: Members of the Finance and Citywide Projects Committee

FROM: Jimmy L. Morales, City Manager

DATE: July 1, 2015

This shall serve as written notice that a meeting of the Finance and Citywide Projects Committee has been scheduled for July 1, 2015, at 1:00 P.M. in the Commission Chambers.

The agenda is as follows:

BUDGET BRIEFING:

OLD BUSINESS

1. **General Fund CSL Update and Proposed Millage Rate**
2. **Review of Proposed Capital Budget**

NEW BUSINESS

3. **FY 2015/16 General Fund Operating Budget**
 - o **Potential efficiencies/reductions**
 - o **Potential enhancements**
 - o **Potential revenue enhancements**
4. **Proposed Parking Rate Increases**

FINANCE AGENDA:

OLD BUSINESS

5. a) **Discussion regarding Parking Demand Analysis/Walker Parking Consultants** (*July 23, 2014 Commission Item C4I*) (208)

b) **Discussion Regarding The Construction Of A Parking Garage At The 27th Street And Collins Avenue Parking Lot.** (*February 11, 2015 Commission Item C4C*) (263)

Saul Frances – Parking Director

6. Discussion regarding whether or not to pursue food and beverage concessions for Soundscape Park, Collins Park, and the Miami Beach Botanical Garden (*May 21, 2015 Commission Item C4C*) (194)

Max Sklar – Tourism, Cultural and Economic Development Director

NEW BUSINESS

7. Discussion To Amend The Living Wage Ordinance Insurance Provision In Light Of Obama Care (*November 19, 2014 Commission Item C4D*)(232)

Alex Denis – Procurement Director

8. Discussion Regarding The Requirement For City Contractors To Provide Equal Benefits For Domestic Partners (*January 14, 2015 Commission Item C4J*)(253)

Alex Denis – Procurement Director

9. Discussion Regarding A New Lease Agreement Between The City Of Miami Beach (Landlord) And SB Waxing, Inc. (Tenant) Involving The Use Of Approximately 1,21 Square Feet Of Ground Floor Retail Space Located At 1701 Meridian Avenue, Unit 3 (A/K/A 771 17th Street), Miami Beach, Florida (Premises), For An Initial Term Of Five (5) Years, With One (1) Renewal Option For An Additional Four (4) Years And Three Hundred And Sixty Four (364) Days.

Mark Milisits – Asset Manager

10. Discussion Of A Resolution Of The Chairperson And Members Of The Miami Beach Redevelopment Agency (RDA), Accepting The Recommendation Of The Finance And Citywide Projects Committee, Pursuant To Invitation To Negotiate (ITN) No. 2015-060-Lr (The ITN), For The Leasing Of City-Owned Buildings And Rooftops For The Placement Of Telecommunications Equipment, And Authorize The Executive Director To Execute A Nine Year And 364 Day Lease Agreement With Crown Castle Ng East, LLC (“Tenant”), Attached And Incorporated Herein As Exhibit A, For Tenant To Operate And Maintain Its Existing Telecommunications Hub On The Roof Of The RDA’s Parking Garage Located At 1550 Collins Avenue, With A Monthly Rent Of \$4,000.00.

Max Sklar – Tourism, Cultural and Economic Development Director

ITEMS REFERRED AT JUNE 10, 2015 COMMISSION MEETING

11. Discussion Regarding A Potential Public-Private Partnership With 1234 Partners, LTD. For A Parking Garage On The 1200 Block Of Washington Avenue *(June 10, 2015 Commission Item C4B)(277)*

Saul Frances – Parking Director

12. Discussion Regarding Land Use & Development Committee And The Planning Board For The Review Of All Planning Fees, Including Fees Associated With Plans Review, Board Applications And Other Ministerial Functions *(June 10, 2015 Commission Item C4C)(278)*

Thomas Mooney – Planning Director

13. Discussion Regarding A Request From The Parks And Recreation Facilities Committee For A Competition Swimming Pool *(June 10, 2015 Commission Item C4K)(279)*

John Rebar – Parks and Recreation Director

14. Discussion Regarding A Resolution Accepting The Recommendation Of The City Manager, Pursuant To Invitation To Negotiate (ITN) 2014-170-SW For A Gated Revenue Control System For The City's Parking Garages; Approving The Material Terms Of An Agreement Between The City And Skidata, Inc., As Set Forth In The Term Sheet Attached As Exhibit "A" Hereto; Authorizing The City Manager And The City Attorney's Office To Finalize The Agreement Based Upon The Material Terms Approved Herein; Provided That They May Make Any Non-Substantive And Non-Material Revisions And/Or Additions To The Agreement, As They Deem Necessary ; Authorizing The Mayor and City Clerk To Execute The Final Agreement; And, In The Event That The City Is Unable To Finalize Successful Negotiations With Skidata, Inc., Authorizing The City Manager And The City Attorney's Office To Negotiate An Agreement With Amano McGann, Inc. Based Upon The Material Terms Approval in Exhibit "A" Herein (Provided That They May Make Any Non-Substantive And Non-Material Revisions And/Or Additions To The Agreement) *(June 10, 2015 Commission Item R7M)(280)*

Alex Denis – Procurement Director
Saul Frances – Parking Director

15. Discussion Regarding The Transfer, Via Quit Claim Deed, To The Florida Department Of Transportation (FDOT) The Property Identified In Exhibit A, As The Property Has Been Constructed Upon By FDOT And Utilized As A Turning Lane From Michigan Avenue Onto Alton Road; Containing Approximately 4,014 Square Feet In Total Area; Waiving By 5/7th Vote, The Competitive Bidding Requirements And

Independent Appraisal Requirements Of Section 82-39 Of The City Code, Finding That The Public Interest Would Be Served By Waiving Such Conditions *(June 10, 2015 Commission Item R7D)(283)*

Eve Boutsis – Deputy City Attorney

Finance and Citywide Projects Committee Meetings for 2015:

July 17, 2015 Budget

August 12, 2015

September 4, 2015

October 5, 2015

November 4, 2015

December 7, 2015

PDW/rs/kd

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Cc. Mayor and Members of the City Commission
Management Team

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Discussion Item

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COMMITTEE MEMORANDUM

TO: Finance and Citywide Projects Committee

FROM: Jimmy L. Morales, City Manager

DATE: July 1, 2015

SUBJECT: **FY 2015/16 PROPOSED CAPITAL BUDGET DEVELOPMENT**

The FY 2015/16 Proposed Capital Budget was reviewed by the Finance and Citywide Projects Committee on June 3, 2015.

Additional information for the following items was requested by the Committee:

- Española Way Conversion to Pedestrian Mall project – The City received a roadway closure request from merchants and property owners and a public meeting was held on June 3, 2014. A road closure study was approved by the County on June 20, 2014 and the City Commission approved resolution 2014-28664 that permanently closed the 400 block of Española Way to vehicular traffic. The conversion of Española Way to a pedestrian friendly mall would require the elimination of curbing and aging below ground utilities need to be replaced. The total cost estimate of \$1.1 million includes the following items: \$169,200 for construction management and engineering; \$358,000 to convert of street to pavers; \$136,000 water main replacement; \$158,000 for the drainage system; \$106,000 for lighting; \$89,000 for landscape enhancements; and \$94,935 for contingency. Española Way is a 50 foot right-of-way from Washington Avenue to Drexel Avenue. This area is approximately 25,300 square feet. Based on the estimated rough order of magnitude cost, the cost per square foot is approximately \$43.51. The FY 16 Proposed Budget recommends funding \$264,000 in FY 16 and \$848,000 in FY 17.
- Parks Maintenance Facility project – The scope of this project is to renovate the existing facility on 2100 North Meridian Avenue. The building renovations include a new roof, impact windows and aluminum louvers, as well as exterior painting and waterproofing. The site renovations include trash transfer station, exterior storage bins for materials, truck and equipment wash station, parking for staff and parks vehicles, site drainage and irrigation, and enhanced perimeter landscaping. This project has previously received funding of \$933,722 from various G.O. bonds. The remainder of the funding necessary for the project was originally programmed for FY 2015/16, but due to a lack of PAYGO funds, the \$965,000 request has been moved to FY 2016/17.
- North Shore Open Space Park Dog Fountain project – The direction received from the Committee was to re-quote the project without cold water/electricity. The Parks department is in the process of evaluating four quotes. The quotes are close to the initial estimated project budget because the work involves boring under various pathways in order to run

water lines into the dog park. Currently, there is a dog fountain by the restrooms, which is outside of the dog park.

- Potential use of Stormwater funds for seawalls: The Committee asked Public Works to check if stormwater funds can be used for seawalls and if not, identify what would need to change to potentially make it possible. According to the City Code (Article III, Section 110-106), *“the stormwater management system is the system designed and constructed or implemented to control discharges necessitated by rainfall events, incorporating methods to collect, convey, store, absorb, inhibit, treat, use or reuse water to prevent or reduce flooding, overdrainage, environmental degradation, and water pollution or otherwise affect the quantity and quality of discharges from the system.”* Section 110-107 defines Stormwater as *“the surface water runoff that results from rainfall”* and Stormwater Infrastructure as *“the structural, nonstructural, or natural features of a parcel of land or watershed that collect, convey, store, absorb, inhibit, treat, use, reuse, or otherwise affect the quality or quantity of stormwater.”* Based on the language in the Code, it appears that a change to the Code would be necessary to authorize the use of stormwater funds for seawalls. In addition, it would be advisable to ensure compliance with the Statutes authorizing the creation of stormwater utilities by municipalities.
- Commission Chambers Renovation project – The Committee asked for detailed project scope with an itemized list of estimated costs as shown below. Since the June 3rd meeting, the total estimated project cost increased from \$725,000 to \$900,000.

Design and drawings	\$20,000
Demolition including lighting and A/V	\$35,000
Millwork, dais, and tambour Panels	\$52,000
Drywall repairs and wall covering	\$85,000
Painting	\$17,000
Carpet	\$28,000
Seating	\$63,000
Commissioners chairs	\$20,000
Media room	\$ 8,000
ADA	\$10,000
A/V equipment	\$177,000
A/V installation	\$ 93,000
Lighting system update phase II	\$180,000
Electrical AC power demolition work	\$10,000
Electrical installation w/AV infrastructure integrated upgrades	\$72,000
Contingency	\$30,000
Total	\$900,000
Less funding in FY 2014/15	(\$150,000)
FY 2015/16 Request	\$750,000

- City Hall Space Plan project – The Committee asked for a list of the space planning moves included in the revised project budget. Since the June 3rd meeting, the total estimated project cost decreased from \$1,069,000 to \$785,000.

Procurement	\$213,000
Human Resources	\$173,000
Mayor & Commission, City Manager, OBPI	\$184,000
Press Room	\$215,000
Total	\$785,000
Less funding in FY 2014/15	(\$435,000)
FY 2015/16 Request	\$350,000

Concurrency Mitigation Fund

Concurrency mitigation fees are one-time/non-recurring fees collected by the Planning Department from developers as part of a project's planning approval process prior to construction. The fees are intended to help fund transportation improvement projects that mitigate the impact of net additional vehicular trips on the street network as a result of approved development projects.

The following are changes to the proposed Capital Budget sorted by funding source after the June 3rd meeting:

Renewal & Replacement Fund

Pursuant to a 12% increase in property values, estimated revenue for Renewal & Replacement was increased from \$2,300,000 to \$2,694,000. Based on the changes below, the new FY 2015/16 recommended funding total is \$2,380,000, leaving \$314,000 available for Contingency.

Based on Committee direction, the following projects were determined to be inconsistent with the intended uses of Renewal & Replacement funds and moved to the PAYGO list:

- Flamingo Football Stadium Bleachers Replacement: \$116,000
- Palm Island Playground Safety Surface: \$80,000
- Flamingo Park Pool Playground Replacement: \$245,000
- Police Station Main Gate Replacement & Helipad Fire Extinguisher: \$45,000
- Normandy Isle Pool Playground Equipment: \$245,000
- Neighborhood Basketball Court Renovations: \$137,000
- Neighborhood Tennis Court Renovations: \$92,000
- North Shores Park Playground Safety Surface: \$31,000
- Scott Rakow Youth Center Reception and Bowling Enhancements: \$66,000

Due to funding capacity becoming available from the moves above, the following projects are hereby proposed for Renewal & Replacement funding:

- Pavement & Sidewalk Program – FY 16: \$500,000
- Street Lighting Improvement Program: \$300,000
- City Hall Roof & Skylight Restoration: \$300,000
- PAL Building Ext. Paint & Waterproofing: \$50,000

158 Concurrency Mitigation Fund

- City's match for the Intelligent Transportation System will not be appropriated until the TIGER grant is awarded. This amount has been moved to be reserved as a contingency pending this award.

Local Option Gas Tax (3 Cent Gas Tax)

- Per request from Transportation, added a new project request for a Traffic Circle at 47th Street and Meridian Ave in the amount of \$250,000.
- Pavement & Sidewalk Program – FY 16 project funding reduced from \$945,000 to \$695,000 to accommodate new request from Transportation for 47th Street Traffic Circle; additional paving funds identified in Renewal & Replacement

Half Cent Transit Surtax - County (PTP)

The Committee provided direction to include funding for creating green bike lanes beginning with pending projects and plan for adding green bike lanes throughout the City. With the changes below, the new remaining available balance is \$335,896.

- Per request from Transportation, proposed funding for project named Euclid Avenue between 17th Street and 5th Street Protected Bike Lanes increased by \$348,000 from \$122,000 to \$470,000 to include Green Bike Lanes. New name: Euclid Avenue between 17th Street and 5th Street Protected and Green Bike Lanes.
- Per request from Transportation, added a new project request for a Shared Path on Parkview Island Park from 73rd Street to 77 Street in the amount of \$320,000.
- Per request from Transportation, adding the following projects for various Green Bike Lanes (Citywide) totaling \$663,000:
 - Green Bike Lane - Royal Palm Avenue from 42nd Street to 47th Street
 - Green Bike Lane - Prairie Avenue from 28th Street to 44th Street
 - Green Bike Lane - 47th Street between Pine Tree Drive and Alton Road

Pay-As-You-Go (PAYGO)

Based on discussion at the June 3rd meeting, the following changes are proposed:

- Stillwater Fitness Circuit: \$36,000
- Commission Chambers estimate increased from \$575,000 to \$750,000.
- City Hall Space Plan (in Tier 2) reduced from \$634,029 to \$350,000
- Funding for *Maurice Gibb Soil Remediation* was reduced in PAYGO by \$196,000 to a total of \$604,000 and the \$196,000 funded in Parks & Rec Beautification Fund- 366.
- The *Kayak Launch Docks* project requests were moved to North beach Quality of Life.

Potential Additional Revenue to PAYGO from an Enhancement offset by proposed Reductions in the General Fund is estimated to add \$1,000,000 to PAYGO and the following "Tier 2"

projects are proposed to be funded with the additional revenue:

- City Hall Space Plan Implementation - \$350,000
- Pinetree Dr. Australian Pine Tree Structural Pruning - \$147,000
- Normandy Isle Park Turf Replacement - \$255,000
- Flamingo Football Stadium Bleachers Replacement - \$115,000
- Police Station Building Main Gate Replacement & Helipad Wheeled Fire Extinguisher Equipment - \$45,000
- Palm Island Playground Safety Surface - \$79,537

Potential Additional Revenue to PAYGO from reimbursement from County is estimated to add \$1,304,000 to PAYGO and the following "Tier 3" projects are proposed to be funded with the additional revenue. These projects were moved from Renewal & Replacement:

- Flamingo Park Pool Playground Replacement - \$245,000
- Normandy Isle Pool Playground Equipment - \$245,000
- Neighborhood Basketball Court Renovations - \$137,000
- Neighborhood Tennis Court Renovations - \$92,000
- North Shore Park Playground Safety Surface - \$31,000
- Scott Rakow Youth Center Reception and Bowling Enhancements - \$66,000

South Beach - Quality of Life

- Funding for Maurice Gibb Park Floating Dock for non-motorized vessels was moved to the South Beach Quality of Life fund to allow for \$196,000 of the Maurice Gibb Soil Remediation project to be funded from the Parks & Rec Beautification fund.

North Beach - Quality of Life

- Funding for Kayak Launch Docks project was moved to the North Beach Quality of Life fund to free up PAYGO funds.
- Per request from the CIP department, there is an increase to FY 16 Proposed budget for Tents at North Beach Bandshell from \$200,000 to \$400,000, bringing the budget for the project to \$500,000 (\$100,000 has already been funded).

Future Parking Bonds

-Increase to the Proposed Parking Bonds from \$59.5 million to \$64.8 million

CONCLUSION

The City administration recommends the changes listed above to the proposed FY 2015/16 Capital Budget. The funding recommendations in the proposed FY 2015/16 Capital Budget are based on the City Commission's priorities and needs identified by various City departments. The final FY 2015/16 Capital Budget will be adopted at the second public hearing in September.

JLM/JW

FUNDING	PROJECT NAME	Prior Years	2014/15	FY15 Amendments	FY15 Borrowed \$	2015/16 Programmed	FY16 New Requests	FY16 Proposed Budget	2016/17 Programmed	2017/18 Programmed	2018/19 Programmed	2019/20 Programmed	Future	Total
125 Renewal & Replacement Fund														
	Marine Patrol Exterior Restoration / Roof Replacement						150,000	150,000						150,000
	Fire Station #3 Fire Alarm System Upgrade						100,000	100,000						100,000
	Flamingo Park Pool Roof Replacement Replace Roofs on (5) Structures						140,000	140,000						140,000
	Normandy Isle Park and Pool Pool Decking Resurfacing/Roof Repairs/ Painting & Waterproofing (4) Structures						200,000	200,000						200,000
	South Shore Community Center Exterior Restoration						100,000	100,000						100,000
	Fire Station #2 Exterior Paint & Waterproofing						90,000	90,000						90,000
	Fire Station #4 Exterior Paint & Waterproofing						16,390	17,000						17,000
	777 Building - 4th Floor Retrofit HVAC controls & dampers.						170,000	170,000						170,000
	Flamingo Pool Deck Renovations						43,000	43,000						43,000
	Replacement of Emergency Generator at Fire Station #3						95,000	95,000						95,000
	Police Station Building HVAC Retrofit Installation						50,000	50,000						50,000
	Fire Station #3 Restrooms Renovation Renovate dated restrooms.						75,000	75,000						75,000
	Streetlighting Improvements						300,000	300,000						300,000
	PAL Building Exterior Paint & Waterproofing Waterproof/paint exterior walls, windows, openings.						50,000	50,000						50,000
	City Hall Roof & Skylight Restoration						300,000	300,000						300,000
	Pavement & Sidewalk Program - FY 16						500,000	500,000						500,000
	North Shore Park Youth Center Facility Painting						113,000							-
	Fire Station #3 Kitchen Renovation						120,000							-
	City Attorney Office Renovation Demolition of existing library and constructing 4 new offices.						80,000							-
	Police Station Awning Installation - Exterior Garage Card Readers.						61,000							-
	Sum	11,934,299	1,955,000	1,153,120	-	-	2,753,390	2,380,000	-	-	-	-	-	16,513,419
	Available Balance													
	FY16 Proj Revenue (Assumes 12% Growth in Property Value)							2,694,000						
	Remaining Available Balance							314,000						
147 AIPP														
	Soundscape Park Art in Public Places						352,000	352,000						352,000
	Sum	-	-	-	-	-	352,000	352,000	-	-	-	-	-	352,000
	Available Balance							2,166,155						
	FY16 Proj Revenue (Estimate from FY 16 CIP Projects)							21,000						
	Remaining Available Balance							1,835,155						
158 Concurrency Mitigation Fund														
trs16stops	16th St. Operational Improv/Enhancement	3,550,160	-				4,777,934	4,777,934						8,328,094
nwbcpepr	Bicycle Pedestrian Projects Citywide	135,000	-											135,000
nwccrosswa	Crosswalks	97,266	-											97,266
trcintsyst	Intelligent Transportation System Match	-	2,060,000				2,340,000							2,060,000
trnnbtownc	North Beach Town Center Complete Streets	272,000	-											272,000
pwndaveshr	Seawall-Dickens Av Shoreline & Bike Path	200,000	-				(200,000)	(200,000)						-
nwcweavbri	West Ave Bridge Over Collins Canal	108,068	-											108,068
	Sum	4,362,494	2,060,000	-	-	-	6,917,934	4,577,934	-	-	-	-	-	11,000,428
	Available Balance							8,477,783						
	Save for Contingency							2,340,000						
	FY16 Proj Revenue													
	Remaining Available Balance							1,659,849						
165 Non - TIF RDA Fund (Loews / Royal Palm Proceeds)														
pfcconvctr	Convention Center	14,000,000	(12,312,000)											1,688,000
pfcconvhot	Convention Center Hotel	-	600,000											600,000
	Sum	14,000,000	(11,712,000)	-	-	-	-	-	-	-	-	-	-	2,288,000
	Available Balance							14,338,704						
	FY16 Proj Revenue													
	Remaining Available Balance							14,338,704						

FY 16 Estimated Revenue = \$2,694,000

Proposed total of \$2,380,000

FUNDING	PROJECT NAME	Prior Years	2014/15	FY15 Amendments	FY15 Borrowed \$	2015/16 Programmed	FY16 New Requests	FY16 Proposed Budget	2016/17 Programmed	2017/18 Programmed	2018/19 Programmed	2019/20 Programmed	Future	Total
171 Local Option Gas Tax (3 Cent Gas Tax)														
rwnstnsisl	Streetlighting Improv-North Shore Island	544,000	-			-	300,000	300,000	300,000	300,000	-		-	1,444,000
	Pavement & Sidewalk Program - FY 16						1,000,000	695,000						695,000
	47th Street Traffic Circle (Pending project sheet)						250,000	250,000						250,000
Sum		915,190	336,000	-	-	-	1,300,000	1,245,000	300,000	300,000	-		-	2,151,190
	Available Balance							872,599						
	FY16 Proj Revenue							373,355						
	Remaining Available Balance							954						
187 Half Cent Transit Surtax - County (PTP)														
trs16stops	16th St. Operational Improv/Enhancement	3,030,934	-			1,747,000	(4,777,934)	(4,777,934)						(1,747,000)
rwnverpav	Everglades Court Alleyway Paving	-	150,000			150,000		150,000						300,000
pwepedcs15	Pedestrian Crossing Improvements FY 15	-	-			100,000								-
rwcrowim15	ROW Improvement Project FY 15	-	-			330,000								-
stcsideasv	Sidewalk Assessment Survey	-	75,000			75,000								75,000
rwcsiderep	Sidewalk Repairs (City-Wide)	-	225,000				225,000	225,000						450,000
rwswestrow	West Avenue/Bay Road Improvements	-	378,000			1,512,000		1,512,000						1,890,000
	On-Street Bicycle parking at Street Corners						33,000							-
	Bicycle Shared Path. Meridian Avenue (North) between 28th Street and Dade Blvd.						278,000	278,000						278,000
	Euclid Avenue between 17th Street and 5th Street Protected and Green Bike Lanes						470,000	470,000						470,000
	Alton Road between Chase Avenue and North Michigan Avenue protected bike lanes						418,000	418,000						418,000
	73rd Street Protected Bike Lanes						39,000	39,000						39,000
	72nd Street Protected Bike Lane						39,000	39,000						39,000
	Bike Lanes . 51st Street between Alton Road and Pine Tree Drive						50,000	50,000						50,000
pkcaspdriv	Driveway and Sidewalk Repairs						171,000	171,000						171,000
pwndaveshr	Seawall-Dickens Av Shoreline & Bike Path						200,000	200,000						200,000
	Shared Path on Parkview Island park from 73rd St to 77 St						320,000	320,000						
	Green Bike Lane - Royal Palm Avenue from 42nd Street to 47th Street						159,000	159,000						
	Green Bike Lane - Prairie Avenue from 28th Street to 44th Street						294,000	294,000						
	Green Bike Lane - 47th Street between Pine Tree Drive and Alton Road						210,000	210,000						
Sum		18,358,937	2,333,000	-	-	3,914,000	(816,934)	(242,934)	-	-	-		-	19,466,003
	Available Balance							92,962						
	FY16 Proj Revenue							-						
	Remaining Available Balance							335,896						

-Revenue Re-programmed in Operating for Trolley System
 -FY 16 Project Requests Funded by Reprogramming Existing Funds

FUNDING	PROJECT NAME	Prior Years	2014/15	FY15 Amendments	FY15 Borrowed \$	2015/16 Programmed	FY16 New Requests	FY16 Proposed Budget	2016/17 Programmed	2017/18 Programmed	2018/19 Programmed	2019/20 Programmed	Future	Total
302 Pay-As-You-Go														
pknturfrep	Fairway Park Turf Replacement & Other Im	-	-			918,000			-	-	-	-	-	-
eqcfdlifep	FD Lifepak Upgrade Project	60,000	60,000			60,000			-	-	-	-	-	120,000
pkcmgppsoil	Maurice Gibb Soil Remediation	70,000	222,000			-	604,000	604,000	-	-	-	-	-	896,000
pfpolfire	MBPD Firearms Range Upgrades	-	-			100,000			-	-	-	-	-	-
pknpvientp	Park View Island- Entrance Planting	-	-			-			-	129,000	-	-	-	129,000
pfmpkmaint	Parks Maintenance Facility	-	-			965,000			-	-	-	-	-	-
pwndaveshr	Seawall-Dickens Av Shoreline & Bike Path	134,526	-			-	(131,106)	(131,106)	-	-	-	-	-	3,420
ensshanevs	Shane Watersport Seawall	-	134,000			495,000			-	-	-	-	-	134,000
pkcbenchrr	Standardized Park Bench Replacements Cit	-	50,000			50,000			50,000	-	-	-	-	100,000
pkctablerr	Standardized Park Picnic Table Replaceme	-	50,000	(34,000)		50,000			50,000	-	-	-	-	66,000
pkctrashrr	Standardized Park Trash Receptacle Repla	-	16,000	34,000		16,000			16,000	-	-	-	-	66,000
rwctreetr	Street Pavement Restoration	400,000	-			-	1,000,000		1,000,000	1,000,000	-	-	-	2,400,000
rwweavbri	West Ave Bridge Over Collins Canal	1,303,396	-			(1,304,000)			-	-	-	-	-	1,303,396
pwcastrprp	Aluminum Streetlighting Pole Replacement	-	-			-	1,000,000		1,000,000	-	-	-	-	1,000,000
	Pavement & Sidewalk Program - FY 16	-	-			-	1,000,000		-	-	-	-	-	-
	Lummas Park Lighting Improvement - Turtle friendly lighting	-	-			-			100,000	2,000,000	-	-	-	2,100,000
	Commission Chambers Renovation	-	-			-	750,000	750,000	-	-	-	-	-	750,000
pfsfir1ref	Fire Station 1 Refurbishment	-	-			-	1,082,000		-	-	-	-	-	-
	Stillwater Fitness Circuit	-	-			-	36,000	36,000	-	-	-	-	-	36,000
	Lighting Upgrades in Normandy Isles	-	-			-	100,000		-	-	-	-	-	-
pfschsplim	City Hall Space Plan Implementation	170,000	265,000			-	350,000		-	-	-	-	-	435,000
	Pinetree Dr. Australian Pine Tree Structural Pruning	-	-			-	147,000		-	-	-	-	-	-
pknnorturf	Normandy Isle Park Turf Replacement	-	-			345,000	255,000		-	-	-	-	-	-
	Fleming Football Stadium Bleachers Replacement	-	-			-	115,550		-	-	-	-	-	116,000
	Police Station Building Main Gate Replacement & Helipad Wheeled Fire Extinguisher Equipment	-	-			-	45,000		-	-	-	-	-	45,000
	Palm Island Playground Safety Surface	-	-			-	79,537		-	-	-	-	-	80,000
	Fleming Park Pool Playground Replacement	-	-			-	245,000		-	-	-	-	-	245,000
	Normandy Isle Pool Playground Equipment	-	-			-	245,000		-	-	-	-	-	-
	Neighborhood Basketball Court Renovations	-	-			-	137,000		-	-	-	-	-	-
	Neighborhood Tennis Court Renovations	-	-			-	92,000		-	-	-	-	-	-
	North Shore Park Playground Safety Surface	-	-			-	31,000		-	-	-	-	-	-
	Scott Rakow Youth Center Reception and Bowling Enhancements	-	-			-	68,000		-	-	-	-	-	-
Sum		19,743,762	2,630,000	233,000	-	1,695,000	7,248,981	1,258,894	2,216,000	3,129,000	-	-	-	29,696,656
Available Balance								(136,000)						
FY16 Proj Revenue								1,400,000						
Subtotal Remaining Available Balance								5,106						
Potential Additional Revenue to Pay Go / Enhancement								1,000,000						
Funding for projects in New Tier 2								992,087						
Remaining Available Balance								13,019						
Potential Revenue from County Reimbursement								1,304,000						
Funding for Projects in Tier 3								816,000						
Remaining Available Balance								501,019						

FUNDING	PROJECT NAME	Prior Years	2014/15	FY15 Amendments	FY15 Borrowed \$	2015/16 Programmed	FY16 New Requests	FY16 Proposed Budget	2016/17 Programmed	2017/18 Programmed	2018/19 Programmed	2019/20 Programmed	Future	Total
305 SB Quality of Life Resort Tax Fund - 1%														
pkfountain	Alton Road Fountain @ 20th Street	-	-	-	-	-	-	-	-	-	-	-	279,000	279,000
encbeachag	Beach Access Control Gates	119,200	137,000	-	-	110,000	-	110,000	-	-	-	-	-	366,200
encduneres	Citywide Dune Restoration & Enhancement	57,861	25,000	-	-	-	25,000	25,000	-	-	-	-	-	107,861
pkstenproj	Flamingo Park Tennis Project	-	-	-	-	-	-	-	-	-	95,000	-	-	95,000
pkclifegds	Lifeguard Stands Replacement	600,000	-	-	-	-	720,000	-	720,000	-	-	-	-	1,320,000
pkcbenchrr	Standardized Park Bench Replacements Cit	-	10,000	-	-	10,000	-	10,000	10,000	-	-	-	-	30,000
pkctablerr	Standardized Park Picnic Table Replaceme	-	7,000	-	4,000	7,000	-	7,000	7,000	-	-	-	-	25,000
pkctrashrr	Standardized Park Trash Receptacle Repla	-	11,000	-	(4,000)	11,000	-	11,000	11,000	-	-	-	-	29,000
pkswwarmem	World War Memorial	-	-	-	-	-	-	-	-	-	-	-	62,000	62,000
	Espanola Way conversion to Pedestrian Mall	-	-	-	-	-	1,111,485	264,000	848,000	-	-	-	-	1,112,000
	Ocean Drive	-	-	-	-	-	39,000	39,000	-	-	-	-	-	39,000
	Miami Beach Golf Course - Outdoor Furniture replacement	-	-	-	-	-	333,333	334,000	333,333	333,333	-	-	-	1,000,666
	Street Lighting Improvements CW - Tourist Areas	-	-	-	-	-	199,950	200,000	-	-	-	-	-	-
	Beach Showers/Drainage Drainage renovation of 26 Showers.	-	-	-	-	-	127,489	128,000	-	-	-	-	-	-
	Lummus Park Playground Replacement	-	-	-	-	-	48,265	49,000	-	-	-	-	-	-
	Lummus Park Volleyball Courts	-	-	-	-	-	150,000	150,000	-	-	-	-	-	-
	Replacement of Emergency Generator at the Bass Museum - R&R (other potential funding source 165 Non-TIF RDA Fund)	-	-	-	-	-	250,000	250,000	-	-	-	-	-	-
	Bass Museum Exterior Walls & Parapet Caps- R&R (other potential funding source 165 Non-TIF RDA Fund)	-	-	-	-	-	90,000	90,000	-	-	-	-	-	90,000
	Digital Cinema Projection System for Colony (other potential funding source 165 Non-TIF RDA Fund)	-	-	-	-	-	28,000	28,000	-	-	-	-	-	-
	Soundscape Speakers Painting and Other Improvements	-	-	-	-	-	236,000	236,000	-	-	-	-	-	-
	Collins Park Lighting & Sound System	-	-	-	-	-	500,000	500,000	-	-	-	-	-	500,000
enbchwalk2	Beachwalk II	-	-	-	-	-	196,000	196,000	-	-	-	-	-	196,000
	Maurice Gibb Park Floating Dock for non-motorized vessels	-	-	-	-	-	-	-	-	-	-	-	-	-
Sum		3,439,686	1,870,000	-	-	138,000	4,054,522	2,627,000	1,929,333	333,333	95,000	-	341,000	9,398,352
	Available Balance							837,832						
	FY 15 Revenue as of 3/31/15							863,642						
	FY16 Proj Revenue							1,909,050						
	Remaining Available Balance							983,624						
306 MB Quality of Life Resort Tax Fund - 1%														
encduneres	Citywide Dune Restoration & Enhancement	128,967	-	-	-	-	7,000	7,000	-	-	-	-	-	135,967
pkmcoliaum	Collins Avenue Medians (41st To 60th Str	-	-	-	-	-	-	-	-	-	-	-	26,000	26,000
pkclifegds	Lifeguard Stands Replacement	300,000	-	-	-	-	240,000	-	240,000	-	-	-	-	540,000
enmbchwlk3	Middle Beach Rec Corridor Ph III	-	475,000	-	-	-	-	-	6,047,000	6,047,000	-	-	-	12,569,000
pkmgmcompar3	Par 3 Golf Course Master Plan now Banyan Tree Park	490,000	-	-	-	-	-	-	5,000,000	5,000,000	-	-	-	10,490,000
pkcbenchrr	Standardized Park Bench Replacements Cit	-	15,000	-	-	15,000	-	15,000	15,000	-	-	-	-	45,000
pkctablerr	Standardized Park Picnic Table Replaceme	-	7,000	-	1,000	7,000	-	7,000	7,000	-	-	-	-	22,000
pkctrashrr	Standardized Park Trash Receptacle Repla	-	8,000	-	(1,000)	8,000	-	8,000	8,000	-	-	-	-	23,000
	Indian Creek Bridge Color Lights System	-	-	-	-	-	75,000	75,000	-	-	-	-	-	75,000
	Street Lighting Improvements CW - Tourist Areas	-	-	-	-	-	333,333	334,000	333,333	333,333	-	-	-	1,000,666
	28th Street Obelisk Phase II Grant Matching Funds	-	-	-	-	-	250,000	250,000	-	-	-	-	-	-
	Collins Avenue Boardwalk Replacement Replacement of Rotten joist and decking	-	-	-	-	-	150,000	150,000	-	-	-	-	-	-
	Beach Showers/Drainage Drainage renovation of 26 Showers.	-	-	-	-	-	88,850	89,000	-	-	-	-	-	-
	Accessible Ramp to Boardwalk on 41st Street	-	-	-	-	-	50,000	50,000	-	-	-	-	-	-
Sum		2,061,342	5,044,000	191,900	-	30,000	1,193,683	985,000	11,650,333	11,380,333	-	-	26,000	30,799,908
	Available Balance							(710,591)						
	FY 15 Revenue as of 3/31/15							863,642						
	FY16 Proj Revenue							1,909,050						
	Remaining Available Balance							1,077,101						

FUNDING	PROJECT NAME	Prior Years	2014/15	FY15 Amendments	FY15 Borrowed \$	2015/16 Programmed	FY16 New Requests	FY16 Proposed Budget	2016/17 Programmed	2017/18 Programmed	2018/19 Programmed	2019/20 Programmed	Future	Total
307 NB Quality of Life Resort Tax Fund - 1%														
pkdcicavel	7300 Dickens Ave L/scape-Irrigation Sys.	-	-	-	-	-	-	-	-	-	-	-	37,000	37,000
pknkaylaun	Kayak Launch Docks	-	175,000	-	-	-	363,080	363,080	-	-	-	-	-	538,080
pkclifegds	Lifeguard Stands Replacement	300,000	-	-	-	-	240,000	-	240,000	-	-	-	-	540,000
pknnorsptp	North Shore Park Tennis Project	-	-	-	-	-	-	-	-	-	75,000	-	-	75,000
rrplbridnb	Painting & Lighting of Bridges in NB	-	1,100,000	-	-	-	-	-	60,000	165,000	165,000	165,000	910,000	2,565,000
pkcbenchrr	Standardized Park Bench Replacements Cit	-	15,000	-	-	15,000	-	15,000	15,000	-	-	-	-	45,000
pkctablerr	Standardized Park Picnic Table Replaceme	-	7,000	(2,000)	-	7,000	-	7,000	7,000	-	-	-	-	19,000
pkctrashrr	Standardized Park Trash Receptacle Repla	-	5,000	2,000	-	5,000	-	5,000	5,000	-	-	-	-	17,000
pkntnsbshe	Tent for the North Shore Bandshell	100,000	-	-	-	-	400,000	400,000	-	-	-	-	-	500,000
	Bonita Drive Street End Improvements	-	-	-	-	-	35,000	35,000	100,000	200,000	-	-	-	335,000
	North Beach Streetscape Pilot Program	-	-	-	-	-	330,000	100,000	230,000	-	-	-	-	330,000
	North Beach Streetscape	-	-	-	-	-	-	-	550,000	550,000	550,000	550,000	8,800,000	11,000,000
	Collins / Harding Alleyway Reconstruction	-	-	-	-	-	-	-	100,000	850,000	-	-	-	950,000
	86th Street Sidewalk & Roadway Improvements	-	-	-	-	-	285,000	285,000	-	-	-	-	-	285,000
	81st Street Pedestrian Bridge Area	-	-	-	-	-	30,000	30,000	150,000	-	-	-	-	180,000
	North Shore Open Space Park Dog Fountains	-	-	-	-	-	35,000	35,000	-	-	-	-	-	35,000
	North Shore Park Youth Center Restroom Addition	-	-	-	-	-	410,000	410,000	-	-	-	-	-	410,000
	Normandy Shores Golf Club - Landscape Removal & Replaceme	-	-	-	-	-	47,000	47,000	-	-	-	-	-	47,000
	Vendome Public Plaza	-	-	-	-	-	100,000	100,000	1,000,000	-	-	-	-	1,100,000
	Street Lighting Improvements CW	-	-	-	-	-	333,333	334,000	333,333	333,333	333,333	333,333	-	1,667,332
	Byron Carlyle West Roof Replacement Project	-	-	-	-	-	200,000	-	-	-	-	-	-	-
	Byron Carlyle HVAC Replacement Replacement of HVAC system.	-	-	-	-	-	105,000	-	-	-	-	-	-	-
	Byron Carlyle Renovation	-	-	-	-	-	1,500,000	-	-	-	-	-	-	-
	Beach Showers/Drainage Drainage renovation of 26 Showers.	-	-	-	-	-	176,700	177,000	-	-	-	-	-	177,000
	Altos Del Mar Park Project Phase I	-	-	-	-	-	862,416	863,000	-	-	-	-	-	863,000
		-	-	-	-	-	-	-	-	-	-	-	-	-
Sum		2,895,207	2,787,000	771,669	-	27,000	5,737,529	3,206,080	2,790,333	2,098,333	1,123,333	1,048,333	9,747,000	26,467,288
Available Balance								762,262						
FY 15 Revenue as of 3/31/15								863,642						
FY16 Proj Revenue								1,909,050						
Remaining Available Balance								328,874						
366 Parks & Rec Beautification														
	Miami Beach Golf Course - Landscape Removal & Replacement	-	-	-	-	-	51,000	51,000	-	-	-	-	-	51,000
pkcmgpsol	Maurice Gibb Soil Remediation	-	-	-	-	-	196,000	196,000	-	-	-	-	-	-
	Maurice Gibb Park Redesign	-	-	-	-	-	1,453,000	1,453,000	-	-	-	-	-	1,453,000
	Altos Del Mar Park Project Phase I	-	-	-	-	-	14,383	14,383	-	-	-	-	-	-
Sum		-	-	-	-	-	1,714,383	1,714,383	-	-	-	-	-	1,504,000
Available Balance								1,714,383						
FY16 Proj Revenue								-						
Remaining Available Balance								-						
370 RCP - 1996 15M GO Bond														
pkslamgob	Flamingo Park	336,423	-	-	-	-	-	-	-	-	-	-	-	336,423
pkmmussprk	Muss Park	295,629	-	-	-	-	-	-	-	-	-	-	-	295,629
pfmpkmaint	Parks Maintenance Facility	373,306	-	-	-	-	-	-	-	-	-	-	-	373,306
	Altos Del Mar Park Project Phase I	-	-	-	-	-	104,175	104,175	-	-	-	-	-	-
Sum		1,005,358	-	-	-	-	104,175	104,175	-	-	-	-	-	1,005,358
Available Balance								104,175						
FY16 Proj Revenue								-						
Remaining Available Balance								0						

FUNDING	PROJECT NAME	Prior Years	2014/15	FY15 Amendments	FY15 Borrowed \$	2015/16 Programmed	FY16 New Requests	FY16 Proposed Budget	2016/17 Programmed	2017/18 Programmed	2018/19 Programmed	2019/20 Programmed	Future	Total
382 2003 GO Bonds - Fire Safety														
	Fire Station #4 Exterior Paint & Waterproofing - R&R	-	-	-	-	-	43,610	43,610	-	-	-	-	-	43,610
Sum		217,229	625,000	-	-	-	-	43,610	-	-	-	-	-	885,839
	Available Balance							43,610						
	FY16 Proj Revenue													
	Remaining Available Balance													
383 2003 GO Bonds - Parks & Beaches														
pkmprdog	Pinetree Dog Park Expansion	-	-	-	-	106,000	-	106,000	-	-	-	-	-	106,000
pknnsptles	Normandy Shores Park Fitness Circuit	-	-	-	-	-	112,000	112,000	-	-	-	-	-	112,000
	Palm Island Park Landscaping, Sod, and Irrigation	-	-	-	-	-	41,000	41,000	-	-	-	-	-	41,000
	Altos Del Mar Park Project Phase I	-	-	-	-	-	-	19,026	-	-	-	-	-	19,026
Sum		12,862,226	-	-	-	106,000	112,000	278,026	-	-	-	-	-	13,140,252
	Available Balance							278,026						
	FY16 Proj Revenue													
	Remaining Available Balance													
389 South Pointe Capital (As of FY 16 only funding Sea Level Rise & Seawall projects)														
encbaywalk	Baywalk Phase 1	-	-	-	-	715,000	-	715,000	-	-	3,000,000	-	-	3,000,000
enninbchsw	Indian Beach Park Seawall	-	-	-	-	275,000	-	275,000	-	-	-	-	-	715,000
ensbayrdsw	Seawall-Bay Road Rehabilitation	-	-	-	-	548,000	-	548,000	-	-	-	-	275,000	550,000
enslinccsw	Seawall-Lincoln Court Rehabilitation	-	-	-	-	548,000	-	548,000	-	-	-	-	-	548,000
ennindcrsw	Indian Creek Park Seawall	-	-	-	-	-	708,501	709,000	-	-	-	-	-	-
	Normandy Shores Park Seawall	-	-	-	-	-	225,478	226,000	-	-	-	-	-	-
Sum		48,059,329	10,574,000	4,300,000	-	1,538,000	933,979	2,473,000	-	-	3,000,000	-	275,000	67,746,329
	Available Balance							13,840,952						
	FY16 Proj Revenue													
	Remaining Available Balance							11,367,952						
cty Miami-Dade County Bond														
pfccconvctr	Convention Center	-	54,400,000	-	-	-	-	-	-	-	-	-	-	54,400,000
Sum		7,509,847	54,400,000	-	-	-	-	-	-	-	-	-	-	61,909,847
	Available Balance													
	FY16 Proj Revenue													
	Remaining Available Balance													
ppb Proposed Parking Bonds														
pgcprefgar	Preferred Lot Parking Garage	-	59,500,000	-	-	-	5,300,000	5,300,000	-	-	-	-	-	64,800,000
Sum		-	59,500,000	-	-	-	5,300,000	5,300,000	-	-	-	-	101,678,000	166,478,000
	Available Balance													
	FY16 Proj Revenue													
	Remaining Available Balance							(5,300,000)						

FUNDING	PROJECT NAME	Prior Years	2014/15	FY15 Amendments	FY15 Borrowed \$	2015/16 Programmed	FY16 New Requests	FY16 Proposed Budget	2016/17 Programmed	2017/18 Programmed	2018/19 Programmed	2019/20 Programmed	Future	Total
prd Proposed Future RDA Bonds														
rws17thstn	17th Street North Imprv Penn Av to Wash	-	2,000,000			-			-	-	-	-	-	2,000,000
pkcbassph2	Bass Museum Interior Space Expansion	-	3,750,000			-			-	-	-	-	-	3,750,000
pfconvctr	Convention Center	-	274,300,000			-			-	-	-	-	-	274,300,000
rwmconvctr	Convention Center Lincoln Rd Connectors	-	10,000,000			-			-	-	-	-	-	10,000,000
rwslnwash	Lincoln Road Washington Av to Lenox Ave	-	20,000,000			-			-	-	-	-	-	20,000,000
Sum		-	310,050,000	-	-	-	-	-	-	-	-	-	-	310,050,000
Available Balance														
FY16 Proj Revenue														
Remaining Available Balance														
prt Proposed Future Resort Tax 1% Bond														
pfconvctr	Convention Center	-	204,500,000			-			-	-	-	-	-	204,500,000
Sum		-	204,500,000	-	-	-	-	-	-	-	-	-	-	204,500,000
Available Balance														
FY16 Proj Revenue														
Remaining Available Balance														
unf Unfunded														
pkcasprdrv	Driveway and Sidewalk Repairs	-	-			Moved to Fund 187			-	-	-	-	-	-
enninbchsw	Indian Beach Park Seawall	-	-			Moved to Fund 389			-	-	-	-	-	-
rwmicbridg	Indian Creek Pedestrian Bridges	-	-						-	-	-	-	595,000	595,000
rwirrmacc	Irrigation Sys MacArthur Cswy Repair/Upg	-	-						-	-	-	-	28,000	28,000
pkmnoptrrp	Nautilus / Orchard Park Tree Replacement	-	-						-	-	-	-	119,000	119,000
trnbtownc	North Beach Town Center Complete Streets	-	-						-	-	-	-	1,672,000	1,672,000
rwnnbtctsi	North Beach Town Center Streetscape Imp	-	-						11,790,000	-	-	-	-	11,790,000
pknnospmf	NSOP Beach Maint. Facility	-	-						-	-	-	-	2,745,000	2,745,000
pkspalmfou	Palm Island Fountain	-	-						-	-	-	-	100,000	100,000
pkmpinedog	Pinetree Dog Park Expansion	-	-			Moved to Fund 383			-	-	-	-	-	-
rwnirraltr	Repair & Upgrade Irr Sys 2000-6300 Alton	-	-						-	-	-	-	72,000	72,000
ensbayrdsw	Seawall-Bay Road Rehabilitation	-	-			Moved to Fund 389			-	-	-	-	275,000	275,000
ensbiscbse	Seawall-Biscayne Bay St End Enh Phil	-	-						-	-	-	-	542,000	542,000
pwndaveshr	Seawall-Dickens Av Shoreline & Bike Path	-	-						-	-	-	-	150,000	150,000
enmindcrkg	Seawall-Indian Creek Greenway	-	-						-	-	-	-	15,000,000	15,000,000
enslinccsw	Seawall-Lincoln Court Rehabilitation	-	-			Moved to Fund 389			-	-	-	-	-	-
pkswatrest	Water Tower Restoration Star Island	-	-						-	-	-	-	593,000	593,000
pwnwbdpken	West Bay Drive Parking Enhancements	-	-						-	-	-	-	120,000	120,000
pkfiam10g	Flamingo 10g-6 Street ROW improvements	-	-						1,441,264	-	-	-	-	1,441,264
Sum		-	-	-	-	-	-	-	13,231,264	-	-	-	22,011,000	35,242,264
Available Balance														
FY16 Proj Revenue														
Remaining Available Balance														
Possible Grant Funding Will know by July 2015														
	Neptune		-				30,000	30,000	-	-	-	-	-	-
	Madeline		-				25,000	25,000	-	-	-	-	-	-
	Lottie		-				150,000	150,000	-	-	-	-	-	-
	Barclay (possibly be funded by a developer and we need to check with Trish if this will be a city asset.)		-				6,000,000	6,000,000	-	-	-	-	-	-
Sum		-	-	-	-	-	6,205,000	6,205,000	-	-	-	-	-	-
Available Balance														
FY16 Proj Revenue														
Remaining Available Balance								(6,205,000)						

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

COMMITTEE MEMORANDUM

TO: Members of the Finance and Citywide Projects Committee

FROM: Jimmy L. Morales, City Manager

DATE: July 1, 2015

SUBJECT: **RECOMMENDED FY 2015/16 ENHANCEMENTS AND REDUCTIONS/EFFICIENCIES**

The preliminary Current Service Level (CSL) budget based on June 1st property values reflected a net surplus of \$3.6 million. At the June 3rd Finance and Citywide Projects Committee meeting, direction was given to assume a millage rate reduction of 0.0557, which is half of the remaining millage rate goal. The millage rate reduction reduced the CSL surplus to \$2.5 million. The impact to a property owner of a homesteaded property would be that the property tax bill to the City of Miami Beach would decrease \$1 for a median property and \$3 for an average property.

Homesteaded Properties				
	FY 2014/15		FY 2015/16	
			with 0.8% CPI	
	Median	Average	Median	Average
2014 Preliminary Taxable Value	\$ 143,680	\$ 351,189	\$ 144,829	\$ 353,999
City of Miami Beach				
Operating	\$ 833	\$ 2,035	\$ 835	\$ 2,040
Voted Debt	33	81	30	73
Total Miami Beach	\$ 866	\$ 2,116	\$ 865	\$ 2,113
\$ Change in Taxes				
Operating			\$ 2	\$ 5
Voted Debt			(3)	(8)
Total Miami Beach			\$ (1)	\$ (3)

* Source: Miami-Dade County Property Appraiser's - 2014-average-median-homestead-residential-values file

As requested by the Chair of the Committee, departments were requested to submit lists of potential reductions/efficiencies totaling 5 percent of their FY 2014/15 budgets. A list of the potential 5 percent reductions can be found in [Attachment A](#). The lists were reviewed extensively by the City Manager, Executive Team, Department Directors, and the Budget Office. As a result of this review, recommended reductions/efficiencies totaling \$1,234,750 were identified. Of this amount, \$1.0 million is recommended for additional Pay-As-You-Go (PAYGO) funding for capital projects. The remainder, \$234,750, is available for allocation by the Commission.

Recommended enhancements in the General Fund can be found in [Attachment B](#) that total \$2,500,000 (net of additional Resort Tax contribution of \$630,000 and \$1.0 million of reductions/efficiencies).

These enhancements help address several of the City's strategic priorities. Examples include:

- Addressing traffic congestion by adding an additional motor unit
- Improving Police culture by reimbursing ten police recruits to complete Police Academy training
- Supporting the State Attorney's Human Trafficking Task Force
- Completing funding for a License Plate Reader system on MacArthur Causeway
- Enhancing various recreation programs
- Supporting the para-rowing program at Shane Rowing Center
- Developing a Climate Action Plan
- Creating the Urban Forestry Tree Preservation program
- Developing a GIS tree inventory
- Marketing funds to promote North Beach
- Expanding the Freight Loading Zone program throughout the city
- Enhance preventive maintenance of storm water and sewer infrastructure
- Expand the Can-On-Every-Corner initiative
- Streamlining records management across the organization

Potential enhancements requested by departments but not recommended for inclusion in the Proposed Budget can be found in Attachment C.

In summary, the recommended enhancements and reductions/efficiencies result in a net unallocated surplus of \$234,750 still available for additional enhancements or additional millage rate reduction. The last factor that may increase or decrease the remaining surplus is the pending change in property tax revenue from the certified property values that will be available on July 1st, the date of this meeting. In general, the certified values from July 1st tend to be slightly higher than the preliminary values from June 1st. Each additional 0.1 percent equals \$120,000. For example, if the certified values were 12.4 percent instead of the 12.0 percent of the preliminary values, there would be a positive impact to the surplus of \$480,000 ($\$120,000 * 4$).

Preliminary CSL surplus --based on June 1st values	3,600,000
Millage rate reduction --50% of remaining millage rate goal	(1,100,000)
Updated CSL surplus	2,500,000
Recommended enhancements	(4,130,000)
Additional Resort Tax contribution	630,000
Recommended reductions/efficiencies	1,234,750
Unallocated surplus	234,750
Change in taxable values --based on July 1st values --each 0.1 percent equals \$120,000	TBD

**ATTACHMENT A
POTENTIAL FY 2015/16 REDUCTIONS/EFFICIENCIES**

Program/Function (before reduction)	5% Potential Reduction	Recommended Reduction	Potential Reduction/Efficiency	Potential Impact
BUILDING				
GENERAL FUND				
Elevator Permits: \$658K 5 FTE's	658,000	658,000	Move the elevator section to the Public Works department	The elevator section currently operates from the Building Department and has annual offsetting revenue. It has been determined that this revenue is not restricted for building enforcement purposes. As such, the function and offsetting revenue can be moved to Public Works and result in a net savings to the General Fund of 658,000.
5% = \$679,500 Total	658,000	658,000		
CAPITAL IMPROVEMENT PROJECTS (CIP)				
GENERAL FUND				
Construction Management / Construction Administration: \$4.9M 36 FTE's	250,000	-	Eliminate 3 positions	This reduction would eliminate 3 positions involved in the implementation of capital projects. There would be a reduction of approximately 5 of 35 projects (14%) that would start design and construction next fiscal year. Only the highest priority capital projects would be implemented.
5% = \$245,150 Total	250,000	-		
CITY ATTORNEY				
GENERAL FUND				
Legal Services: \$5.0M; 21 FTE's	135,000	-	Eliminate a Senior Assistant City Attorney position	Having the appropriate staffing to support the City Attorney's Office is essential in order for the Office to provide prompt and comprehensive legal services to the City Commission and City Administration. This position was reduced in FY08/09 and added back in FY14/15 to assist with the additional volume of transactional work. The reduction would increase turnaround time required to resolve matters, and would create an additional burden on those attorneys who would have to assume the additional workload.
	20,000	-	Reduce outside counsel (non-labor)	This reduction would reduce professional service fees used to pay outside (non-labor) counsel. The impact is that more work would be required in-house, and that the knowledge specialized training and other resources of outside counsel would not be available.
	100,000	-	Reduce outside counsel (labor)	This reduction would reduce professional service fees used to pay outside (labor) counsel. The impact would increase the potential for future lawsuits and labor negotiations currently underway would take longer to resolve.
5% = \$250,850 Total	255,000	-		
CITY CLERK				
GENERAL FUND				
Special Master: \$125K 2 FTE's	75,000	-	Eliminate a Code Violation Clerk	Having the appropriate staff to support the Office of the Special Master is essential in order for the Office to provide prompt and comprehensive service to the Special Master, the public, and City Departments (Code, Fire, Building, Parking, Historic Preservation Board and Police (Red Light Camera Violations)). The reduction would increase the turnaround time required to resolve Code Violations, and would create additional burden on the City Clerk's staff that would have to assume the additional work. In addition, the number of Special Master hearings must be reduced from four to three times a month. Special Master hearings are held four times a month including both day and evening hearings. By undertaking these reductions, compliance with the Code within a reasonable time frame may be impacted, as hearings and compliance will be set further into the future.
5% = \$68,700 Total	75,000	-		
CITY CLERK - CENTRAL SERVICES				
INTERNAL SERVICE FUND				
Printing (Agendas & Budget Documents): \$27K	27,100	27,100	Eliminate printing of Commission Meeting agendas, Commission Committee agendas, Land Use Boards agendas, and Annual Budget documents	Once the automated agenda goes live by November 2015, in an effort to go green throughout the City, we propose stopping printing agendas for City Commission meetings, Commission Committee meetings, Land Use boards meetings, and budget books. The Mayor/Commission and City Staff would no longer receive hard copies and would instead utilize their PC or iPad to view agendas and backup materials. By eliminating printing of these items, the overtime in Central Services would be eliminated, since it would not be necessary to print the books all night prior to delivery. By eliminating overtime, there would not be a need for allowances to pay for meals. We would also discontinue ordering extra paper/printing supplies to keep in stock, instead it would be ordered on an as needed basis.

**ATTACHMENT A
POTENTIAL FY 2015/16 REDUCTIONS/EFFICIENCIES**

Program/Function (before reduction)	5% Potential Reduction	Recommended Reduction	Potential Reduction/Efficiency	Potential Impact
Mail Room/Print Shop: \$302K 4 FTE's	69,000		Eliminate a Central Services Technician	Having the appropriate staff to support the Mail Room Functions is essential in order to ensure that letters and packages are promptly sent and delivered in and out of the workplace. Eliminating this position will impact every City Department, as everyone sends and receives mail. The timeliness of getting mail to clients and residents is crucial. The reduction would increase the intervals between mail distribution and pickup. Large outgoing mailings, especially those requiring collating letters or brochures and stuffing and stamping the envelopes may have to be outsourced. The turnaround time required for print jobs would also be impacted, as the staff that is currently assigned to the print shop would be utilized to undertake the essential functions of the mailroom.
<i>5% = \$52,300 Total</i>	96,100	27,100		
CITY MANAGER				
GENERAL FUND				
City Management/Administration \$3.4M, 15 FTE's	70,000	70,000	Eliminate Ethics Hotline	This reduction would eliminate the Ethics Hotline funded during FY13/14. The recommended approach would be to leverage the existing FBI corruption hotline which is currently advertised on the City's website and MBTV. The FBI corruption hotline is preferable to an internal ethics hotline because it offers a potential whistleblower greater protection from an independent law enforcement agency. The City currently has a police officer assigned to the FBI public corruption investigation task force. In addition, the Miami-Dade County Office of the Inspector General has a "Report Fraud" phone number at 305-579-2593.
	88,000		Consolidation of administrative staff	This reduction would eliminate one administrative support position. The current service level for responding to inquiries and complaints from the public, as well as the ability to schedule meetings with City Manager staff members would increase from 1 day to 2 days response time resulting in greater wait times for the public.
	12,000		Eliminate funding for professional services	Funding for professional services agreements for specific projects would be unfunded (i.e. services used for Executive staff recruitment, consultants etc.)
<i>5% = \$170,750 Total</i>	170,000	70,000		
CODE COMPLIANCE				
GENERAL FUND				
Green Team: \$115K, 2 FTE's	115,000	115,000	Eliminate Green Team	These positions were planned to make up a "Green Team" to increase the City's monitoring of waste runoff. Initially funded in FY 13/14 pending the City obtaining some level of jurisdiction that ensured the enforcement authority over grease traps by Q2-2015. DERM has not relinquished the authority for the City to have full jurisdiction over grease trap investigations and penalties so these positions have not been filled. This elimination will have no impact.
Proactive Code Activities Entertainment District: \$191K; 3 FTE's	191,000		Eliminate Proactive Code Enforcement in the Entertainment District	Code Compliance Officer positions were added to establish a more proactive Code Compliance environment in addressing quality of life and safety concerns within the Entertainment District. The Administrative Aide I position was added to assist in handling the increased workload generated. With these reductions, the handling of Code Compliance issues within the Entertainment District would be on a complaint driven basis. Delays will occur in the addressing of quality of life and safety issues and response time may be increased as the workload would be distributed to existing staff.
<i>5% = \$277,650 Total</i>	306,000	115,000		
COMMUNICATIONS				
GENERAL FUND				
MB magazine: \$165K	70,000		Reduce the quality of MB magazine	Downgrade the quality & amount of pages that was recently upgraded to improve external communications. The quality and quantity of information would significantly reduce the community satisfaction rating of external communication efforts.
<i>5% = \$70,500 Total</i>	70,000			
EMERGENCY MANAGEMENT				
GENERAL FUND				
Homeland Security: \$47K	47,000		Eliminate Security Assessment & Crime Prevention Design program	Eliminating the Homeland Security Assessment Program prevents measures from being taken as necessary to provide Public Safety in Government buildings surrounding City Center. This program is used to retrofit City Hall with the security monitoring systems to protect Elected Officials, Residents, Personnel and Visitors from potential threats.

**ATTACHMENT A
POTENTIAL FY 2015/16 REDUCTIONS/EFFICIENCIES**

Program/Function (before reduction)	5% Potential Reduction	Recommended Reduction	Potential Reduction/Efficiency	Potential Impact
City Warning Point: \$160K 3 FTE's	160,000	-	Eliminate City Warning Point program	Eliminating the City Warning Point (CWP) that was created in FY13/14 would prevent 24/7 coverage, response, and notifications to City personnel regarding emergency alerts, special events, traffic issues, and security issues. This would also reduce CWP ability to take live 604-CITY calls, traffic management notifications, social monitoring, after hours traffic, special events support and force the return to the process of responding to voice messages left by concerned residents.
9-1-1 Center (PSCU): \$6.8M 62 FTE's	233,000	-	Eliminate four 9-1-1 call taker positions	Reduced staffing in the 9-1-1 Center will have a negative impact to response times as 9-1-1 personnel may be overwhelmed by call volumes during high profile events and holidays. This reduction would also increase overtime and forced shifts for existing staff resulting in additional turnover.
<i>5% = \$442,650 Total</i>	<i>440,000</i>			
FINANCE				
GENERAL FUND				
Investment Advisory Services contract: \$572K	207,000	207,000	Reduce Investment Advisory Services fees	Due to a newly negotiated contract, the custodial fees and arbitrage costs for the Investment Advisory Services fee can be reduced without impacting service levels.
Passport Program: \$85K 1 FTE	85,000		Eliminate Passport program	This reduction would eliminate one position currently used to process approximately 2,800 passport applications annually. This program is a convenient service that the City currently provides. Citizens would have to go to one of 32 other locations in Miami-Dade County to process passport applications.
<i>5% = \$265,400 Total</i>	<i>292,000</i>	<i>207,000</i>		
FIRE				
GENERAL FUND				
Fire Suppression/Rescue: \$24.0M; 191 sworn Fire FTE's	1,980,000	-	Eliminate 18 Firefighter positions	There is a minimal staffing ordinance which requires 44 personnel on-duty each shift. The reduction would result in 4-5 overtime positions each day.
Fire Prevention: \$315K; 5 Fire Inspectors	126,000	-	Eliminate 2 Fire Inspector positions	This reduction would cause a significant back log of annual fire inspections for all existing buildings.
Fire Prevention: \$906K; 7 Protection Analysts; 2 Fire Plan Analysts	306,000	-	Eliminate 1 Fire Plans Analyst and 2 Protection Analysts	This reduction would cause a considerable delay in the approval of building plans for all new construction requiring Life Safety Systems. There would also be a considerable delay in obtaining a Certificate of Occupancy (CO).
Ocean Rescue/29 Lifeguard Towers - \$5.6M; 120 FTE's	746,000		Eliminate staffing for 6 lifeguard towers	This reduction would eliminate the enhancement approved mid-year during FY15 to expand lifeguard coverage to improve public safety at six locations: <ul style="list-style-type: none"> • Between 64th and 53rd Streets • Between 30th and 21st Streets • Between 46th and 41st Streets • Between 53rd and 46th Streets • Between 69th and 64th Streets • 4th Street Beach
<i>5% = \$3,164,200 Total</i>	<i>3,158,000</i>			
HOUSING & COMMUNITY SERVICES				
GENERAL FUND				
Medical shelter beds provided by Citrus Health (AIF): \$47K	47,450	27,450	Eliminate medical shelter beds budget	In the past, clients with medical impairments have been placed in a medical shelter bed instead of a normal shelter bed, resulting in additional cost. Shelters have become increasingly ADA compliant resulting in less of a need for specialized medical beds. The recommended reduction is not anticipated to have a negative effect as the remaining \$20,000 in the program budget is expected to meet the anticipated need for medical beds. This need is anticipated to continue to decrease over time.
Criminal background checks for the homeless: \$11K	4,800	4,800	Reduce criminal background checks budget	The recommended reduction has no impact due to new criminal background check contract costs being \$4,800 less than prior contract.
Homeless Relocation: \$24K	24,000	-	Eliminate homeless relocation	Eliminate current funding for homeless relocation that covers the cost of relocation for 60-70 people a year. The relocation procedure includes verification of housing at destination as a condition of travel. Costs include bus ticket and meals. Average travel time is 1.5 days.

**ATTACHMENT A
POTENTIAL FY 2015/16 REDUCTIONS/EFFICIENCIES**

Program/Function (before reduction)	5% Potential Reduction	Recommended Reduction	Potential Reduction/Efficiency	Potential Impact
Community Services Resident Center staffing: \$175K, 3 FTE's	53,116	-	Eliminate one position at Resident Center	This position assists with immediate financial or service emergencies such as rental & utility assistance and emergency food & shelter. This reduction would result in increased wait time, multiple visits, and reduced quality of service.
<i>5% = \$120,250 Total</i>	<i>129,366</i>	<i>32,250</i>		
HUMAN RESOURCES & LABOR RELATIONS		GENERAL FUND		
Overtime: \$10K	10,000	-	Reduce overtime	The HR department now has only 4 employees who are non-exempt from overtime. The highest hourly rate subject to overtime decreased from \$33,326 to \$25,095.5
Consulting for pre-employment and promotional testing: \$87K	42,000	-	Reduce civil service examinations	Reduce the number of civil service examinations from 29 to 15 exams at \$3,000 each. Fewer civil service examinations will be developed
Independent contractor agreements to hear Step III grievances: \$42K	17,000	-	Eliminate two independent contractor agreements	Reduce the amount budget for two independent contractor agreements. In-house staff would have to assume the responsibility for hearing and responding to these grievances, adding to an already significant workload
Personnel Board: \$12K	12,000	-	Eliminate Personnel Board	The Personnel Board meets 11 times per year. The HR Director serves on the Board and an administrative position takes minutes. To eliminate the Personnel Board without adding costs to the City the question will have to be posed during a normal election.
<i>5% = \$108,600 Total</i>	<i>81,000</i>			
HR - MEDICAL/DENTAL		INTERNAL SERVICES FUND		
Medical/Dental Plan Coverage: \$26.2M 2 FTE's	1,350,000	-	Reduce medical/dental plans	All health insurance coverage except for the HMO standard plan will exceed the government's threshold and be subject to a 40% excise tax in 2018. Greater out of pocket expenses for employees and retirees
City Subsidy for FOP and IAFF: \$7.2M	4,900,000	-	Reduce all subsidies to FOP and IAFF to no more than 50%	City subsidy for members covered by the FOP and IAFF health trusts vary between 77 to 93% of the premium. Greater out of pocket expenses for employees and retirees
<i>5% = \$1,334,800 Total</i>	<i>6,250,000</i>			
HR - RISK MANAGEMENT		INTERNAL SERVICES FUND		
Windstorm Insurance: \$2.1M	368,000	-	Reduce windstorm insurance	Currently the City has \$20M of windstorm coverage. This reduction would lower the coverage by \$5 million per year. The City assumes a greater risk in the event of losses resulting from a tropical storm or hurricane and may jeopardize eligibility for FEMA relief under the Stafford Act.
Risk Fund deficit: \$3.2M	108,000	-	Increase Risk Fund deficit	Decrease the amount allocated to reduce the \$3.2M risk management deficit. It will take longer to eliminate the deficit
Workers Comp Claims: \$4.5M 6 FTE's	250,000	-	Reduce workers comp claims budget	The City runs the risk of not having the proper resources allocated to run the program properly.
<i>5% = \$776,200 Total</i>	<i>726,000</i>			
INFORMATION TECHNOLOGY		INTERNAL SERVICES FUND		
PC Replacements: \$850K	100,000	100,000	Accelerate planned implementation of Virtual Desktop Infrastructure	The implementation of Virtual Desktop Infrastructure was planned for a limited implementation in FY16/17 and this reduction would accelerate the rollout to FY15/16. Select users that are scheduled to have their PC's replaced would use Dell Virtual Desktop Infrastructure instead of a traditional PC. There may be initial challenges and lessons learned as part of the initial rollout, but there is potential for substantial long-term savings.
Support Services: \$1.8M 21 FTE's	250,000	50,000	Estimated anticipated savings from Telecom Audit	A telecom audit has been initiated during FY14/15 that is anticipated to result in savings from billing errors, etc. The last audit was performed 1997. The audit is anticipated to have a minimal impact to users. IT staff is impacted as there is an amount of effort and labor that is involved. The more effort that IT and the selected vendor put forth, the more likely that savings are found. However, the labor committed to doing this reduces the work capacity for other projects. The recommended reduction of \$50,000 reflects a realistic savings target that could increase to as much as \$250,000.

**ATTACHMENT A
POTENTIAL FY 2015/16 REDUCTIONS/EFFICIENCIES**

Program/Function (before reduction)	5% Potential Reduction	Recommended Reduction	Potential Reduction/Efficiency	Potential Impact
	137,000	-	Eliminate Eden reporting position	The IT Department currently has a position with the history and experience to produce complicated reports from Eden in a timely fashion for client departments. As a result of this reduction, accounts payable, receivables, payroll, benefits, compensation, labor relations, budget, and capital improvement reports from Eden would not be produced by IT. All departmental staff outside IT would be forced to use Query-by-Example (QBE) for most simple reports and would call Eden directly for more complex reports, which would result in a large reduction in service level. Furthermore, the complexity and urgency of these reports is such that the cost to have Eden produce them would likely exceed the financial cost and time requirements that the City currently invests in this function.
	98,000	-	Eliminate project management for IT Steering Projects and all other IT projects	In the last two years, the IT Steering Committee has moved to a centralized project management approach (best practice) for implementation of all IT projects for more timely implementation of IT projects. This reduction would result in make the requesting department responsible for all aspects of project management and implementation. This would likely result in delays and increase the cost of projects as departments do not have the expertise to interface effectively with vendors and the IT department.
5% = \$598,450 Total		585,000	1,500,000	
OFFICE OF BUDGET & PERFORMANCE IMPROVEMENT				
GENERAL FUND				
Internal Audit: \$883K 10 FTE's	70,000	-	Eliminate 1 Internal Auditor position	This reduction would reduce audit coverage of high risk areas from 90% to 79% and eliminate the Internal Audit Division's capacity for follow-up audits. Position was added in FY15.
Budget & Perf. Improvement: \$954K 8 FTE's	70,000	-	Eliminate 1 Budget Analyst position	Reduce financial oversight of Capital and Operating Budget process (including Renewal and Replacement projects) and the department's capacity for proactive analyses, process improvement and performance initiatives. This position was eliminated during the FY08 budget process and restored in FY14.
5% = \$112,100 Total		140,000	-	
ORGANIZATIONAL DEVELOPMENT & PERF. INITIATIVES				
GENERAL FUND				
Organization Development: \$572K 2 FTEs	25,000	-	Reduction in FIU internship program	This reduction would decrease by approximately 50 percent the FIU internship program established during FY14/15. This program provides a stipend to FIU undergraduate (\$10 per hour) and graduate students (\$13 per hour) that commit to internship opportunities with the City for 240 hours per semester. The current program is funded for 18-24 interns annually and the potential reduction would reduce funding to 9-12 interns annually.
5% = \$25,100 Total		25,000	-	
PARKING				
ENTERPRISE FUND				
Holiday Lighting: \$55,000	55,000	-	Eliminate holiday lighting at parking garages	Not installing lights would impact City Holiday appearance.
Multispace extend by phone: \$45K	45,000	-	Eliminate multispace extend by phone service	This is a feature available via our on-street meter pay stations that provide the ability to extend a parking session by text message if paid with a credit card. This feature is not currently offered. The ability to extend a parking session is currently available via the pay by phone (Parkmobile) application.
Implementation of Online Residential Verification: \$100K	100,000	-	Delay the development of additional online solutions for parking services	Eliminates funds to hire outside programmers to assist in the transition of services available online. Reduces ability to develop information technology solutions that would provide additional services online resulting in increased customer walk-ins. There are currently 11 new programs in queue that would be delayed if funding is not available for contracted IT services.
Inktel Call Center: \$50K	50,000	-	Eliminate call center funding	Call volume would increase at our reception desk with increased wait and response time for customers.
Cleanliness Index temp Staff: \$23K	23,000	-	Return cleanliness index assessment to city staff volunteers.	Inability to assess the cleanliness of garages and lots. Assessment would have to return to current city staff volunteers.
Merchant Hotel/House of Worship Validation Program: \$68K	68,000	-	Eliminate Merchant Hotel/House of Worship Validation Program	This initiative is part of the transition of all permits to license plate enabled platform. The full transition to license plate based permits would be delayed.

**ATTACHMENT A
POTENTIAL FY 2015/16 REDUCTIONS/EFFICIENCIES**

Program/Function (before reduction)	5% Potential Reduction	Recommended Reduction	Potential Reduction/Efficiency	Potential Impact
Oversight and coordination of parking landscaping: \$52K	52,000	-	Eliminate Greenspace position	This position is responsible for the oversight of parking greenspace contracts ensuring that all areas meet CPTED (Crime Prevention Through Environmental Design) standards. Oversight of Parking contracts would need to be handled by other greenspace staff.
Parking lot & Garage grounds maintenance and landscaping: \$520K	233,000	-	Reduce the number of services in half (with the exception of the 365 service locations: 7th and 17th Street Garages)	Grounds maintenance of lots - a variation of 30, 36 or 365 services a year depending on location. Reduced frequency of ground maintenance services resulting in lower Cleanliness index scores
Enhanced parking lot cleanliness service level: \$141K	141,000	-	Eliminate parking lot cleaning enhancement	Return to previous levels before enhancement was approved in mid-year FY14/15 would result in lower Cleanliness index scores
Pressure cleaning/washdown and highgrade concrete treatment - garage appearance enhancement: \$1.39M	474,000	-	Reduction in pressure cleaning and concrete treatment	18% reduction in pressure cleaning and washdown services (\$228,000) and eliminate funding for concrete treatment (\$246,000). Would adversely impact garage appearance index.
Sanitation lot cleaning hours \$810K	202,500	-	Reduce parking lot cleaning	Reduce service levels by 25%. Negatively impact cleanliness and appearance of lots.
Memorial Day Weekend Off-duty Police at Garages: \$50K	25,000	-	Reduce funding 50% for off-duty police on Memorial Day weekend	Currently 2 officers are staffed at each of the 10 garages. We would only staff 2 officers at 5 garages (5th & Alton, 7th Street, 13th Street, 16th Street and 17th Street). Potential for increase in crime at garages without off-duty police. In FY13/14 there were 87 incidents at these 5 parking garages.
Security Guards for Garages: \$1.1M	221,000	-	Reduce security guards at garages by 10%	Reduce service levels by 10%. Reduction at 12th Street, 13th Street, 42nd Street, City Hall, Pennsylvania and Sunset Garages. Potential for increase in crime at City garages. In FY13/14 there were 128 incidents at these 6 parking garages.
Freight Loading Zone Police Overtime: \$150K	150,000	-	Eliminate funding for Police overtime related to increased FLZ enforcement	Increased traffic congestion due to unauthorized use of freight loading zones.
5% = \$1,827,300 Total	1,839,500	-		
PARKS & RECREATION			GENERAL FUND	
Community Special Events: \$150K	150,000	-	Eliminate providing free community special events	The Department holds 12 special events annually with average attendance of 1,000 each. Currently, these events are free to the public. Events could break even with a charge of \$2 to \$5, depending on the costs of the event.
Grounds Maintenance: \$2.1M	799,000	-	Reducing the level of service for parks grounds maintenance	The current grounds maintenance contract includes services beyond regular mowing such as tree and palm trimming, fertilization, mulch, and pressure cleaning. Reduction of this service would reduce the appearance and condition of the City's parks.
Summer Camp Field Trips: \$70K	70,000	-	Eliminate field trips for Summer Camp participants	Summer camp participants attend 2 field trips during the summer. The cost includes entrance fees, lunch and transportation to and from location. Currently, the cost of summer camp is \$545 for 11 weeks of camp or about \$50 per week. In comparison, most summer camp programs charge approximately \$100 per week.
Summer Camp Staffing: \$1.1M 11 F/T, 51 P/T, 40 seasonal	540,000	-	Reduce the number of participants in Summer Camp to an amount manageable for year-round staff	Provide Summer Camp with year round staff, reducing the number of participants and the program times. This would eliminate the number the expense of hiring seasonal recreation staff (40 positions) which reduces expenses by 50%. The current number of Summer Camp participants is 1,200 with a waiting list of about 120. This reduction would limit the number of participants to approximately 750.
5% = \$1,457,350 Total	1,559,000	-		

**ATTACHMENT A
POTENTIAL FY 2015/16 REDUCTIONS/EFFICIENCIES**

Program/Function (before reduction)	5% Potential Reduction	Recommended Reduction	Potential Reduction/Efficiency	Potential Impact
PLANNING				
GENERAL FUND				
Traffic/Acoustic Study Peer Reviews: \$190K	80,000	-	Reduce traffic/acoustic study peer reviews by 50%	Would cause delays in applications being heard before the Land Use Boards, and would also create a comparable decrease in the department's revenue. This initiative was created in response to the requirements in City Code Section 118-6, relating to the use of consultants for applications seeking development approval, via applications to a City land use board (Planning Board, Board of Adjustment, Historic Preservation Board and Design Review Board). This requirement ordained in March, 2010, slowed down the application/hearing process considerably, consistently increasing the turnaround time from application to hearing from 45 days to 120 days. The increase in days is due to the City having to wait for the clearance of funds received from the board applicant, before proceeding with requisitioning and subsequently receiving a City Purchase Order, which is the contracted consultant's notice to proceed. This reduction would increase the turnaround time for these applications being heard at any Land Use board, would be counterproductive, and reverse gains achieved in the policies and procedures established in the compliance with this section of the Code. Please note, that the Planning Department is currently reviewing all fees, as they have not been increased/adjusted for several years, and expects to present a substantially increased fee schedule to the Administration before the end of the fiscal year.
E-Recording: \$50K	50,000	-	Eliminate E-Recording service	Would eliminate ability to record all final orders, as the estimate is based on an average historical number of orders. This would also affect the timely processing of Public Records Requests and adversely affect the services we provide to the public, going against the City's endeavor of transparency in its functions/processes. This is an agency-wide initiative (Planning, Building, City Clerk, Finance, etc.), to ensure that we keep the chain of custody of our permanent records. Not fully functioning as a part of the agency-wide initiative may cause delays in other departments.
Independent landscape Contractor: \$30K	30,000	-	Eliminate independent landscape contractor	Increase the turnaround time for Plan Review of landscape requirements. This reduction would delay the processing of Building Permits in some cases by an additional three weeks, and delay projects being submitted to the Land Use Boards by an additional month.
Independent Plan Review Contractor: \$30K	30,000	-	Eliminate independent plan review contractor	Increase the turnaround time for large scale plans and plans going before the Land Use Boards. This reduction would delay the processing of Building Permits in some cases by an additional three weeks, and delay projects being submitted to the Land Use Boards by an additional month.
<i>5% = \$196,000 Total</i>	<i>190,000</i>			
POLICE				
GENERAL FUND				
School Liaison Officers: \$206K; Contractual	206,000	-	Eliminate 4 School Liaison Officers & 1 School Liaison Supervisor (Total of 5 Contractual Services positions)	These positions serve as liaisons to the public elementary and middle schools on Miami Beach. Elimination will result in no officers being assigned to the public schools on Miami Beach which may result in additional incidents, longer response times, and lead to a greater dissatisfaction from within the community.
Citywide contracted Security Guards: \$969K; Contractual	969,000	-	Eliminate Citywide contracted security expenditures while maintaining RDA area (beach walks, boardwalks, Lincoln Road etc.)	These positions ensure a visible presence and deterrent at board walk, Lincoln Rd, city parks, City Hall and city recreation centers. Loss of these services would result more calls for service for police and lead to an increase in crimes.
Investigative purpose; \$253K; Contractual	253,000	-	Eliminate undercover leased vehicles	The elimination of this program would significantly effective the ability for investigators to conduct surveillance on potential criminals. This would have a negative impact on our ability to capture the most violent and dangerous criminals.
Public Safety: \$286K; 6 FTE's	286,000	-	Eliminate 6 Public Safety Specialist positions.	These position serve several functions within the police department. They have administrative as well as operational responsibilities. The elimination of these positions will greatly impact overall efficiency of the department. These are vital duties and would have to be performed by sworn personnel, thus increasing the sworn personnel workload.
Legal issues: \$125K; 1 FTE	125,000	-	Eliminate 1 Legal Advisor position, assigned to the Chief's Office.	This position was added mid-year during FY14/15. Elimination would impact department's overall efficiencies to manage and advise police staff on matters related to forfeitures, investigatory strategy, public request disclosure and other critical legal processes/research.

**ATTACHMENT A
POTENTIAL FY 2015/16 REDUCTIONS/EFFICIENCIES**

Program/Function (before reduction)	5% Potential Reduction	Recommended Reduction	Potential Reduction/Efficiency	Potential Impact
Public Information \$81K; 1 FTE	81,000	-	Eliminate 1 Police Officer position assigned to the Public Information Office.	Requests from the media and requests for information would be handled by the City's Public Information Officer.
Public Information \$87K; 1 FTE	87,000	-	Eliminate 1 Police Officer position assigned to the Police Athletic League.	Loss in relationship with youth program in City.
Public Safety \$660K; 6 FTE's	660,000	-	Eliminate 1 Sergeant, 5 Officers from Selective Traffic Enforcement/Motors Unit	Loss of \$240,000 in traffic fine revenue and result in inability to address traffic complaints effectively.
Public Safety \$685K; 8 FTE's	685,000	-	Elimination of Special Task Force Support (1 Officer assigned to US Marshall's Fugitive Task Force, 1 Officer assigned to Miami-Dade Robbery interdiction Detail, 1 Officer assigned to High Intensity Drug Trafficking Area Task Force, 1 Sergeant 2 Officers assigned to Public Corruption Task Force), 1 Officer assigned to MECTF; 1 Officer assigned to FBI Violent Crimes.	Loss of valuable resources to assist in major Miami Beach causes: <ul style="list-style-type: none"> • Reduced ability to address robberies that occur on Miami Beach • Loss of confiscation revenues • Diminished ability to investigate corruption cases • Loss of point person on intelligence issues affecting Miami Beach
Public Safety - Crime Investigations \$85K; 1 FTE	85,000	-	1 Officer assigned to the Cold Case Squad	Inability to investigate and pursue "cold cases". Miami Beach has approximately 100 unsolved murders in the past 30 years. Advancement in technology has permitted the cases to be re-opened and new information developed as a result. Portions of this squad's costs are partially funded by grants.
Public Safety - Crime Investigations \$430K; 5 FTE's	430,000	-	Eliminate 1 Sergeant and 4 Police Officer positions assigned to the Criminal Investigations Unit	Loss ability to effectively investigate and serve the victims, and impact the ability to provide 24hr and 7-day per week coverage for victims of crime.
Public Safety; \$421K; 5 FTE's	421,000	-	Eliminate 1 Sergeant and 4 Police Officer positions assigned to the Marine Patrol Unit	No enforcement of the wake and manatee zones. No water response to criminal violations or support of perimeters at water front homes. Loss capability of respond to boating accidents. Loss of capability to respond to any vessels or drowning victims. No patrolling of waterways for theft and burglary prevention. Unable to enforce the derelict vessels laws. No access to monument island. Emergency services would be deferred to Miami-Dade County and the Coast Guard.
Public Safety; \$324K; 4 FTE's	324,000	-	Eliminate 4 Police Officer positions assigned to the Neighborhood Resource Officers program.	These positions are liaisons to the community and play a key role in dissemination of critical information. In addition they spend hundreds of hours conducting presentations to the public and providing crime prevention information. The joint homeless outreach efforts would be discontinued. The programming - conducted at public schools within the city would be eliminated. The CPTED initiatives underway with planning and city infrastructure would be greatly reduced. The elimination of these positions will be devastating to the police department and the community as a whole.
Public Safety; \$89K; 1 FTE	89,000	-	Eliminate 1 sergeant position, assigned to the Park Ranger program.	This position serves as a liaison to the Park Ranger program. Elimination of this position would impact the collaborative effort between Police and Parks to address nuisance offenses and crime conditions in the parks.
5% = \$4,743,250 Total	4,701,000	-		

**ATTACHMENT A
POTENTIAL FY 2015/16 REDUCTIONS/EFFICIENCIES**

Program/Function (before reduction)	5% Potential Reduction	Recommended Reduction	Potential Reduction/Efficiency	Potential Impact
PROCUREMENT				
GENERAL FUND				
Procurement: \$1.3M 12 FTE's	1,500	1,500	Eliminate distribution of solicitation documents via CD	The City Code requires that as part of our bid solicitation process, bidders are required to pay \$20 per CD to pick up copies of the construction documents. This reduction would result in distribution of construction documents via a File Transfer Protocol (FTP) or the Public Purchase Website. This reduction would require a change to the City Code.
	5,000	5,000	Eliminate newspaper advertisements for bids under \$300,000	The City Code requires that bids shall be published once in at least one official newspaper having general distribution in the city and at least five working days preceding the last day set for the receipt of proposals. Most bidders today, rather than relying on newspaper advertisements, rely on electronic bid notification systems. The City uses one such system, Public Purchase, to advertise all competitive solicitations. Florida statutes only require that bids for construction over \$300,000 be advertised. This reduction would require a change to the City Code.
Living Wage and Equal Benefits Programs: \$85K 1 FTE	85,000	-	Eliminate Living Wage and Equal Benefits programs	In 2001, the City adopted Ordinance No. 2001-3301 to establish a living Wage Requirement which requires certain City contractors to pay their employees a living wage rate established by the City. Additionally, in 2005, the City approved Ordinance No. 2005-3494 to mandate that City contractors provide the same benefits they provide to married employees to employees with domestic partners. As a result of these Ordinances, in November of 2006, the City created a position to monitor compliance with these two ordinances. If these two programs were eliminated, the compliance position created in 2006 to monitor these programs will no longer be required. This reduction would require a change to the City Code.
<i>5% = \$83,350 Total</i>	<i>91,500</i>	<i>6,500</i>		
PUBLIC WORKS				
GENERAL FUND				
Streets: \$3.5M 13 FTE's	102,000	-	Eliminate annual maintenance contract of FDOT street lighting system	For the last seven years, the City has maintained the Florida Dept. of Transportation lighting system to install the original WiFi system. With this reduction, the City will turnover the maintenance back to the State of Florida. The City will not be able to install WiFi network on FDOT lighting poles which will result in the Police Department not being able to utilize the WiFi nodes, which could limit their capabilities. This reduction would require one year's notice.
	198,000	-	Reduce sidewalk maintenance/repairs	Reduction of sidewalk maintenance will result in an increased risk to the City before repairs can be made.
Greenspace: \$4.1M 15 FTE's	241,000	-	Reduce maintenance cycles of existing locations	Grounds Maintenance services would be reduced from 36 to 30 services annually within all contracted City Rights of Way, Municipal Buildings and Coastal Areas. Adjust level of Service for Greenspace locations that receive full service maintenance (turf mowing, edging, trimming, etc.) from 36 to 30 services per year with litter service on those days of service. Reduced services will result in a significant increase in turf grass height (from 6" to 8") between services, a higher occurrence of weeds (especially during wetter months,) landscape damage compounded over time due to a delayed remediation response (irrigation breaks, pest infestations, nutrient deficiencies,) unsightly landscape issues (dead/missing shrubs, broken tree limbs, damaged sod) remain unaddressed longer, extended maintenance times per site when a service does occur due to the amount of overgrowth between services. Ultimately, an increase in complaints and Egov requests regarding the City's perceived 'abandoned' appearance, and an overall diminished perception of the City and % reduced rating landscape maintenance in rights of way and public areas as excellent or good. Additional litter services at these locations will continue to be provided by Sanitation staff at approximately 2 x per week current service level.
<i>5% = \$545,550 Total</i>	<i>541,000</i>			

**ATTACHMENT A
POTENTIAL FY 2015/16 REDUCTIONS/EFFICIENCIES**

Program/Function (before reduction)	5% Potential Reduction	Recommended Reduction	Potential Reduction/Efficiency	Potential Impact
PUBLIC WORKS - FLEET MANAGEMENT			INTERNAL SERVICE FUND	
Automated Vehicle Locator (AVL) Program: \$255K	255,000	-	Eliminate AVL Vehicle Monitoring System	The AVL system was implemented in phases between FY09/10 and FY13/14 at a cost of approximately \$400K. This reduction would eliminate the web-based monitoring of approximately 900 City vehicles and result in losing the ability to track and monitor vehicle location, speeding, idling, starting/stopping and other conditions used to assess employee safety, quality, and performance.
<i>5% = \$234,850 Total</i>		<i>255,000</i>	<i>-</i>	
PUBLIC WORKS - PROPERTY MANAGEMENT			INTERNAL SERVICE FUND	
Janitorial Additional Services: \$200K	90,000	-	Reduce additional janitorial services at City Hall and the Police Station	City Hall Evening Porter Services & Police Station Day Porter Services would be eliminated.
A/C Services: \$140K	45,000	-	Reduce A/C preventive maintenance	This reduction would decrease the cycles in preventive maintenance care for the air conditioning equipment throughout the City. Filters would be changed less, bearings would be lubricated less often, and the overall inspection of air conditioning equipment would be inspected less frequently.
Electrical Services: \$200K	117,000	-	Reduce Electrical Services	Maintenance needs would be reduced forgoing timely repairs, management of Holiday and Autistic lighting programs. Special event support for Holiday's, unplanned repairs throughout the City.
Maintenance Services: \$350K	175,000	-	Reduce Maintenance Services	Maintenance repairs regarding ropes and post, dune fence repairs, mobi-mat management, flag management program, special event support during Holiday's would be eliminated.
Painting Services: \$100K	60,000	-	Reduce Painting Services	Unplanned painting needs throughout the City would be deferred. Support during the Holiday's and special events would be reduced.
<i>5% = \$487,700 Total</i>		<i>487,000</i>	<i>-</i>	
PUBLIC WORKS - SANITATION			ENTERPRISE FUND	
Beachfront Restrooms: \$476K	476,000	-	Eliminate Beachfront Restroom enhancement	This reduction would eliminate the Beachfront Restroom enhancement that was added in FY14/15 to add attendants to the beachfront restrooms in Lummus Park and 21st street on weekends, holidays, and special events. This reduction in service would result in a decrease in cleanliness and customer satisfaction.
Sanitation: \$19.5M 169 FTE's	58,000	-	Reduce waterway cleaning	This reduction would reduce the current 3rd day a week service cycle back to 2 days a week.
	198,000	-	Reduce 2nd additional crew on Lincoln Road & Washington Avenue	Cleaning cycles on Lincoln Road and Washington Avenue would increase from a 10 day cycle to a 15 day cycle. This reduction would not allow Sanitation to maintain and/or improve cleanliness scores in these high traffic tourist areas.
	70,000	-	Eliminate night crew on Beachwalk	Eliminating the night crew on Beachwalk would negatively impact the cleanliness index rating
	40,000	-	Merge mid-beach & north-beach pressure cleaning crew	Merge mid beach & north beach pressure cleaning crews into one. Cleaning cycles would increase from every 10 days to every 20 days which would negatively impact the cleanliness index rating.
	59,000	-	Decrease level-of-service on Beachwalk	This reduction would result in a decrease in level-of-service on Beachwalk from 7 days to 5 days per week which would negatively impact the cleanliness index rating.
	10,000	-	Eliminate dog waste dispenser bags	Elimination of dog dispenser bags will mean that there will be no bags provided for residents.
	30,000	-	Eliminate Anti-Litter campaign	Eliminate anti-litter campaign, ending the general public outreach/educational program
	44,000	-	Eliminate HOPE Day Labor program	Eliminate grant provided for HOPE Day Labor program between Jewish Community Services & CMB which will increase cleanliness scores in the areas they clean and discontinue beneficial programs for a vulnerable population.
	42,000	-	Reduce Crane Services	Reduce level-of-service on crane services on North end to as needed (1 position). It is anticipated that the volume of illegal dumping would increase and cleanliness rating would be negatively affected.
<i>5% = \$1,003,350 Total</i>		<i>1,027,000</i>	<i>-</i>	

**ATTACHMENT A
POTENTIAL FY 2015/16 REDUCTIONS/EFFICIENCIES**

Program/Function (before reduction)	5% Potential Reduction	Recommended Reduction	Potential Reduction/Efficiency	Potential Impact
PUBLIC WORKS - SEWER				
ENTERPRISE FUND				
Sewer Division: \$43.3M 34 FTE's	1,392,000	-	Eliminate operating contingency	This reduction would eliminate the operating contingency item for unforeseen sewer force main breaks or major sewer pump station mechanical or electrical failures.
	771,000	-	Eliminate spare pumps and variable frequency drives for pump stations	This reduction would reduce operating expenditures for sewer spare pumps and variable frequency drives for several sewer pump stations. As a result of this reduction, the Environmental Protection Agency (EPA) consent decree may not be met due to emergencies breaks or failures which sewer basins areas may end in moratorium resulting in no permits for new residential homes or commercial buildings such as hotels and/or condominiums.
5% = \$2,163,800 Total	2,163,000	-		
PUBLIC WORKS - STORMWATER				
ENTERPRISE FUND				
Stormwater Division: \$20.8M 28 FTE's	337,000	-	Eliminate operating contingency	This reduction would eliminate the operating contingency item for unforeseen stormwater pump failures both electrical and mechanical.
	646,000	-	Eliminate funding Sanitation Division for curb/gutter street sweepers	This reduction would eliminate the contribution of funds to Sanitation for curb/gutter street sweepers. Accumulation of debris may cause complaints from residents and commercial businesses and result in backed up drainage pipes and channels.
	50,000	-	Eliminate temporary labor	The elimination of temporary labor would cause a backlog of cleaning storm manholes, pipes and outfalls, as well as repairs during the year.
5% = \$1,040,200 Total	1,033,000	-		
PUBLIC WORKS - WATER				
ENTERPRISE FUND				
Water Division: \$33.4M 52 FTE's	1,082,000	-	Eliminate operating contingency	This reduction would eliminate the operating contingency item for unforeseen major water main repairs.
	250,000	-	Eliminate the city-wide water main assessment program	Eliminating this assessment will result in The City not being able to assess the conditions of the water main pipes for structural conditions. The City will be unable to assess which pipes need replacement, fixing or on the verge of a water main break.
	250,000	-	Eliminate emergency water main repairs	No emergency funds for major water distribution pipes on land.
	114,000	-	Reduce the amount of spare water pumps	Reduction of spare pumps for water pump stations.
5% = \$1,696,400 Total	1,696,000	-		
TOURISM, CULTURE, & ECONOMIC DEVELOPMENT				
GENERAL FUND				
Film/ Special Events Division: \$313K 5 FTE's	40,133	-	Eliminate Vacant Field Monitor Position	TCED Film/Special events Division issued 1,174 film and print permits along with 178 special events permits in 2014. The elimination of the Field Monitor Position would impact the routine monitoring of film, photography, special events production activities. The monitoring duties would then be added to the job duties of the other four employees within the division which would affect the customer service and turn around time for film, print and special event permits.
Art Education Program: \$105K	30,000	-	Reduce Program	30% reduction in arts classes offered at Miami Beach Schools, Parks and preschools (2014 attendance: 2,454 students). We currently have afterschool classes at Biscayne, North Beach and South Pointe Elementary Schools, Scott Rakow Youth Center and Flamingo Park, and 15 courses at two early childhood centers. Cultural Arts Council Division would still fund \$75,000 per fiscal year.
Asset Management Appraisals: \$33K	10,000	-	Reduce about 4 appraisals	Currently, Asset Management has requested 7 appraisals. The reduction impact would eliminate about 4 appraisals per fiscal year. The number of appraisals order each year varies depending on when leases renew/terminate. Unbudgeted appraisals would need to be paid for from contingency funds.
Arts in the Park/Soundscape Cinema Series: \$60K	60,000	-	Eliminate program	Elimination of SoundScape Cinema Series and live performances in the Parks. Currently, there are 50 movies and 5 performances scheduled for each fiscal year. The 5 live performances occur at open air parks or venues throughout the City, making art more accessible for residents.

**ATTACHMENT A
POTENTIAL FY 2015/16 REDUCTIONS/EFFICIENCIES**

Program/Function (before reduction)	5% Potential Reduction	Recommended Reduction	Potential Reduction/Efficiency	Potential Impact
Bass Museum Management Agreement: \$651K	35,317	-	Reduce the City Contributed Funds to the Bass Museum Agreement	Negotiate a reduction in City funds to Bass and require Bass Museum non-profit to cover a larger share of expenses. Note: The Bass Museum is, currently, undergoing its \$7M expansion project. This, in turn, will impact all fund raising efforts for the Bass Museum and make it more challenging for the Bass to raise additional funds to cover this reduction. Furthermore, the expansion, once completed, will increase operating expenses for the Museum.
<i>5% = \$175,450 Total</i>	<i>175,450</i>			
TRANSPORTATION			SPECIAL REVENUE FUND	
North Beach Trolley: \$1.8M	203,000	-	Reduce the hours of operation of North Beach Trolley	Reduction of operating hours will impact ridership, % to be determined. Current "high floor" trolley vehicles will remain in service and no "low-floor" trolleys will be used (not in compliance with Commission direction).
<i>5% = \$209,450 Total</i>	<i>203,000</i>			

GENERAL FUND	13,215,816	1,088,750
Internal Service impact		146,000
	Total	1,234,750
INTERNAL SERVICE	8,399,100	177,100
ENTERPRISE	7,758,500	-
SPECIAL REVENUE	203,000	-

**ATTACHMENT B
PROPOSED - FY 2015/16 ADDITIONS AND SERVICE ENHANCEMENTS**

	Request	Recommended Enhancement	Year 2 Impact	Total Positions	
				FT	PT
GENERAL FUND					
Building					
Maintain plan review turnaround time within current targets (Residential - 7 days; Commercial - 21 days) while absorbing the staffing impact of assigning building inspectors to the Convention Center project. This enhancement would add a Senior Building Inspector position and three contractual inspector positions for mechanical, electrical, and plumbing inspections at the Convention Center. Costs for this enhancement are anticipated to be offset by \$500,000 in additional revenue in year one and \$450,000 in year two. Anticipated offsetting revenue	512,000 (500,000)	512,000 (500,000)	528,000 (450,000)	1.0	
Building-Environmental Management					
Comprehensively outline the City's short, mid, and long-term climate adaptation and mitigation strategies by developing a Climate Action Plan. This enhancement would consolidate all of the City's disparate strategies into a comprehensive plan. <i>[ONE-TIME]</i>	100,000	100,000			
City Clerk					
Streamline the process of record storage, compliance, maintenance, and destruction of public records organization-wide by adding a Records Management Specialist position. This enhancement would help ensure regulatory compliance, reduce operating costs, control the creation and growth of records, and reduce the risks of liabilities associated with document disposal. This position is anticipated to identify substantial savings in excess of the position costs by proactively assisting departments develop and streamline their records management systems by reviewing records currently in storage to determine which should be retained and which should be destroyed consistent with statutory requirements.	62,000	62,000	73,000	1.0	
City Manager					
Increase response time for high priority citizen complaints regarding a wide range of issues by adding two part-time positions to the Rapid Response Team. These positions would complement two existing full-time positions to work in teams of two to expeditiously address citizen issues/complaints.	36,000	36,000	36,000		2.0
Code Compliance					
Improve coordination and oversight of departmental accreditation, staff certification, training, equipment maintenance, and customer service levels by adding a Code Compliance Administrator position. This position addresses the Crowe Horwath Audits recommendations for increased supervision and organizational efficiency. <i>[FUND FROM RESORT TAX]</i>	69,000	69,000	82,000	1.0	
Emergency Management/9-1-1					
Improve quality of 911 calls by implementing Quality Insurance to review recorded calls to ensure that proper protocol and procedures are being adhered to by 911 operations. Utilizing off-site certified reviewers to evaluate recorded 911 calls would provide an accurate and impartial review of 911 operators performance.	27,000	27,000			
Finance					
Improve oversight of bond issuance and monitoring function by adding a Deputy Finance Director position. This function is anticipated to grow significantly given the number and complexity of anticipated bond issues.	110,000	110,000	133,000	1.0	
Housing & Community Services					
Address recent audit findings by increasing oversight of HUD funded capital activities, perform inspections of work sites, ensure Federal Davis-Bacon compliance, and ensure the integrity of capital project costs by adding a Housing and Community Development Capital Projects Coordinator position.	93,000	93,000	112,000	1.0	
Parks & Recreation					
Enhance programming for various recreation programs as follows: \$54,000 for inclusionary aides to meet the demand for special need children to be enrolled in summer camps; \$18,000 for the second season of Little League Baseball; \$10,000 to expand elderly programming from North Shore Park Youth Center to two additional locations in central and south beach; \$25,000 to increase the year-round level of service citywide for youth programming with new educational and cultural programs and at additional sites; \$6,000 to add Nautilus Middle School as an additional site for teen programming; \$35,000 to enhance special community events such as Winter Wonderland and Cupid's Carnival with additional rides and activities; and \$15,000 to meet the increasing demand for elderly programs and events by increasing funding for the Senior Enhancement Transportation Service program.	163,000	163,000	163,000		
Enhance opportunities for persons with disabilities by partially funding the para-rowing program at the Shane Rowing Center. The Miami Beach Watersports Center is a not-for-profit organization that runs a premier rowing club with over 250 members, mostly all Miami Beach residents. They have recently undertaken a para-rowing program which teaches people with disabilities how to row and provides a training facility for competitive para-rowers. They have been designated as Paralympic Sport Club by the US Olympic Committee, and have already qualified two members to the national para-rowing team. The program has grown in popularity and needs financial assistance in order to not have to turn rowers away. <i>[FUND FROM RESORT TAX]</i>	85,000	85,000	85,000		
Participate in the Fairchild Botanical Gardens Million Orchid Project as one of several municipalities that would begin to receive as many as 150 orchids throughout the next 3 years starting as soon as October, 2015. Fairchild Tropical Gardens proposes to introduce millions of native orchids into the South Florida within the next five years. This enhancement would provide funding for the Gardens to propagate seedlings for reintroduction. <i>[FUND FROM RESORT TAX]</i>	50,000	50,000	50,000		
Planning					
Meet increasing demand for administrative support of the City's five Land Development Review Boards by adding an Office Associate V position. The number of applications received and public record requests have increased substantially and with the future outlook of upcoming construction projects the need has arisen for a dedicated administrative resource to handle the increase in workload.	59,000	59,000	66,000	1.0	
Police					
Reduce crime by adding a License Plate Reader (LPR) system on MacArthur Causeway as well as two additional patrol vehicles and two portable kits. The City has successfully used police vehicles equipped with LPR system for the past two years to recover stolen vehicles and to make many felony and misdemeanor arrests. This enhancement would complement the fixed LPR system that is anticipated to be installed on the Venetian Causeway during FY 2014/15. <i>[FUND FROM RESORT TAX]</i>	276,000	276,000			

**ATTACHMENT B
PROPOSED - FY 2015/16 ADDITIONS AND SERVICE ENHANCEMENTS**

	Request	Recommended Enhancement	Year 2 Impact	Total Positions	
				FT	PT
Provide support to the State Attorney's Office's Human Trafficking Task Force by assigning a Detective position to participate on the task force. Miami Beach has experienced a significant number of crimes associated with human trafficking and participation on the task force would allow MBPD access to additional resources to address this growing problem in the city, state, and region.	98,000	98,000	126,000	1.0	
Enhance the pool of qualified candidates that could be hired as police officers by reimbursing ten police recruits to complete Police Academy training supervised by a Training Advisor (Police Officer position). For the last 15 years, MBPD has only hired certified police officers with previous experience or academy certification, which has resulted in limiting hiring to applicants that have been trained with varying level of quality and/or transferred from other jurisdictions. This enhancement would serve as a pilot initiative to include ten quality applicants that have recently completed full academy training. Recommended by PERF study in 2014.	189,000	189,000	183,000	1.0	
Address traffic congestion by adding a Motor Unit consisting of one Sergeant and four Police Officer positions. This unit would work afternoon shifts to focus on rush hour traffic and enhance MBPD's ability to address traffic issues, improve enforcement, and visibility. Enforcement activity by this unit is anticipated to offset a portion of the cost of this enhancement. <u>Costs would be offset by an estimated \$110,000 in revenue.</u> Recommended by the Transportation, Parking, & Bicycle Pedestrian Facilities Committee. Anticipated offsetting revenue	1,287,000 (220,000)	673,000 (110,000)	645,000 (110,000)	5.0	
Procurement					
Bring departmental staffing in-line with national productivity benchmarks, reduce staff turnover rate of 63% over last two years, and expedite procurements for City departments by adding two Procurement Contracting Officer positions.	120,000	120,000	146,000	2.0	
Public Works					
Reduce the backlog of projects and enhance the ability to perform in-house engineering by adding a Civil Engineer position. This position would be split funded as follows: 30% General Fund, 30% Stormwater, 20% Water, 20% Sewer.	22,500	23,000	27,000	0.3	
Address the 21% increase in street light inventory from recently completed capital projects by adding two Street Light Technician I positions. These positions would conduct preventive maintenance, repairs, and rebuilding for landscape up-lighting.	103,000	103,000	124,000	2.0	
Provide adequate oversight of contracted grounds maintenance services by adding two Field Inspector positions. The City contracts for grounds maintenance services to all city rights of way, municipal buildings, parking facilities, Lincoln Road, and coastal areas for a total of 292 sites. These positions would ensure that the City receives the highest quality work product from contractors in the shortest amount of time. Monitoring includes mowing, edging, weeding, trimming of bushes/trees, blowing, and irrigation checks.	116,000	116,000	130,000	2.0	
Provide adequate oversight of the Urban Forestry Tree Preservation Program and enforcement of the Tree Preservation Ordinance No. 2014-3904 that was approved by Commission on November 19, 2014 by adding two Field Inspector positions and a Field Supervisor position. Under the new Ordinance, the City will be enacting its own tree preservation program and be 100% responsible for issuing and enforcing tree work permits and tree related code violations as delegated by Miami Dade County. This program will result in a large increase in tree-related office and field inspection work and requires a more specialized skill-set including International Society of Arboriculture certification. The new positions would enhance the City's ability to enforce the tenants of the Tree Preservation Ordinance, provide Tree Work Permits more expeditiously, and improve complaint and inspection request turnaround times.	222,000	220,000	232,000	3.0	
Allow for the proper monitoring, maintenance, and enhancement of the citywide urban forest by creating a GIS Tree Inventory. The citywide GIS inventory would enhance the City's ability to properly schedule and track tree/palm maintenance, monitor problematic trees, and ensure replacement of tree canopy in areas with insufficient canopy coverage. <i>[ONE-TIME]</i>	160,000	160,000	-		
Meet increasing demand for GIS programming and support by adding a Senior GIS Analyst position. This enhancement would allow the GIS division to address a backlog of projects for various city-wide applications.	76,000	76,000	93,000	1.0	
Tourism, Cultural, & Economic Development					
Enhance department oversight and succession planning by adding an Assistant Director position. The position would add oversight of numerous large contracts and agreements and assist the Director administer eight functions including Tourism & Conventions, Entertainment, Cultural Affairs, Convention Center, Sponsorships & Advertising, Economic Development, Redevelopment Agency, and Asset Management.	105,000	105,000	127,000	1.0	
Promote North Beach by allocating marketing funds for items such as bus shelter ads, full wraps on county buses, light pole banners, on-line ads, print media, etc. Currently the City budgets approximately \$419,000 for marketing across all funds. Recommended by Mayor's Blue Ribbon Panel on North Beach. <i>[FUND FROM RESORT TAX]</i>	300,000	150,000	-		
Citywide					
Increase Pay-As-You-Go (PAYGO) funding for capital projects from \$1.4 million to \$2.4 million. This enhancement would help address pressing needs for additional PAYGO funding such as: neighborhood project costs that have increased over time, stormwater projects that are generating a need for above ground funds; replacement of \$1.7 million in PTP funding reprogrammed for the enhanced trolley system; Lighting and Crime Prevention Through Environmental (CPTED) improvements in non-tourist areas; park projects in non-tourist areas; and seawall projects.	1,000,000	1,000,000			
Total General Fund Enhancements					
	\$ 4,720,500	\$ 4,065,000	\$ 2,601,000	24.3	2.0
		\$ (630,000)			
		\$ 65,000			
		\$ (1,000,000)			
		\$ 2,500,000			

**ATTACHMENT B
PROPOSED - FY 2015/16 ADDITIONS AND SERVICE ENHANCEMENTS**

	Request	Recommended Enhancement	Year 2 Impact	Total Positions	
				FT	PT
INTERNAL SERVICE FUNDS					
Information Technology					
Improve procurement coordination, contract management, and compliance with procurement guidelines by adding an Information Technology Specialist I position. The \$60,000 cost of the full-time position would be offset by \$52,000 of temporary services funds.	8,000	8,000	19,000	1.0	
Develop and maintain mobile applications and web-based applications by adding a Senior Systems Analyst position. In addition to maintaining current applications, this position would assist City departments add applications that would streamline their service delivery.	71,000	71,000	84,000	1.0	
Total Internal Service Funds	\$ 79,000	\$ 79,000	\$ 103,000	2.0	0.0
Estimated Impact to the General Fund	\$ 65,000	\$ 65,000			

ENTERPRISE FUNDS					
Parking					
Expand Freight Loading Zone (FLZ) program throughout the City by adding two Parking Operations Supervisors and ten full-time Parking Enforcement Specialist I positions. The FLZ program has been successfully implemented during FY 2014/15 in the entertainment district due to strict and contingent enforcement to minimize double parking and promote smooth traffic flow. Projected revenue is anticipated to offset all costs in year one by \$64,000 and by \$261,000 in year two. Anticipated offsetting revenue:	548,000 (612,000)	548,000 (612,000)	555,000 (816,000)	12.0	
Stormwater					
Reduce the backlog of projects and enhance the ability to perform in-house engineering by adding a Civil Engineer position. This position would be split funded as follows: 30% General Fund, 30% Stormwater, 20% Water, 20% Sewer.	22,500	23,000	27,000	0.3	
Enhance preventive maintenance program to the storm water infrastructure system by adding two Municipal Worker II positions. These positions would focus on preventive maintenance of the storm sewer mains.	79,000	79,000	96,000	2.0	
Sewer					
Reduce the backlog of projects and enhance the ability to perform in-house engineering by adding a Civil Engineer position. This position would be split funded as follows: 30% General Fund, 30% Stormwater, 20% Water, 20% Sewer.	15,000	15,000	18,000	0.2	
Enhance preventive maintenance program to the sewer infrastructure system by adding two Municipal Worker II positions. These positions would focus on preventive maintenance of the sewer mains.	79,000	79,000	96,000	2.0	
Sanitation					
Expand the Can on Every Corner initiative by an additional 100 locations. The current inventory of trash cans is 2,065. The new locations would be determined by potential demand. <i>[ONE-TIME]</i>	132,000	132,000			
Water					
Reduce the backlog of projects and enhance the ability to perform in-house engineering by adding a Civil Engineer position. This position would be split funded as follows: 30% General Fund, 30% Stormwater, 20% Water, 20% Sewer.	15,000	15,000	18,000	0.2	
Total Enterprise Funds	\$ 278,500	\$ 279,000	\$ (6,000)	16.7	0.0

**ATTACHMENT C
POTENTIAL FY 2015/16 ENHANCEMENTS NOT INCLUDED IN PROPOSED BUDGET**

	Request	Year 2 Impact	Total Positions	
			FT	PT
GENERAL FUND				
Building-Environmental Management				
Meet the mitigation needs of future construction projects by funding a feasibility study for the creation a Mitigation Bank within the City limits as part of the City's Sustainability Plan. This enhancement would reduce the costs of relocation of mangroves to a bank outside the city, while also providing more flexibility. (ONE-TIME)	75,000	-		
City Attorney				
Enhance organizational capacity by creating a Fellowship Program to hire two entry-level attorneys as independent contractors from schools such as the University of Miami and FIU. This program would provide opportunities for new attorneys to gain practical experience in the public sector while building proficiency and developing skills.	90,000	86,000		
Communications				
Produce additional programming, features, public service announcements, and training videos by adding a Media Assistant position. Demand for video services to support departmental initiatives continues to increase that cannot be met at the current service level.	57,000	67,000	1.0	
Enhance clerical and administrative support by adding an Office Associate IV position. Communications is the only department without a full-time administrative support position and the new OAIV would free up operations staff to address their core duties.	51,000	60,000	1.0	
Emergency Management/9-1-1				
Meet federally mandated interoperability radio requirements (P25) by replacing the current public safety radio system, which is at end of life. There are three options under considerations, subscribing to the Miami-Dade County radio system, joining with the City of Hialeah and/or other municipalities to purchase a radio system, or purchasing a radio system for the City's sole use. TUSA Consulting is currently working with Emergency Management to explore these options. The new system will likely need to be funded in FY 2016/17 and the cost would likely be financed over ten years using the City's equipment loan. (ONE-TIME)	5,000,000	-		
Improve the efficiency of public safety answering points (PSAP) call-taking and provide automatic call distribution in addition to remote deployment capabilities by upgrading VIPER with Automatic Number Information and Automatic Location Information Controller. This upgrade would permit the PSAP to receive messages texted to 911 and improve the accuracy of location information for calls originating from cell phones. (ONE-TIME)	440,000	-		
Support the new Emergency Operations Center Sharepoint site and other information technology systems by adding an Information Technology Specialist I position.	61,000	72,000	1.0	
Enhance 911 information by replacing the current call recording system with a new VPI System that captures and integrates CAD information associated with 911 calls. The current recordings solution is used to review calls by dispatch and call takers as well as provide all recordings for public records request. The VPI solution would allow the call center to record, analyze, evaluate and improve the quality of the emergency call taker and dispatcher and provides the ability to quickly redact the appropriate information when providing recordings requested for public records request. The VPI solution integrates with the Computer Aided Dispatch software and Emergency Medical Dispatch software to provide screen shots or video recording of key strokes at the time of the call which is helpful when recreating an incident to inform the evaluator/investigator of the appropriate steps taken. This solution is fully interoperable with the ability to support Next Gen 911 phone systems and has the ability to record all text messaging, videos, location, and number information provided to the 911 dispatch phone system. (ONE-TIME)	91,000	-		
Conduct a feasibility to assess the City's current and future CAD needs and select a replacement system. The CAD system is used to initiate public safety calls for service, dispatch, and maintain the status of responding resources in the field. The current system is at end of life and many new features are now available such as: automatic address verification, real-time GPS unit locations, instantaneous information such as preplans, hazards, wants and warrants, and integration with GIS mapping. (ONE-TIME)	1,500,000	-		
Improve security and coordination by developing and implementing a master plan to integrate the City's existing disparate devices and information systems in order to monitor and control them through a comprehensive user interface at the City Warning Point. Systems would include video, access control, analytics, microwave network, parking applications, traffic monitoring, intrusion detection, etc. (ONE-TIME)	1,500,000	-		
Improve access control, asset tracking, and credentialing of personnel assigned to incidents and events. This system would allow for tracking of personnel such as volunteers, CERT Team members, mutual aid responders, and others to ensure safety and facilitate financial reimbursement for Federally Declared Disasters. (ONE-TIME)	28,000	-		

**ATTACHMENT C
POTENTIAL FY 2015/16 ENHANCEMENTS NOT INCLUDED IN PROPOSED BUDGET**

	Request	Year 2 impact	Total Positions	
			FT	PT
Fire				
Maintain effective response times for EMS transport units in North Beach by adding a second Rescue Unit consisting of 13 Fire Fighter positions to Fire Station #4. A 2015 study by the International City/County Management Association Center for Public Safety Management recommends the deployment of a second rescue unit based on current and future demand. Station 4 has high demand in certain blocks which is on par with demand blocks in the southern portion of the city and planned redevelopment in the area will drive demand higher over time. This unit would also be cross-trained to staff the new Fire Boat.	1,205,000	1,409,000	13.0	
Police				
Support the newly reconstituted Intelligence Unit, currently staffed with two positions, by adding two Detective positions. The positions would be assigned a range of intelligence and security-related tasks, including sergeant-at-arms security duties to support the Mayor and Commission, VIP protection for visiting dignitaries, threat assessments and related investigations, security and intelligence analysis for major events, support to the FBI Joint Terrorism Task Force, the Department of Homeland Security, the US Secret Service, and liaison with law enforcement with private security partners on all matters affecting the security of Miami Beach.	194,000	251,000	2.0	
Increase public safety in the Entertainment District by adding two patrol squads made up of two Sergeants and twelve Police Officers. The new squads would provide coverage seven days a week with one overlap day (Friday or Saturday). The squads would be deployed primarily on Ocean Drive, Washington Avenue, Collins Avenue, and on the beach.	1,865,000	1,724,000	14.0	
Increase patrol availability by adding three Detention Officers to provide seven day a week coverage on all shifts. This enhancement would optimize staffing by maintaining at least one position at police headquarters while one is available to transport prisoners to the County jail. Currently, police officers are often needed to backfill this function which results in a loss of patrol services.	299,000	204,000	3.0	
Tourism, Cultural, & Economic Development				
Increase oversight and compliance of 141 contracts, leases, and concession agreements by adding a Leasing Specialist position. This enhancement would address the current staffing level of two employees, which each are responsible for over 70 contracts each.	71,000	83,000	1.0	
Total General Fund Enhancements		\$ 12,527,000	\$ 3,956,000	36.0 0.0

INTERNAL SERVICE FUNDS				
Information Technology				
Improve disaster preparedness by backing up City technology data/systems in an out of region data center. This enhancement would be phased in over three years. Year one would be \$200,000 including a \$40,000 one-time charge. Year two would be \$175,000 and recurring costs thereafter would be \$75,000.	200,000	175,000		
Enhance development and administration of new collaboration software (Microsoft Sharepoint) for use throughout the organization. The software was acquired during FY 2014/15 and IT does not currently have dedicated staff time or necessary training to build out the system to its full potential.	71,000	84,000	1.0	
Improve the security of the City's network to maintain compliance with mandated PCI, Red-Flag, other Federal guidelines and proactively address the proliferation of sophisticated security issues by adding a Senior Systems Administrator position.	77,000	92,000	1.0	
Property Management				
Improve the efficient delivery of property management support and administrative services by adding an Office Associate IV position. Property Management transitioned to a contract service model during FY2014 and FY2015 which requires more administrative support in the areas of procurement, accounts payable, and general support.	55,000	64,000	1.0	
Total Internal Service Funds		\$ 403,000	\$ 415,000	3.0 0.0

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OFFICE OF THE CITY MANAGER

COMMITTEE MEMORANDUM

TO: Finance and Citywide Projects Committee

FROM: Jimmy L. Morales, City Manager

DATE: July 1, 2015

SUBJECT: **TRANSPORTATION AND PARKING FUNDING NEEDS**

The Mayor and Commission have identified traffic congestion throughout the City as a priority issue. At their direction, the Administration is pursuing a multi-pronged approach to address traffic congestion. The following is a listing of projects underway, each at varying levels of progress and estimated funding needs for each. Parking rate increases are proposed in various categories to: (1) fund the initiatives identified below and (2) modify driver behavior to better manage parking demand through financial incentives. Please note future parking rate increases may be needed to fund other medium to long range initiatives, such as light rail.

TRANSPORTATION INITIATIVES:

Intelligent Transportation System (ITS) and Parking Management System

The Administration is currently pursuing a real-time traffic management system to monitor traffic flow and throughput as well as monitor parking availability and demand on a real-time basis.

The City of Miami Beach is one of the economic engines in the State. The thriving service industry and the Miami Beach Convention Center contributed to a reported 6,142,600 overnight visitors in 2013. In addition, recent figures indicate that although resident population in Miami Beach is 90,588, average daily population comprised of commuters and visitors is 205,915. A highly urbanized barrier island with only four connections to the main land, the City's causeways and arterials frequently operate at failing levels of service. Given the limited capacity of the roadway network, the City Commission has approved the implementation of an ITS and Parking Management System as an additional effort to help manage traffic congestion, parking availability, and improve traffic flow along major arteries.

The ITS and Parking Management System Project will consist of the following components:

- 18 C.C.T.V. cameras for video monitoring of traffic conditions and incidents.
- 32 Travel Time Data Collectors to allow engineers to review traffic conditions and implement changes prior to reaching saturated conditions.
- 15 small scale Interactive Digital Message Signs to advise drivers of traffic and parking conditions within Arterial Roadways.
- 2 large scale Interactive Digital Message Signs on 2 Causeways to advise drivers of traffic and parking conditions.
- Implement parking detection systems at 8 garages, 35 surface parking lots, and 2 corridors to record real-time parking conditions.
- 60 Electronic Signs to relay real-time parking availability information
- Upgrading Parking Department's Mobile Application to reflect real-time parking availability information.

- A Transportation Management Center located within City Limits to integrate the operations of the ITS and Parking Management system and serve as the data and information clearinghouse.
- Adaptive Traffic Signal Control (optional component of the project) would be for 93 intersections along the following major corridors:
 - o Alton Road: 5th Street to 43rd Street
 - o 5th Street: Alton Road to Collins Avenue
 - o 41st Street: Alton Road to Collins Avenue
 - o MacArthur Causeway: Star Island to Alton Road
 - o Collins Avenue: 23rd Street to 44th Street
 - o Indian Creek Drive: 23rd Street to 41st Street
 - o Washington Avenue: 5th Street to Dade Boulevard
 - o 63rd Street: Collins Avenue and Indian Creek
 - o 69th Street: Collins Avenue to Abbott Avenue
 - o Indian Creek Drive: 63rd Street to 71st Street
 - o Abbott Avenue/Harding Avenue: City Limits to Indian Creek Drive
 - o Collins Avenue: 63rd Street to City Limits
 - o 71st Street : Indian Creek Drive to Collins Avenue

Status

The City of Miami Beach is working closely with the Florida Department of Transportation (FDOT) District VI staff and Miami-Dade County staff on this project. Both agencies have participated in coordination meetings and provided valuable input on project planning, design, phasing, and operational aspects of the project. The City will continue to work with FDOT and County staff during each phase to ensure close coordination of the City's ITS project with the State's and County's signal infrastructure system.

The ITS and Parking Management System project has a duration of 24 months and is anticipated for completion by the end of 2017. The total cost of the project is estimated at \$14,556,590. The City is providing a local match of \$4,556,590 which has been budgeted in the current fiscal year. The City's annual operating and maintenance costs for the ITS and Parking Management System have been estimated at approximately \$2 million.

The City has recently applied for a \$10 Million grant under the U.S. Department of Transportation (USDOT) Transportation Improvements Generating Economic Recovery (TIGER) VII federal discretionary grant program. We anticipate receiving notification from USDOT as to whether or not the ITS and Parking Management System project is awarded federal funding in the fall of this year.

Currently, the Administration is in the process of selecting a Program Manager who will serve as owner's representative and be responsible for developing the specifications for a Design, Build, Operate, and Maintain (DBOM) contract for the ITS and Parking Management System project.

Transit/Trolley System

The Administration is currently identifying additional funding and resources needed to develop and implement a citywide interconnected trolley system as part of the Fiscal Year (FY) 2015/16 budget process. The proposed citywide system would consist of trolley routes in North, Middle, and South Beach, including the existing North Beach Loop, the proposed Middle Beach Loop, a Collins Link, and a South Beach Loop that would complement the current South Beach Local

service. The total funding for this comprehensive trolley system, including the cost of the existing South Beach Local service funded by the City (one-third of the total annual cost of operation and maintenance), is estimated at \$11.8 million annually (see table below). Funding is proposed to be augmented by approximately \$2.4 million of People's Transportation Plan (PTP) funds from Miami-Dade County currently allocated to capital projects and an increase of the contribution from surplus parking funds from \$1.3 million to approximately \$3.0 million. The table below lists the estimated annual operating expenditures for each of the trolley loops.

Estimated Annual Operating Expenditures	
North Beach Loop	\$1,800,000
South Beach Loop	\$2,900,000
Middle Beach Loop	\$2,900,000
Collins Link	\$2,400,000
South Beach Local	\$1,400,000
Other (Tracking Equipment, Inktel Call Center Services, Special Event Service, Miscellaneous)	\$400,000
Total	\$11,800,000

Proposed Sources	
Quality of Life Transportation Funds	\$5,200,000
People's Transportation Plan (PTP) Funds	\$3,600,000
Parking Surplus Funds	\$3,000,000
Total	\$11,800,000

The citywide interconnected trolley system has been included as part of the FY 2015/16 proposed budget with current funding, given the lead time necessary for the manufacturing and delivery of new low-floor trolley vehicles.

Light Rail/Modern Streetcar

The City has been working in partnership with the Miami-Dade Metropolitan Planning Organization (MPO), the Florida Department of Transportation (FDOT), Miami-Dade Transit (MDT), and the City of Miami as part of the ongoing Beach Corridor Transit Connection Study (formerly known as the Baylink Corridor Study). The study commenced in October 2013 and focuses on re-evaluating the Locally Preferred Alternative resulting from the 2004 Baylink Corridor Study which proposed a light rail transit/modern streetcar connection between Miami Beach and Downtown Miami via the MacArthur Causeway. A Technical Advisory Committee (TAC) comprised of staff from various municipal and transportation agencies and a Policy Executive Committee (PEC) comprised of elected officials from Miami-Dade County, City of Miami, and City of Miami Beach have been established to assist the study team in making key milestone decisions through the study process. Both the TAC and the PEC have endorsed the project moving forward and delivered through a Public-Private Partnership (P3).

In order to connect Miami Beach and Downtown Miami via light rail transit, the current Beach Corridor Transit Connection study reaffirmed the MacArthur Causeway as the preferred corridor to link the two cities. Due to the inherent environmental and engineering challenges associated with implementing the portion of the route alignment along the MacArthur Causeway, the study consultant expects that the level of environmental documentation and coordination with the federal government that will be necessary as part of the National Environmental Policy Act

(NEPA) process will be substantial, lengthy, and require an Environmental Impact Statement (EIS) to be conducted. The NEPA phase alone is projected to cost approximately \$10 million with each local participating agency contributing a portion of the cost. The City of Miami Beach share is estimated at \$417,000.

Based on the project schedule presented to the TAC and PEC by the consultant team, it is anticipated that the NEPA documents, design, and construction phases are estimated to take 6 to 9 years. It is our understanding that this NEPA process is a pre-requisite to be eligible for up to 50% federal funds for capital and up to 25% state funds for capital (i.e., 50% federal/ 25% state/ 25% local contribution). However, due to the very competitive nature of the federal discretionary grant process for funding these types of projects, the local (City's) match would need to be higher than 25% of the capital costs.

At this time, the preferred route alignment to connect Miami Beach and Downtown Miami has been identified as the Direct Connect alternative and consists of bi-directional service along the MacArthur Causeway, 5th Street, and Washington Avenue. A future phase proposes service along Collins Avenue, 41st Street, and the Julia Tuttle Causeway to connect to Midtown Miami. The South Beach portion of the Direct Connect route alignment represents approximately \$149M (28% of the total \$532 million capital cost of the total Miami to Miami Beach project), excluding the cost of a maintenance yard. If this ratio is used as an estimate of operating costs, the portion of operating costs for the Direct Connect alignment on South Beach would be approximately \$7 million annually (28% of \$22 million annual operating costs payments which would be required for the entire project under a P3 scenario).

Thus, assuming the City wishes to forego the NEPA process and proceed on an accelerated basis without federal funds, the Administration estimates that the total annual availability payments for the portion of the Direct Connect alignment in South Beach would be approximately \$12 million - \$17 million per year, depending on the level of availability of state funds (including capital and operating cost). The cost of a rail yard on Miami Beach could increase these payments to between \$17 million and \$25 million, contingent upon the level of capital subsidy from the State.



Short Term Express Bus Service (EBS)

In an effort to expedite cross-bay mass transit connectivity, the Administration is studying the feasibility of implementing express bus service connecting Miami Beach and Downtown Miami on a 1 – 2 year timeframe. Several alternatives are currently being considered. One of the route alignment alternatives includes bi-directional EBS across the MacArthur Causeway, 5th Street, and Washington Avenue (similar to the light rail/modern streetcar alignment described above). The use of the shoulders along the Causeway as well as dedicated lanes along 5th Street and Washington Avenue corridors is being evaluated in order to ensure reliable and efficient express bus service. The capital cost of the short-term express bus service is estimated between \$12 million and \$20 million, depending on the number of articulated buses required which is predicated on the route alignment selected and frequency of service (ranging from 5-minute headways to 10-minute headways). It is anticipated that the proposed express bus service would cost approximately \$5.3 million annually to operate based on a fleet of 19 articulated buses operating at a frequency of 5 – 7.5 minute headways during peak periods for 19 hours per day/7 days per week. City staff is currently having discussions with both FDOT and MDT staff in terms of cost-sharing opportunities for the capital and operating expenditures associated with providing this express bus service. Additionally, it is important to note that only a portion of the proposed Express Bus Service (i.e., the route alignment along the MacArthur Causeway to Downtown Miami) would be implemented if a light rail transit/modern streetcar system is implemented in South Beach. Under this service scenario, annual operating costs for the EBS would be approximately \$3.5 million.



PARKING INITIATIVES:

Freight Loading Zone Program (FLZ)

FLZs are regulated parking zones strategically located for large vehicles (10,000 lbs.+) to conduct deliveries. Coupled with strict enforcement of obstruction of travel lanes by Police and enforcement of loading areas by the Parking Department, these zones have greatly reduced congestion.

Parking Management System (PMS)

A component of the aforementioned ITS initiative, PMS will provide real time parking space monitoring and parking availability. Real time parking availability is then communicated to motorists via electronic message signs at strategic locations throughout the city.

Valet Parking Amendments to the City Code

Currently, valet parking operations on the City's right-of-way contribute to traffic congestion and other abuses of city property and resident quality of life. Proposed amendments to the City Code to strengthen regulation and enforcement provisions have been endorsed by the FCWPC as Neighborhood and Community Affairs Committee (NCAC) and is slated for First Reading at the July 8, 2015, City Commission meeting.

Development of existing municipal metered parking lots to multi-level parking structures

The following sites have been identified for potential development either through joint venture partnerships or as standalone City projects:

Washington Avenue Master Plan

As an outcome of both the Washington Avenue Master Plan and the Transportation Workshop held on March 18, 2015, staff was charged with finding alternatives to replace on-street parking with off-street parking. As a result, three potential sites have been identified that could replace some or all of the on-street parking between 5th and 17th Streets.

Municipal Parking Lot No. P16 (1262 Collins Ave)

P16 is located at southwest corner of the intersection of 13th Street and Collins Avenue, opposite of Municipal Parking Garage No. 3 (G3). This lot was recently renovated and was completed on May 13, 2015. A parking garage similar in size to Municipal Parking Garage No. 3 (G3), located at the northeast corner of the intersection of 13th Street and Collins Avenue, could be constructed. Furthermore, based on current construction costs it is estimated that the construction of an eight-story parking garage with approximately 405 spaces will cost approximately \$12.7M, which represents approximately \$31K per space.



Municipal Parking Lot No. P13 (1020 Washington Ave)

P13 is located in the northwest corner of the intersection of 10th Street and Washington Avenue. The parking lot abuts an alleyway (Drexel Court) to the west and holds a total of 37 parking spaces, including two disabled parking spaces. Renovations to this lot were completed in 2013. A five-story parking garage could be constructed in this location. It is estimated that the parking garage could hold up to 140 parking spaces. Estimated construction costs for this parking garage is \$5.2M, or approximately \$37K per space.



Municipal Parking Garage No. 2 (G2) (1100 Washington Ave)

This is a multi-level parking garage that serves the police headquarters and its visitors. The parking structure is divided into two areas, the police headquarters' parking and the visitors' parking. These two parking sections are not connected. Based on design and construction parameters, it is possible that one or two additional parking levels could be incorporated to the visitors' parking area that could replicate the uppermost level of this section of the parking garage. The additional levels could potentially represent an increase of 100 parking spaces at an estimated \$1.5M or \$15K per space.



The chart below illustrates a potential net increase of 558 off-street parking spaces along the Washington Avenue corridor and estimated costs. The 779 proposed spaces exceed the existing 577 on and off-street parking spaces in the area. Additionally, other sites in the area have been identified as potential public-private partnership opportunities that may further increase off-street parking inventory.

Washington Avenue Municipal Parking Facilities	Existing Spaces	Proposed Spaces*	Net Increase	Cost p/Space*	Total*
Garage No. 2	134	234	100	\$14,720	\$1,472,000
P16 Collins/13th Street	50	405	355	\$31,335	\$12,690,675
P13 Washington/10th Street	37	140	103	\$37,321	\$5,224,940
Total	221	779	558		\$19,387,615
* Estimated.					

The City has approximately \$10M in Fee of Lieu of Parking funds for the South Beach area; however, if all three (3) projects were funded an additional \$10M would be needed. Further, the City Commission endorsed the Washington Avenue Master Plan recommendation to issue an RFLI (Request for Letters of Interest) for parking garage(s) along Washington Avenue, and the City has been approached by at least one (1) interested property owner.

Middle Beach Needs

Several areas throughout mid-beach have been determined to be operating at high utilization rates, indicating additional parking needs, and some areas we have already referred for discussion at NCAC (Neighborhoods and Community Affairs Committee)

- Municipal Parking Lot No. P55, located on Collins Avenue and 27th Street;
- Municipal Parking Lot No. P71, located on Collins Avenue and 46th Street; and
- Municipal Parking Lot No. P63, located on 42nd Street and Royal Palm Avenue

North Beach Blue Ribbon Panel

Several areas in North Beach have been identified to be operating at high utilization rates, indicating additional parking needs. It has been a longstanding goal to develop a parking garage in North Beach. Several sites have been identified, including standalone city projects and potential joint venture developments. Additionally, residents have expressed a need for additional parking in their neighborhoods. While there are no commercial or recreational uses displacing parking in these neighborhoods, the sheer volume of vehicles per household is increasing demand.

FUNDING NEED SUMMARY

The following is a summary of funding needs for all projects identified above, including ITS operational cost, availability amounts for light rail/modern streetcar, garage construction and operational cost for South, Middle, and North Beach.

Project	Capital	Operating
Intelligent Transportation System (ITS) & Parking Management (PMS)	\$14.5M (Includes current local match of \$4.5M)	\$2M
Transit/Trolley System		\$11.8M
Light Rail/Modern Streetcar		\$17M to \$25M (contingent upon the level of capital subsidy from the State)
Short Term Express Bus Service (EBS) - Connection to Light Rail/Modern Streetcar	\$12M to \$20M	\$5.3M
Washington Avenue Master Plan (779 spaces)	\$19.3M	\$779K
Middle Beach (800 spaces)	\$26.4M	\$800K
North Beach (850 spaces)	\$28M	\$850K
Grand Total:	\$100.2M - \$108.2M	\$38.5M - \$46.5M

PARKING ENTERPRISE FUND

The available fund balance in the Parking Fund, as of September 30, 2014, was \$26M (net of two months of required reserves). Each year, the City budgets an amount to be used to fund future renewal and replacement projects in the fund. In addition, the Parking Fund is an enterprise fund with revenues pledged to debt service payments. However, surplus funds (revenues in excess of expenditures) from prior years may be used for other City purposes. Currently, these surplus funds are used to fund transportation expenses as well as supplement General Fund Revenues. Detailed projections of parking cash flows are being developed as part of the bonds needed for the Convention Center project; however, the chart below provides a rough projection of funds over the next five years assuming existing rates and moderate growth. Given the estimates below, a positive Parking Fund Balance will not be sustainable under the existing rate structures. Funding is only available for FY15, however, not funded for FY16 and significantly underfunded going forward.

Parking Available Fund Balance						
	FY15	FY16	FY17	FY18	FY19	FY20
Available fund balance in the Parking Fund as of September 30, 2014	22,825,573	12,532,573	(1,361,427)	(23,911,927)	(37,454,642)	(52,472,538)
Fund Balance Set Aside for R&R	3,228,000	6,258,000	6,258,000	6,258,000	6,258,000	6,258,000
Available Fund Balance	26,053,573	18,790,573	4,896,573	(17,653,927)	(31,196,642)	(46,214,538)
Transfer to Transportation	(1,311,000)	(3,333,000)	(3,333,000)	(3,333,000)	(3,333,000)	(3,333,000)
Transfer to General Fund	(8,400,000)	(8,400,000)	(8,400,000)	(8,400,000)	(8,400,000)	(8,400,000)
R&R/Capital Needs	(5,314,000)	(3,728,000)	(10,994,000)	(554,000)	(554,000)	(554,000)
Net Available Balance	11,028,573	3,329,573	(17,830,427)	(29,940,927)	(43,483,642)	(58,501,538)
Annual Revenues	52,430,000	55,432,000	55,432,000	55,432,000	55,432,000	55,432,000
Annual Operating Expenses	(41,237,000)	(46,350,000)	(47,740,500)	(49,172,715)	(50,647,896)	(52,167,333)
Debt Service*	(3,431,000)	(7,515,000)	(7,515,000)	(7,515,000)	(7,515,000)	(7,515,000)
Set Aside for R&R	(6,258,000)	(6,258,000)	(6,258,000)	(6,258,000)	(6,258,000)	(6,258,000)
Net Surplus	1,504,000	(4,691,000)	(6,081,500)	(7,513,715)	(8,988,896)	(10,508,333)
Projected Available Year End Fund Balance	12,532,573	(1,361,427)	(23,911,927)	(37,454,642)	(52,472,538)	(69,009,872)

* Includes an estimated \$4.14 million annually for debt service on the parking needs for the Convention Center Renovation, comencing in FY16

Funding

A recurring revenue stream is necessary to sustain annually recurring expenses related to the aforementioned transportation initiatives as well as to enhance the Parking Enterprise Fund bonding capacity to fund the aforementioned garage expansion projects.

The Mayor and Commission has given general direction to the Administration to recommend strategies, including but not limited to increases in parking rates. A parking rate increase will provide the following benefits:

1. **Driver Behavior Modification:** Studies have shown that up to 30% of traffic congestion is attributed to drivers seeking parking opportunities ("circling the block" further congestion is caused by pulling in and out of lanes of travel – Source: Federal Highway Administration). Currently, metered on-street and off-street parking rates are \$1.75 per hour and enforced 9:00 AM to 3:00AM (18 hours), seven days a week. Garage rates are for the most part \$1.00 per hour, with a maximum daily rate of \$20.00 (see appendices for detail of proposed parking rates at each municipal parking garage, except during special events).

Current parking rates are too low to effectively alter driver behavior. At the March 18, 2015, Transportation Workshop, it was recommended that on-street parking rates should be sufficiently higher than off-street parking rates to incentivize drivers to park off-street. The goal is to reduce on-street parking demand. This can be accomplished by increasing parking rates. Hence, only those drivers willing to pay a "premium" will use on-street parking and all others will seek other parking or mobility alternatives (garages, transit, bicycle, pedestrian). A key component of achieving this goal is arriving at the EPR (Effective Parking Rate) for on and off-street parking. EPR is defined as the optimum on-street and off-street parking rates and the price buffer between the two rates

that “effectively” changes driver behavior. There may be some adjustments to either or both on and off-street rates to achieve EPR. If approved in concept, the Administration recommends some latitude be incorporated in the City Code amendment to allow for such adjustments.

Please note parking fine schedules are set by Miami-Dade County and the State of Florida. Overtime parking and other related fine schedules must be at appropriate levels in order to be effective and achieve compliance. Currently, an overtime parking violation is \$18.00. Parking user fees in the region, including Miami Beach, are comparable, and in some cases, higher than an overtime parking fine. This increases traffic congestion by perpetuating low risk/high reward user parking behavior.

2. **Parking Revenue Bonds - Bonding Capacity:** Currently, the City's bond rating is “Aa2” and Parking Bonds have an “A” rating. Increasing parking rates will in turn increase the City's parking revenue stream resulting in increased bonding capacity. Additional bonding capacity is needed in order to fund the list of transportation and parking capital projects identified earlier.
3. **Equity in Space Rental Pricing and Residential Visitor Permits –** Parking space rentals are available for valet parking, construction, special events, and film & print. Currently, daily space rental rates are \$17 for valet (ramp) and \$10 for all other categories and Residential Parking Visitor Permits are \$1.00 per day.

In addition, it is important to note that municipal parking rates are substantially lower than private sector or market rates. This has perpetuated an artificial demand for municipal public parking as drivers “cruise” for on-street parking spaces (30% of traffic congestion attributed to on-street parking); queuing at municipal parking garages seeking a \$1.00 hourly rate versus a much higher hourly rates or flat rates at privately owned/operated parking garages; and lengthy waiting lists (12 to 18 months) for monthly parking at municipal garages. A recent parking rate survey of 13 privately owned/operated garages and surface parking lots in the South Beach entertainment districts revealed an average hourly rate of \$5.00; maximum daily rate of \$30.00; and monthly rate of \$187.00, as compared to \$1.00, \$20.00, and \$70.00, respectively, at municipal garages.

Parking Rates – Potential Increases:

In response to the funding needs and issues discussed above, a number of rates have been identified for potential increases.

- Increasing rates for South Beach on-street parking with lower increases for off-street (parking garages and lots). Conceptually, on-street hourly parking meter rates are proposed at \$3.00 with metered parking lots and garages at \$2.00, hourly.
- Restructure rates and hours of enforcement for Collins Avenue/Indian Creek between 23rd Street and 44th Streets to be consistent with rates and hours in South Beach, as the intensity in activity in this area has changed to be more similar to South Beach levels.
- Increase space rental rates for three of the four space rental categories (no change for film/print space rentals incentives) The City Code provides for a special event space rental fee of \$0.25 per square foot. The dimension of a parking space is 187 square feet, equating to \$46.75, per space. Therefore, a daily space rental rate of \$46.75 is proposed.

- Residential Parking Virtual Visitor Permits are currently \$1.00 per day. Products and services that are undervalued are prone to abuses. Increasing the value of virtual visitor permits diminishes opportunities for potential abuse. An increase to \$2.00 per day would yield an annual increase in revenue of \$147,685 or \$3.00 per day equates to \$295,370.

The impact of potential increases are summarized below taking into account a 20% elasticity adjustment for on-street parking (i.e. decrease in demand due to price increases) and a 25% elasticity adjustment for space rentals. Additional detail is attached.

It is important to note neither hourly parking meter nor garage rate increases would necessarily be applicable to Miami Beach residents. Currently, Miami Beach residents enjoy a reduced hourly parking meter rate of \$1.00, instead of \$1.75, in South Beach, through Parkmobile (payment mobile application). This represents a 43% discount. Moreover, Parkmobile waives its user fees for Miami Beach residents. If the Mayor and Commission approve, either the existing parking rate or some alternative discount may continue for residents.

	Current	Proposed	Annual Revenue (Inc)
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Parking Meter Hourly Rates:			
South Beach On-Street Meters	\$1.75	\$3.00	\$7,115,000.00
South Beach Off-Street Meters	\$1.75	\$2.00	\$678,000.00
Collins Ave/Indian Creek 23rd - 44th Streets - On-Street Meters	\$1.00	\$3.00	\$1,628,000.00
Collins Ave/Indian Creek 23rd - 44th Streets - Off-Street Meters	\$1.00	\$2.00	\$236,000.00
Sub-total:			\$9,657,000.00

Parking Meter Hours of Operation:			
Collins Ave/Indian Creek 23rd - 44th Streets - On/Off-Street Meters	8a-6p	9a-3a	\$2,331,000.00
Sub-total:			\$2,331,000.00

Sub-Total Meter Rate/Hours of Operation:			\$11,988,000.00
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Municipal Parking Garages:			
Each of first four hours:	\$1.00	\$2.00	\$3,281,000.00
Monthly Rate:	\$70.00	\$100.00	\$597,000.00
Sub-total:			\$3,878,000.00

Parking Space Daily Rental:			
Valet Parking:	\$17.00	\$46.75	\$1,428,000.00
Construction:	\$10.00	\$46.75	\$771,000.00
Special Event:	\$10.00	\$46.75	\$771,000.00
Sub-total:			\$2,970,000.00

Residential Daily Visitor Permit:			
Option No. 1	\$1.00	\$2.00	\$147,000.00
Option No. 2	\$1.00	\$3.00	\$295,000.00
Sub-total (if Option 1 selected):			\$147,000.00

GRAND TOTAL	\$18,983,000.00
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CONCLUSION

Cumulatively, the aforementioned parking rate increases are estimated to have the potential to yield an additional \$19 million, annually. As described, these increased revenues would be utilized to fund the more immediate transportation initiatives and the bonding capacity for the Parking Enterprise Fund is estimated at \$140 million to fund parking garage expansion projects. It is important to note that additional rate increases may be needed in the future to fund other projects, including light rail. If all potential rate increases identified above are implemented, the resulting impacts are shown in the table below prior to addressing the projects identified in the funding needs summary referenced above.

Parking Available Fund Balance- With Rate Increases						
	FY15	FY16	FY17	FY18	FY19	FY20
Available fund balance in the Parking Fund as of September 30, 2014	22,825,573	12,532,573	17,621,573	14,054,073	19,494,358	23,459,462
Fund Balance Set Aside for R&R	3,228,000	6,258,000	6,258,000	6,258,000	6,258,000	6,258,000
Available Fund Balance	26,053,573	18,790,573	23,879,573	20,312,073	25,752,358	29,717,462
Transfer to Transportation	(1,311,000)	(3,333,000)	(3,333,000)	(3,333,000)	(3,333,000)	(3,333,000)
Transfer to General Fund	(8,400,000)	(8,400,000)	(8,400,000)	(8,400,000)	(8,400,000)	(8,400,000)
R&R/Capital Needs	(5,314,000)	(3,728,000)	(10,994,000)	(554,000)	(554,000)	(554,000)
Net Available Balance	11,028,573	3,329,573	1,152,573	8,025,073	13,465,358	17,430,462
Annual Revenues	52,430,000	74,415,000	74,415,000	74,415,000	74,415,000	74,415,000
Annual Operating Expenses	(41,237,000)	(46,350,000)	(47,740,500)	(49,172,715)	(50,647,896)	(52,167,333)
Debt Service*	(3,431,000)	(7,515,000)	(7,515,000)	(7,515,000)	(7,515,000)	(7,515,000)
Set Aside for R&R	(6,258,000)	(6,258,000)	(6,258,000)	(6,258,000)	(6,258,000)	(6,258,000)
Net Surplus	1,504,000	14,292,000	12,901,500	11,469,285	9,994,104	8,474,667
Projected Available Year End Fund Balance	12,532,573	17,621,573	14,054,073	19,494,358	23,459,462	25,905,128

* Includes an estimated \$4.14 million annually for debt service on the parking needs for the Convention Center Renovation, commencing in FY16

- cc: Kathie Brooks, Assistant City Manager
 Patricia Walker, Chief Financial Officer
 Mark Taxis, Assistant City Manager
 John Woodruff, Director of Budget and Performance Improvement
 Marcia Monserrat, Special Projects Coordinator
 Jose Gonzalez, Transportation Director
 Saul Frances, Parking Director

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MIAMIBEACH

OFFICE OF THE CITY MANAGER

COMMITTEE MEMORANDUM

TO: Finance and Citywide Projects Committee

FROM: Jimmy L. Morales, City Manager

DATE: July 1, 2015

SUBJECT: **DISCUSSION REGARDING PARKING DEMAND ANALYSIS/WALKER PARKING CONSULTANTS**

DISCUSSION REGARDING THE CONSTRUCTION OF A PARKING GARAGE AT THE 27TH STREET AND COLLINS AVENUE PARKING LOT

BACKGROUND

On July 23, 2014, the Mayor and Commission referred Item No. C4I entitled, "Discussion Regarding Parking Demand Analysis/Walker Parking Consultants", to the Finance and Citywide Projects Committee for discussion. On February 11, 2015, the Mayor and Commission referred Item No. C4C to the Finance and Citywide Projects Committee for discussion as well.

ANALYSIS

Walker Parking Consultants conducted a parking demand analysis for South Beach, North Beach, and Middle Beach. "Walker" was further tasked to provide a supplemental report containing the following deliverables for all three (3) geographic areas of the City (South, Middle, and North):

- Removal of private parking utilization contained in the analysis.
- Parking rate analysis and recommended strategies.
- Conceptual parking structure layouts for various city owned metered parking lots.

The completion of this report is imminent. If the report is finalized prior to the July 1st, FCWPC meeting, it will be issued by supplemental agenda.

CONCLUSION

The Administration will provide the Walker Parking Supplemental Report addressing the two related agenda titles above as soon as it is available.

JLM/KGB/SF

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Discussion Item

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MIAMI BEACH

OFFICE OF THE CITY MANAGER

COMMITTEE MEMORANDUM

TO: Finance and Citywide Projects Committee

FROM: Jimmy L. Morales, City Manager

DATE: July 1, 2015

SUBJECT: **DISCUSSION REGARDING THE CITY'S LIVING WAGE ORDINANCE IN LIGHT OF THE REQUIREMENTS OF THE PATIENT PROTECTION AND AFFORDABLE CARE ACT**

BACKGROUND

At its November 19, 2014 meeting, the City Commission approved a referral to the Finance and Citywide Projects Committee (item C4D) for a discussion on the City's Living Wage Ordinance in light of the requirements of the Patient Protection and Affordable Care Act (the "PPACA"), commonly known as Obamacare.

Pursuant to the Living Wage Ordinance, contractors to which the ordinance is applicable are required to either provide health insurance coverage to their employees or pay a health insurance differential for employees to purchase their own insurance. In light of the requirements of the PPACA, which requires employers (who meet the thresholds established in the law) to provide health insurance to their employees, some governmental entities who have implemented Living Wage laws are assessing whether or not the health care differential is still required or if any other changes will be required to their Living Wage laws.

Since the PPACA is relatively new and few governmental agencies with Living Wage laws have had an opportunity to evaluate its impact on these laws, there is a lack of research or findings in this area. Nonetheless, the Administration, in its due diligence, has researched the question of whether or not any changes are required to the Living Wage Ordinance in light of the PPACA. In doing so, the Administration has consulted with Miami-Dade County, Broward County and the City's consultant on health care matters. Miami-Dade and Broward Counties have Living Wage laws similar to the City. Neither county has yet to enact any changes to their Living Wage laws as a result of the PPACA. Additionally, the City's consultant has informed the Administration that, despite the fact that the certain portions of the Ordinance do not dovetail neatly into the language in the PPACA, there is no immediate need for amendments to the Ordinance that are required in light of the PPACA.

CONCLUSION

Given ongoing challenges to the PPACA making their way through the courts and the possibility of significant changes to the law as a result, the Administration believes it is premature to recommend amendments to the Ordinance as a result of PPACA. The Administration will continue to monitor the progress of the challenges to the PPACA, as well as any other changes to the law that may be enacted in the near future. Once the law and challenges to it have become more settled, the Administration will seek the direction of the City Commission for any changes that may be necessary.

JLM/MT/AD

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MIAMI BEACH

OFFICE OF THE CITY MANAGER

COMMITTEE MEMORANDUM

TO: Finance and Citywide Projects Committee

FROM: Jimmy L. Morales, City Manager

DATE: July 1, 2015

SUBJECT: **DISCUSSION REGARDING THE REQUIREMENTS FOR CITY CONTRACTORS TO PROVIDE EQUAL BENEFITS FOR DOMESTIC PARTNERS**

BACKGROUND

At the January 14, 2015 meeting, the City Commission approved a referral to the Finance and Citywide Projects Committee (item C4J) for a discussion on the requirements for City contractors to provide domestic partners with the same benefits it provides to married couples.

The Administration understands that the question is whether or not the equal benefits requirement for City contracts is still necessary in light of recent court rulings that now allow same sex couples in Florida to marry and, therefore, be eligible for the same benefits offered to married couples. In researching this matter, the Administration has reached out to the City's benefits consultant for input.

The City's consultant has stated that it is unable to decisively provide guidance on this matter. Nonetheless, the consultant has indicated that these types of ordinances were enacted around the country to give similar rights to individuals who, at that time, were not able to get married or to have their marriages recognized. According to our consultant, now that Florida's Clerk of Courts can issue marriage licenses to same-sex individuals (and the recognition of marriages that occurred in other jurisdictions), the need for domestic partner benefits may have lessened.

As of June 25, 2015, the Supreme Court has not ruled on the constitutionality of same sex marriage. That decision could impact this analysis.

CONCLUSION

The Administration is seeking guidance from the Finance and Citywide Projects Committee on this item.


JLM / MT / AD

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MIAMIBEACH

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

COMMITTEE MEMORANDUM

TO: Finance and Citywide Projects Committee Members

FROM: Jimmy L. Morales, City Manager 

DATE: July 1, 2015

SUBJECT: **A DISCUSSION REGARDING A NEW LEASE AGREEMENT BETWEEN THE CITY OF MIAMI BEACH (LANDLORD) AND SB WAXING, INC. (TENANT) INVOLVING THE USE OF APPROXIMATELY 1,291 SQUARE FEET OF GROUND FLOOR RETAIL SPACE LOCATED AT 1701 MERIDIAN AVENUE, UNIT 3 (A/K/A 771 17TH STREET), MIAMI BEACH, FLORIDA (PREMISES), FOR AN INITIAL TERM OF FIVE (5) YEARS, WITH ONE (1) RENEWAL OPTION FOR AN ADDITIONAL FOUR (4) YEARS AND THREE HUNDRED AND SIXTY FOUR (364) DAYS.**

BACKGROUND

On July 15, 2009, the Mayor and City Commission adopted Resolution No. 2009-27129 approving a lease agreement between the City and the Roma Waxing, Inc. (d/b/a Uni.K Wax) for the use of approximately 1,291 square feet of City-owned property, located at 1701 Meridian Avenue, Unit 3 (a/k/a 771 17th Street), Miami Beach, Florida, to be used for the purpose(s) of operating a hair removal facility, including waxing and retail sales of related items, as well as facials and retail sales of related items. The lease contained an initial term of three (3) years, commencing August 1, 2009 and ending July 31, 2012, with one (1) renewal option for an additional three (3) years

On December 9, 2009, the Mayor and City Commission adopted Resolution No. 2009-27275 approving a Consent to Assignment and Assumption of Lease Agreement whereby Roma Waxing, Inc. assigned its lease to SB Waxing, Inc. (d/b/a Uni.K Wax) (Tenant) and certain terms and conditions of the Lease Agreement were modified.

On May 30, 2012, Tenant exercised its sole renewal option for a period of three (3) years, commencing August 1, 2012 and ending July 31, 2015.

ANALYSIS

Tenant requested a new lease for an initial term of five (5) years, commencing August 1, 2015 and ending July 31, 2020, with one (1) renewal option for an additional four (4) years and three hundred and sixty four (364) days.

In order to obtain current and accurate market rental data, the City procured the services of a certified appraiser to provide a Market Rent Analysis, dated April 30, 2015 (the "Analysis"), which is attached hereto as Exhibit A (Market Rent Analysis). As contained in the Analysis, the

current market rent for comparable retail space at 1701 Meridian Avenue is \$45.00 per square foot, on a triple net (NNN) basis, with operating expenses averaging \$15.01 per square foot.

The City entered into negotiations with Tenant and agreed to the basic terms and conditions as follows:

Tenant: SB Waxing, Inc. d/b/a Uni-K-Wax

Premises: 1701 Meridian Avenue, Unit 3 (a/k/a 771 17th Street)
Miami Beach, Florida 33139

Size: Approximately 1,291 rentable square feet

Initial Term: Five (5) years commencing August 1, 2015 and ending July 31, 2020.

Renewal Option: So long as Tenant has never been in an uncured default of the Lease, upon providing Landlord written notice six (6) months prior to the expiration of the Initial Lease Term, Tenant shall have one (1) renewal option, for a period of four (4) years and 364 days, at the then prevailing fair market rent.

Termination Option: In the event the City determines, in its sole and absolute discretion, to demolish, renovate or repurpose the 1701 Meridian Avenue building, the City shall have the right to terminate the lease at any time throughout the Initial Term, or renewal term, upon providing one hundred eighty days (180) prior written notice to Tenant.

Base Rental Rate: \$42.00 Triple Net, per rentable square foot, plus applicable sales tax.

Increases: The Base Rental Rate shall be increased by three percent (3%) annually.

Lease Basis: Triple Net - Tenant shall pay its proportionate share of the costs of real estate taxes, insurance and maintenance expenses.

Security Deposit: Two (2) month's gross rent

Construction Allowance: Tenant shall accept the Premises in "as-is" condition.

Additionally, the Lease Agreement is subject to final review and approval by the City Attorney's Office.

Under the current Lease, Tenant is paying an annual rate of \$31.85 per square foot, on a NNN basis. Additionally, Tenant pays \$11.80 PSF for operating expenses which consist of \$6.90 PSF for real estate taxes, \$4.00 PSF for maintenance expenses and \$0.90 PSF for insurance. South Florida Salon Group is currently \$55.73 PSF on a gross basis. Massage Partners is currently paying \$29.28 PSF on a NNN basis, plus \$11.80 PSF for operating expenses. Damian Gallo & Associates is currently paying \$37.74 PSF on a NNN basis, plus \$11.80 PSF for operating expenses (plus 15% of gross sales above the gross rent for the café portion of the

premises). A current rent detail for all four (4) retail tenants at 1701 Meridian Avenue, and the proposed new rent for Tenant, are contained in the following charts:

Tenant	Suite	Sq. Ft.	Rent	Basis	RE Taxes	Insurance	C.A.M.	Total	
South Florida Salon Group, Inc.	1	1,327							
Monthly			\$ 6,162.71		\$ -	\$ -	\$ -	\$ 6,162.71	
Annually			\$ 73,952.49		\$ -	\$ -	\$ -	\$ 73,952.49	
PSF			\$ 55.73	Gross	\$ -	\$ -	\$ -	\$ 55.73	
Massage Partners, Inc.	2	1,803							
Monthly			\$ 4,399.47		\$ 1,036.38	\$ 135.22	\$ 600.96	\$ 6,172.03	
Annually			\$ 52,793.61		\$ 12,436.60	\$ 1,622.64	\$ 7,211.52	\$ 74,064.37	
PSF			\$ 29.28	NNN	\$ 6.90	\$ 0.90	\$ 4.00	\$ 41.08	
SB Waxing, Inc.	3	1,291							
Monthly			\$ 3,426.18		\$ 742.08	\$ 96.79	\$ 430.20	\$ 4,695.25	
Annually			\$ 41,114.12		\$ 8,904.97	\$ 1,161.48	\$ 5,162.40	\$ 56,342.97	
PSF			\$ 31.85	NNN	\$ 6.90	\$ 0.90	\$ 4.00	\$ 43.64	
Damian J. Gallo & Associates, Inc.	4	1,269							
Monthly			\$ 3,990.92		\$ 785.18	\$ 95.17	\$ 422.96	\$ 5,294.23	
Annually			\$ 47,891.04		\$ 8,753.21	\$ 1,142.04	\$ 5,075.52	\$ 62,861.81	
PSF			\$ 37.74	NNN	\$ 6.90	\$ 0.90	\$ 4.00	\$ 49.54	
			*Plus 15% of Gross Sales above Gross Rent for Café space (801 SF)						

SB Waxing, Inc. (PROPOSED)	3	1,291						
Monthly			\$ 4,518.50		\$ 742.08	\$ 96.79	\$ 430.20	\$ 5,787.57
Annually			\$ 54,222.00		\$ 8,904.97	\$ 1,161.48	\$ 5,162.40	\$ 69,450.85
PSF			\$ 42.00	NNN	\$ 6.90	\$ 0.90	\$ 4.00	\$ 53.80

As illustrated above, the proposed new lease contains an increase in Tenant's gross rental rate from \$43.64 PSF to \$53.80 PSF. This represents an increase of over twenty three percent (23%).

CONCLUSION

The Administration recommends in favor of executing a new lease agreement with Tenant, in accordance with the above stipulated terms and conditions, for a period of five (5) years, with one (1) renewal option for an additional four (4) years and three hundred and sixty four (364) days, at fair market rent.

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

JLM/KGB/MAS//MMM

Exhibits:

A Market Rent Analysis

**COUNSELING REPORT
MARKET RENT ANALYSIS FOR RETAIL SPACE
1661 Pennsylvania Ave.
1701 Meridian Avenue
Miami Beach, FL 33139**

Report 201526

PREPARED FOR

**City of Miami Beach
Mark Milisits
Asset Manager
Tourism, Culture and Economic Development Department
Office of Real Estate
1755 Meridian Ave.
Miami Beach, FL 33139**

PREPARED BY

**BLAZEJACK & COMPANY
172 W Flagler Street, Suite 340
Miami, Florida 33130
Phone: (305) 372-0211
Fax: (305) 374-1948**

BLAZEJACK & COMPANY
REAL ESTATE COUNSELORS

April 30, 2015

City of Miami Beach
Mark Milisits
Asset Manager
Tourism, Culture and Economic Development Department
Office of Real Estate
1755 Meridian Ave.
Miami Beach, FL 33139

Re: Appraisal of Real Property - **201526**
Market Rent Analysis
1661 Pennsylvania Ave.
1701 Meridian Avenue
Miami Beach, FL 33139

Dear Mr. Milisits:

At your request, we have completed an analysis of the market rent of the above referenced property, to various Assumptions and Limiting Conditions set forth in the accompanying report. The physical inspection and analysis that form the basis of the report has been conducted by the undersigned.

Our analyses have been prepared in compliance with the standards and regulations of the Uniform Standards of Professional Practice (USPAP). The accompanying report includes pertinent data secured in our investigation, exhibits and the details of the processes used to arrive at our conclusion of value.

As a result of the examination and study made, it is my opinion that the Market Rent of the two properties, subject to economic conditions prevailing, as of April 30, 2015, the date of the analysis are:

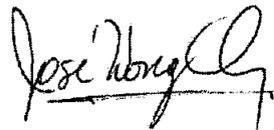
Property	Address	Market Rent	Type of Rent	Total Operating Expenses
Retail	1701 Meridian Ave.	\$45	NNN	\$15.01
Restaurant	1661 Pennsylvania Ave.	\$70	NNN	\$15.57

Respectfully submitted,

BLAZEJACK & COMPANY



Thomas J. Blazejack, MAI, AI-GRS,CCIM
President
Cert Gen RZ-1015



Jose Wong
Senior Consultant
Cert Gen RZ-2797

Digitally signed by Thomas J. Blazejack, MAI, CCIM
DN: cn=Thomas J. Blazejack, MAI, CCIM, o=Blazejack
& Company, ou=State Cert. Gen. R.E.A. 1015,
email=tom@blazejack.com, c=US
Date: 2015.05.04 10:13:35 -0400'

SUMMARY OF FACTS AND CONCLUSIONS



Property Name: 1701 Meridian Avenue
Property Type: Retail
Location: 1701 Meridian Avenue Miami Beach
FL 33139
Parcel Identification: 02-3234-226-0010
Source: Miami Dade Public Records
Owner: City of Miami Beach
Client: City of Miami Beach
Interest Appraised: Market Rent
Date of Appraisal: April 30, 2015
Dates of Inspection: April 28, 2015
Date of Report: April 30, 2015
Property Size: 1,291 SF
Highest and Best Use:
As Vacant: Mixed-Use Building Development
As Improved: Continued use as Mixed-Use Building

Value Indication, as of April 30, 2015:

Property	Address	Market Rent	Type of Rent	Total Operating Expenses
Retail	1701 Meridian Ave.	\$45	NNN	\$15.01



Property Name: 1661 Pennsylvania Ave.
 Property Type: Retail - Restaurant
 Location: 1661 Pennsylvania Ave. Miami Beach
 FL 33139
 Parcel Identification: 02-3234-226-0010
 Source: Miami Dade Public Records
 Owner: City of Miami Beach
 Client: City of Miami Beach
 Interest Appraised: Market Rent
 Date of Appraisal: April 30, 2015
 Dates of Inspection: April 28, 2015
 Date of Report: April 30, 2015
 Property Size: 7,807 SF. Additional 2,230 SF for storage in the underground.
 Highest and Best Use:
 As Vacant: Mixed-Use Building Development
 As Improved: Continued use as Mixed-Use Building

Value Indication, as of April 30, 2015:

Property	Address	Market Rent	Type of Rent	Total Operating Expenses
Restaurant	1661 Pennsylvania Ave.	\$70	NNN	\$15.57

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ADDENDA

Exhibit A Subject Photographs
Exhibit B Comparable Rent Photographs
Exhibit C Contract Leases
Exhibit D Engagement Letter
Exhibit E Qualifications of the Appraisers

CERTIFICATE OF VALUE

I certify that, to the best of my 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 my personal, unbiased professional analyses, opinions, and conclusions.
- We have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
- We have performed no services regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- We have no bias with respect to the property that is 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 subsequent event directly related to the intended use of this appraisal.
- Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- Jose Wong have made a personal inspection of the property that is the subject of this report. Thomas J. Blazejack has not made a personal inspection of the property.
- No one provided significant real property appraisal assistance to the persons signing this certification.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representative.
- As the date of this report Thomas J. Blazejack has completed the continuing education program of the Appraisal Institute. Jose Wong has completed the requirements of the education program established by the State of Florida.

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BLAZEJACK & COMPANY



Thomas J. Blazejack, MAI, AI-GRS, CCIM
President
Cert Gen RZ-1015



Jose Wong
Senior Consultant
Cert Gen RZ-2797

Digitally signed by Thomas J. Blazejack, MAI, CCIM
DN: cn=Thomas J. Blazejack, MAI, CCIM, o=Blazejack &
Company, ou=State Cert. Gen. R.E.A. 1015,
email=tom@blazejack.com, c=US
Date: 2015.05.04 10:14:20 -04'00'

ASSUMPTIONS AND LIMITING CONDITIONS

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

- 1 No survey of the subject property was undertaken.
- 2 The subject property is free and clear of all liens except as herein described. No responsibility is assumed by the appraisers for matters, which are of a legal nature, nor is any opinion on the title rendered herewith. Good and marketable title is assumed.
- 3 The information contained herein has been gathered from sources deemed to be reliable. No responsibility can be taken by the appraisers for its accuracy. Correctness of estimates, opinions, dimensions, sketches and other exhibits which have been furnished and have been used in this report are not guaranteed. The value estimate rendered herein is considered reliable and valid only as of the date of the appraisal, due to rapid changes in the external factors that can significantly affect the property value.
- 4 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.
- 5 The appraisers herein, by reason of this report, are not required to give testimony in court with reference to the property appraised unless notice and proper arrangements have been previously made therefore.
- 6 The value estimate assumes responsible ownership and competent management. The appraiser assumes no responsibility for any hidden or in apparent conditions of the property, subsoil, or structures, which would render it more or less valuable. No responsibility is assumed for engineering, which might be required to discover such factors.
- 7 Neither all nor any part of the contents of this report shall be conveyed to the public through advertising, public relations, news, sales or other media without the written consent and approval of the authors, particularly as to valuation conclusions, the identity of the appraisers or firm with which they are connected, or any reference to the Appraisal Institute.
- 8 Any exhibits in the report are intended to assist the reader in visualizing the property and its surroundings. The drawings are not intended as surveys and no responsibility is assumed for their cartographic accuracy. Any drawings are not intended to be exact in size, scale, or detail. Areas and dimensions of the property may or may not have been physically measured. If furnished by the principal or from plot plans or surveys furnished by the principal, or from public records, we assume them to be reasonably accurate. No responsibility is assumed for discrepancies, which may become evident from a licensed survey of the property.
- 9 The Americans with Disabilities Act (ADA) became effective January 26, 1992 sets strict and specific standards for handicapped access to and within most commercial and industrial buildings. Determination of compliance with these standards is beyond appraisal expertise and, therefore, has not been attempted by the appraisers. For purposes of this appraisal, we are assuming the building is in compliance; however, we recommend an architectural inspection of the building to determine compliance or requirements for compliance.

MARKET RENT ANALYSIS

IDENTIFICATION OF THE PROPERTY

The properties under analysis in this report, are two retail spaces located at 1661 Pennsylvania Ave. and 1701 Meridian Avenue Unit 3 in Miami Beach FL 33139. The property at Pennsylvania Avenue is a restaurant space. The property at Meridian Avenue is a general retail space.

PURPOSE DATE AND FUNCTION OF THE REPORT

The purpose of this report is to estimate the market rent for the retail space. The date of the analysis was April 30, 2015. It is understood that the function of this report is for internal asset management for lease negotiations.

SCOPE OF THE ASSIGNMENT

This is a summary analysis presented in a narrative report. The scope of this analysis was to inspect the property, consider market characteristics and trends, collect and analyze pertinent data, develop a conclusion and estimate the property's market rent. During the course of this assignment, we developed and analyzed current retail space rents located in the Miami Beach area.

The extent of verification consisted of assembling and analyzing raw data gathered from a variety of sources including public records data services, news periodicals, broker or knowledgeable third parties when available, and in-houses files.

DEFINITIONS OF VALUE AND INTEREST APPRAISED

According to the Code of Federal Regulations, Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 ("FIRREA"), and according to the 12th Edition of The Appraisal of Real Estate, market value is defined as follows:

Market Value

The most probable price, which a property should bring in 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 own best interests;
- 3 A reasonable time is allowed for exposure on 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 a normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

Fee Simple Interest

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed governmental powers of taxation, eminent domain, police power, and escheat.

Leased Fee Interest

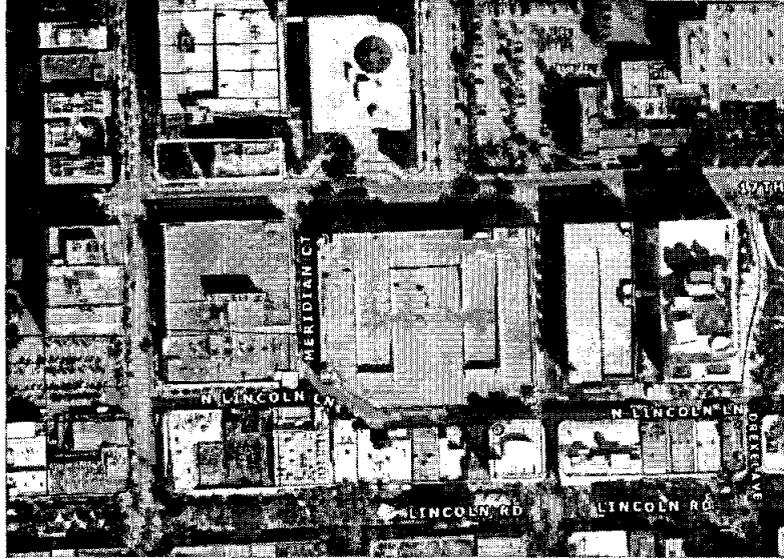
An ownership interest held by a landlord with the right to use and occupancy conveyed by a lease to others; usually consists of the right to receive rent and the right to possession at termination of the lease.

Market Rent

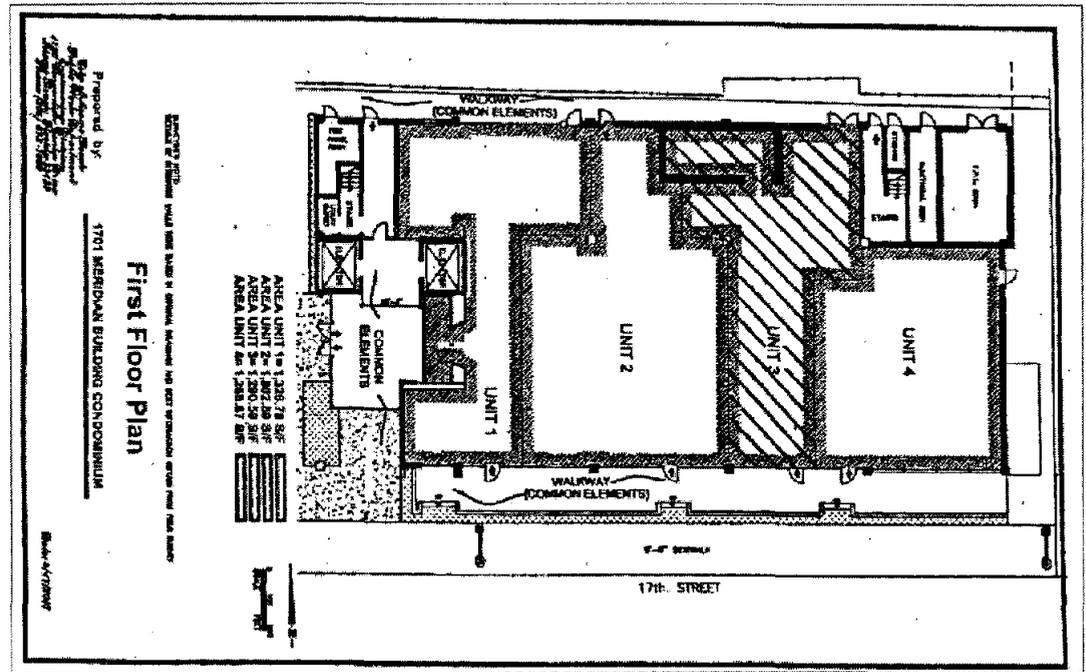
The rental income that a property would most probably command on the open market; indicated by current rents paid and asked for comparable space as of the date of the appraisal.

Source: Appraisal Institute, The Appraisal of Real Estate, 13th Edition, (Chicago, 2008)

1701 Meridian Avenue UNIT 3



The building is located at the NEC of 17th Street and Meridian Avenue at 1701 Meridian Avenue Unit 3. The Subject unit #3 has 1,291 SF according to Public Records of Miami Dade. The building is a four-story structure that contains retail spaces on first floor and office space on second, third and fourth floors. Currently, the retail space is leased to Roma Waxing, Inc. for waxing treatments services. The contract lease can be found in the Addenda.



PROPERTY HISTORY

The property is held in the name of City of Miami Beach according to the Public Records of Miami Dade County. We are not aware of any transfer of the property or purchase listing or offering within the past five years.

LEGAL DESCRIPTION

Short Legal Description
1701 MERIDIAN BLDG CONDO UNIT 3 UNDIV 1290.59/26466 INT IN COMMON ELEMENTS OFF REC 25724-1183

MARKET RENT ANALYSIS

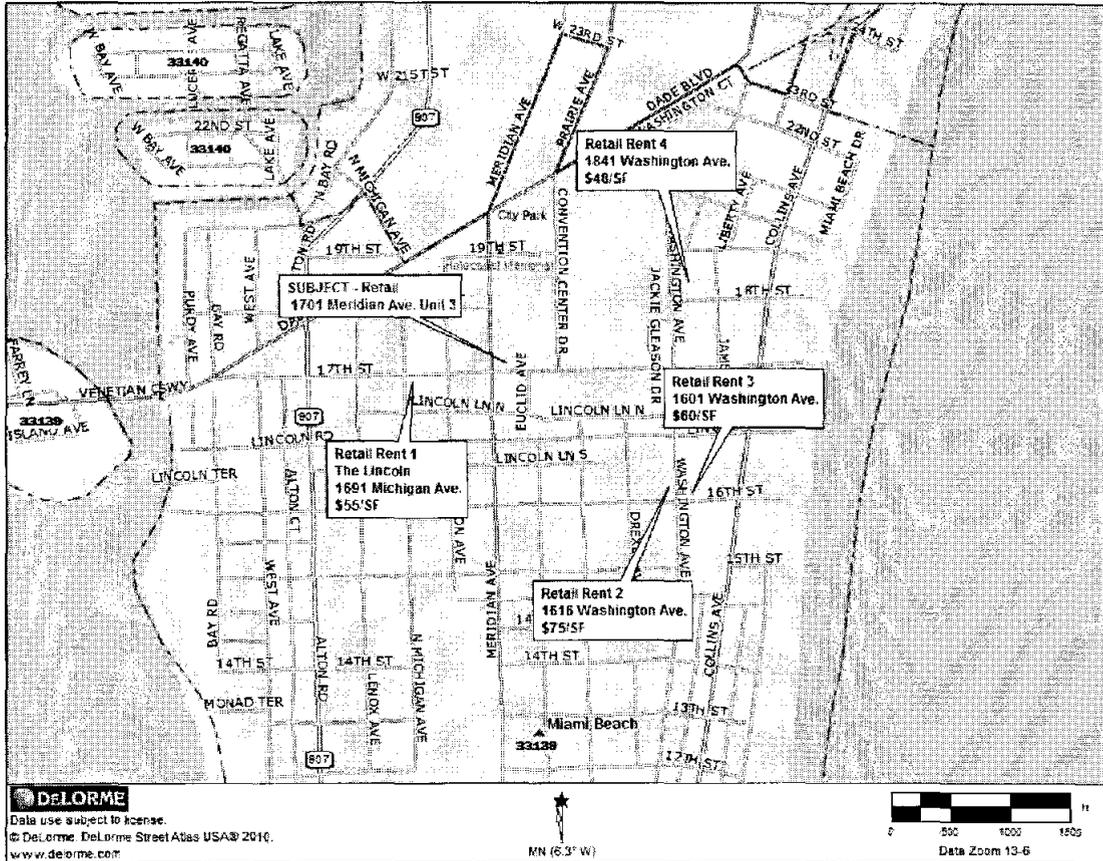
Retail Market

We are estimating the market rent of the subject property, therefore a rent survey of the Miami Beach area was conducted. The basis for classification was location, design, and quality of construction, quality of interior finishes, age, and condition.

The comparable properties selected give an indication of the level of rent that could be commanded by the subject if offered in the open market. The restaurant rent survey, a location

map, and a table of adjustments can be found following. Photos of the comps are shown in the Addenda.

All the retail rates in our survey are asking rates. Leasing agents interviewed in gathering rental data indicated that no concessions are provided although some terms are negotiable depending on the credit of the prospect, size of space and length of the lease. In most cases, the rates actually achieved in leases are near the asking rates.



Retail Map Comparable

Comparable Retail Listing Rental Summary - Miami Beach - April, 2015							
No.	Property Name Location	Vacant (RSF)	Year Built	Quoted Rates	Rent Type	Operat. Exp \$/SF	Comment
1	The Lincoln 1691 Michigan Ave. Miami Beach FL 33139	3,567	2003	\$55	NNN	N/A	The class A office building was built in 2003. It contains a retail listing on the first floor with 3,567 SF. Designed by Arquitectonica, The Lincoln building is a first class, mixed-use building features 120,000 square feet of Class A office space, 38,500 square feet of retail space, and a connected, six-level, 709-space parking garage. The retail is located on the north side of famous Loncoln Road, between Michigan and Jefferson
2	1616 Washington Ave. Miami Beach FL 33139	2,209		\$75	NNN	\$15.00	Twenty feet of frontage along Washington Avenue. Space consists of a ground floor and mezzanine level for a total of 2,209 SF. It's located next to Subway. Co-tenancy with McDonald's, Foot Locker, Radio Shack, Fritz Skateshop.
3	Lincoln Place 1601 Washington Ave. Miami Beach FL 33139	823 3,094		\$60 \$60	NNN	\$17.00	Located on the northeast corner of Washington Avenue, one block south of Lincoln Road, one fourth block west of Collins Avenue. Within walking distance of retail shops and restaurants. Tenant has to pay for turn key. The retail has average quality construction finishing and is in good condition. Space 101 and 105 are available. Operating Expenses
4	1841 Washington Ave Miami Beach FL 33139	3,500		\$48	NNN	N/A	Co-tenant Subway restaurant, 2nd generation restaurant space. Two designated parking spaces. Located on Washington between 8th and 9th Street.
SUBJECT:							
	Roma Waxing 1701 Meridian Ave. Unit 3 a.k.a 771 17th St. Miami Beach FL 33139	1,291	1959		NNN		The subject retail faces 17th Street. It has good quality finishing and is in good condition.

RETAIL RENT COMPS ADJUSTMENT GRID				
Rent \$/SF	1	2	3	4
	\$55	\$75	\$60	\$48
Location	0%	-30%	-30%	-30%
Building Quality	-10%	0%	0%	7%
Condition	-5%	5%	0%	10%
Size	0%	0%	0%	0%
Others	0%	0%	0%	0%
Overall Adjustment	-15%	-25%	-30%	-13%
Adjusted Rent	\$47	\$56	\$42	\$42

Average All Comps:	\$47
Average Best Comp 1:	\$47
Chosen Retail Rent (\$/SF) for Subject	\$45 NNN

LEGEND		
Comparison	Adjustm	
Similar to Subject	=	the comp does not need adjustment
Inferior to Subject	+	the comp needs a plus adjustment
Superior to Subject	-	the comp needs a negative adjustment

Base on comparison with the market data we concluded that the market rent for the subject retail space (1,291 SF) to be \$45 per square foot rentable net per year for vacant space. We have concluded that the market rent would typically span a 5-year lease.

The total rent for the subject retail space is \$58,095 (1,291 SF x\$45/SF).

Operating Expenses

The annual operating expenses of the subject property were projected in this analysis based on similar properties.

RETAIL OPERATING EXPENSES STATEMENT April 2015	
<u>EXPENSES:</u>	<u>Per SF</u>
FIXED EXPENSES	
Property Taxes	\$3.62
<u>Insurance</u>	<u>\$1.15</u>
TOTAL FIXED EXPENSES:	\$4.77
VARIABLE EXPENSES	
Administrative & General	\$1.53
Repairs/Maintenance	\$0.79
Utilities	\$1.50
Cleaning	\$0.31
Others	\$5.96
<u>Reserves</u>	<u>\$0.15</u>
	\$10.24
<u>TOTAL EXPENSES</u>	<u>\$15.01</u>

Our estimated total stabilized Operating Expenses for the stabilized year is \$15.01 per square foot of rentable area.

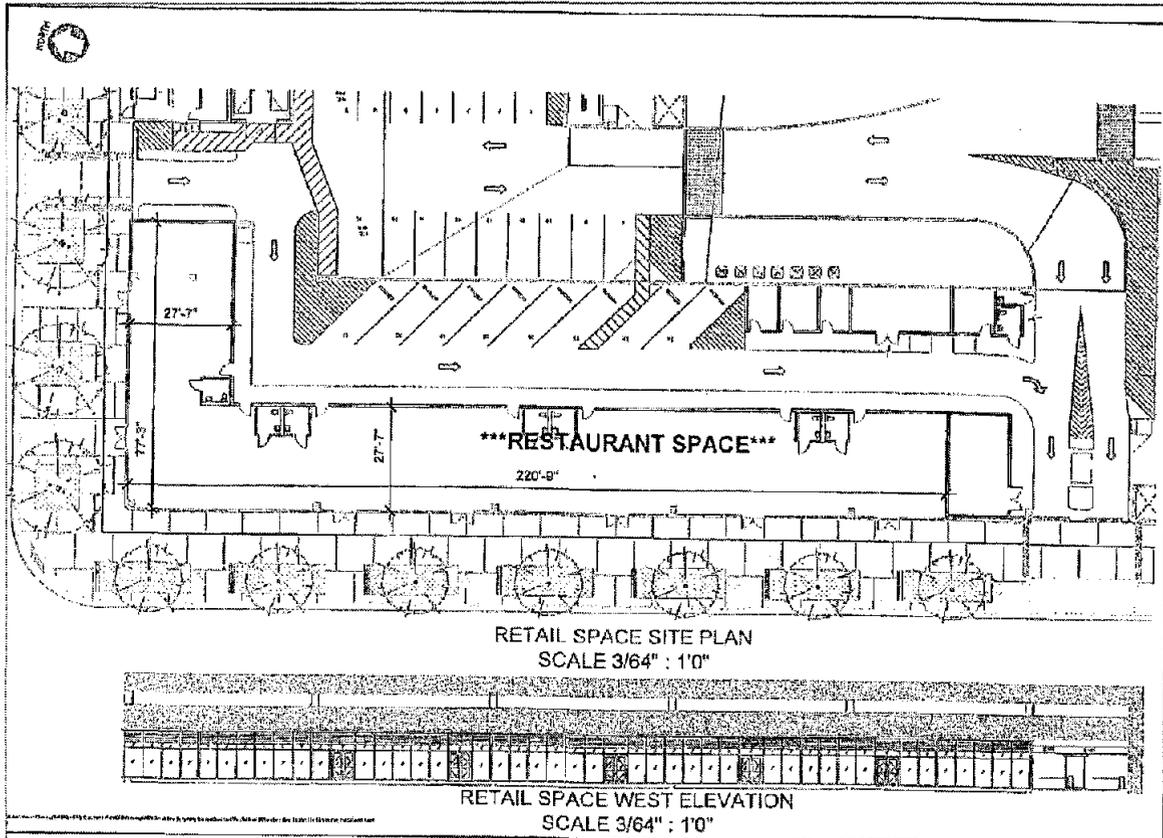
CONCLUSION

Market Retail Rent is based on a triple net lease basis, where the tenant pays all expenses, including utilities, water, electricity, common areas, cleaning, taxes, and insurance.

The market rent for the subject located at 1701 Meridian Avenue, Unit 3, in Miami Beach as of April 30, 2015, is \$45 per square foot of rentable area net. Operating expenses are \$15.01/ per square foot of rentable area.

Property	Address	Market Rent	Type of Rent	Total Operating Expenses
Retail	1701 Meridian Ave.	\$45	NNN	\$15.01

1661 Pennsylvania Ave.



The restaurant is located at the east side of Pennsylvania Avenue, between 17th Street and N. Lincoln Lane. The address is 1661 Pennsylvania Ave. Subject property under analysis is the retail component of the 'Pennsylvania Garage' building built in 2012. The building is a six-story structure with garage and retail spaces on the first floor. The subject is a restaurant to be used as first-class, high quality restaurant plus 2,230 SF of additional area to be used as storage. The space has high ceiling. Currently is leased to Penn 17 LLC for 9 years and 364 days. The lease was signed in October 31, 2011, and began 90 days after the certificate of occupancy was issued.

The contract lease can be found in the Addenda.

PROPERTY HISTORY

The property is held in the name of City of Miami Beach according to the Public Records of Miami Dade County. We are not aware of any transfer of the property or purchase listing or offering within the past five years.

LEGAL DESCRIPTION

Short Legal Description
PENNSYLVANIA GARAGE CONDO UNIT 1 UNDIV 3 7% INT IN COMMON ELEMENTS OFF REC 25060-4536

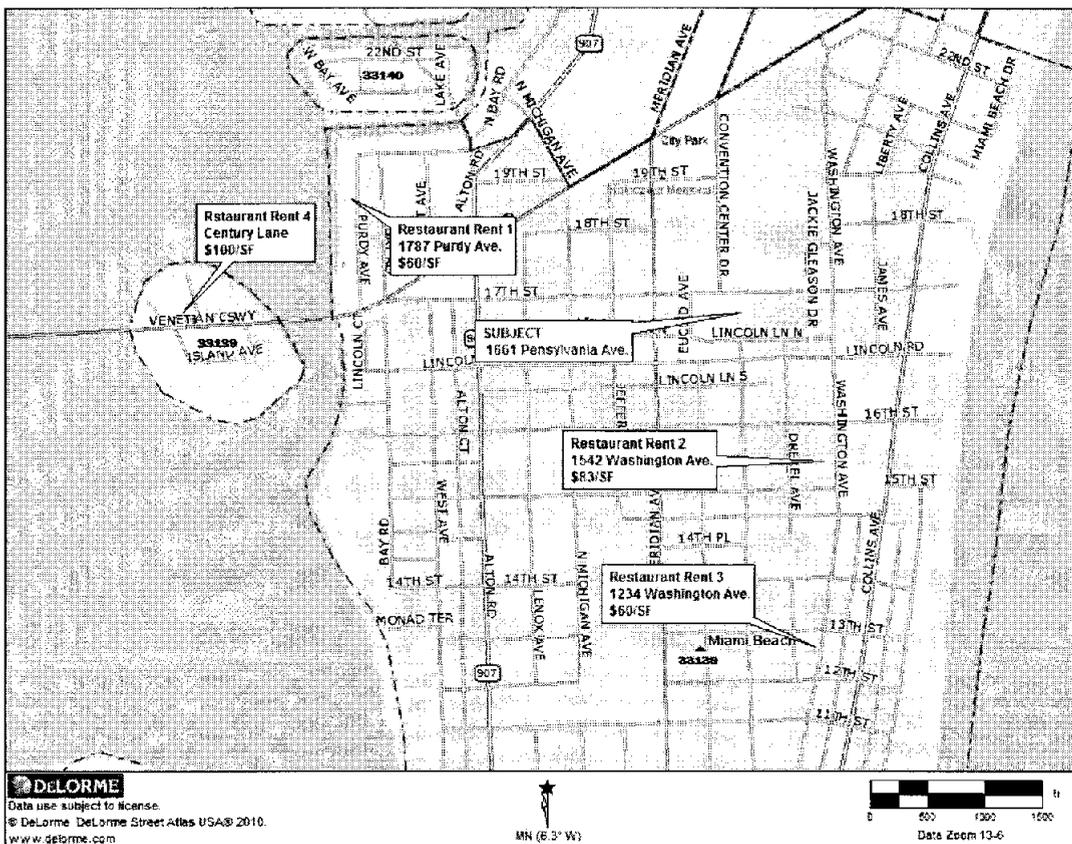
MARKET RENT ANALYSIS

Restaurant Market

We are estimating the market rent of the subject property, therefore a rent survey of the Miami Beach area was conducted. The basis for classification was location, design, and quality of construction, quality of interior finishes, age, and condition.

The rent comparable selected give an indication of the level of rent that could be commanded by the subject if offered in the open market. The restaurant rent survey, a location map, and a table of adjustments can be found following. Photos of the comps are shown in the Addenda.

All the restaurant rates in our survey are asking rates. Leasing agents interviewed in gathering rental data indicated that no concessions are provided although some terms are negotiable depending on tenant credit, the size of space and length of the lease. In most cases, the rates actually achieved in leases are near the asking rates.



Retail Map Comparable

Comparable Restaurant Listing Rents Summary -Miami Beach - April 2015

No.	Property Name Location	Vacant (RSF)	Year Built	Quoted Rates	Rent Type	Comment
1	1787 Purdy Ave Miami Beach FL 33139	4,000	1940	\$60	NNN	Fully-built restaurant space in the hip "Sunset Harbour Neighborhood" of South Beach. f/k/a "PB Steak" and "Joe Allen's". First floor has 3,150 SF. Second floor has 850 SF, office & dry goods storage. Tenant can convert roof over dining (3,000 SF) into an outside deck overlooking the bay. The building has average/good construction finishing quality, and is in good condition.
2	1542 Washington Ave. Miami Beach FL 33139	5,500	1940	\$83	NNN	Turnkey restaurant space offered for rent for 60 months. It has approximately 3,000 SF exterior courtyard. It has 3 parking spaces. Built out as a high-end two story restaurant/club/private club. Fully-equipped, All new construction, 100% brand new kitchen. Granite sculpture, water walls, pools, reclaimed barn wood and granite floors.
3	1234 Washington Ave. Miami Beach FL 33139	4,400	1961	\$60	NNN	This is a fully built out restaurant and bar that was formally the home of the famous Irish Pub, Waxy Oconnor's. The space has a full kitchen, walk in, hood, and grease trap. The former owners spared no expense with the built out. There is on-site parking behind restaurant. It is located on the SWC of Washington Avenue and 12th Street. The building has average/good construction finishing quality, and is in good condition.
4	Restaurant at Standard Spa Hotel 40 Island Avenue Venetian Isles Miami Beach FL 33139	6,500	N/A	\$100	NNN	Property is a second generation restaurant space in good condition, but will require remodeling capital. Strong clientele and event revenue. Operator must provide 4-star concept with ISO-9000 menu and service. In place FF&E with strong historical revenue in the 1K SF range YTBID. This is for a qualified 5-star restaurant operator. The operator should have a clean LOI, PQF to \$1M with \$250k. Lease term is for 120 months. Parking 400.
SUBJECT:						
	1661 Pennsylvania Ave Miami Beach FL 33139	7,807	2012		NNN	This is a new building with the restaurant space on ground floor. Good quality and condition. One space is occupied by Oolite Restaurant & Bar.

RESTAURANT COMPS ADJUSTMENT GRID				
Rent \$/SF	1	2	3	4
	\$60	\$83	\$60	\$100
Location	5%	-15%	-10%	-10%
Building Quality	10%	0%	0%	5%
Condition	10%	0%	0%	5%
Size	0%	0%	0%	0%
Others	0%	0%	0%	-10%
Overall Adjustment	25%	-15%	-10%	-10%
Adjusted Rent	\$75	\$71	\$54	\$90

Average All Comps:	\$72
Chosen Retail Rent (\$/SF) for Subject	\$70 NNN

Comparison	Adjustm
Similar to Subject	=
Inferior to Subject	+
Superior to Subject	-

Base on comparison with the market data we concluded that the market rent for the subject retail space (7,807 SF) to be \$70 per square foot rentable net per year for vacant space. We have considered that the market rent includes a 5-year term rental lease. The total rent for the subject retail space is \$546,490 (7,807 SF x\$70/SF).

Operating Expenses

The annual operating expenses of the subject property were projected in this analysis based on similar properties.

RESTAURANT OPERATING EXPENSES STATEMENT	
April 2015	
EXPENSES:	Per SF
FIXED EXPENSES	
Property Taxes	\$4.02
Insurance	\$1.15
TOTAL FIXED EXPENSES:	\$5.17
VARIABLE EXPENSES	
Administrative & General	\$1.53
Repairs/Maintenance	\$0.79
Utilities	\$1.66
Cleaning	\$0.31
Others	\$5.96
Reserves	\$0.15
	\$10.40
TOTAL EXPENSES	\$15.57

Our estimated total stabilized Operating Expenses for the stabilized year is \$15.57 per square foot of rentable area. As secondary data information, we have presented a table below with contract restaurant rents.

COMPARABLE RESTAURANT CONTRACT RENTAL SUMMARY												
No.	Property Name Location	Size SF	Year Built	Restaurant Tenant	Tenant Size/SF	Quoted Rates	Term	Date	Rent Type	Finish Allowance	CAM Rent SF	% Rent
1	11795 Pines Blvd. Miramar	5,525	1995	Pines Ale House	5,525	\$55.64	Lease extended from Jan 2011 to Jan 2016. One option of 5 more years to Jan 2021. Sales Volume: 2011 Sales \$4,437,000	Jan-11	Net	None		
2	2710 South Dixie Hwy Miami, FL	4,928	1994	Pollo Tropical	4,928	\$47.28	N/A	Feb-12	Net	None		
3	2200 Collins Ave. Miami Beach, FL	3,985	2010	Bagatelle	3,985	\$94.00	Contract is for 15 years. It began in 11/02/2012. Option for 2 additional term of 5 yrs each.	Feb-12	Net	\$502/SF	\$14.50	5%
4	17355 Biscane Blvd. Miami, FL	8,053		Houston's	8,035	\$96.45	5% increases every 5 years	Jan-14	Net	N/A		
5	Cocowalk Grand Avenue Miami	164,707 entertainment	1990	Cheesecake Factory Fat Tuesday Café Med Café Tu Tu Tango Hooter's	6,186 3,867 4,049	\$32 to \$35			Net	Negotiable	\$17.00	
6	Rivergate Plaza 444 Brickell Avenue Miami	395,395 Office	1986	The Capital Grille	10,271	\$16.55	10yrs beginning 1996 Four/5yr options		F/S	UK	\$3.00	5.5%
7	Mizner Park Federal Hwy & 2nd Street Boca Raton, Palm Beach County	156,715	1990	Mark's at the Park Mozzerella's Ruby Tuesday Max's Grill	5,680 6,169 5,517 5,680	\$37.13 \$26.00 \$26.00 \$28.22	17yrs beginning 1991 15yrs beginning 1990 15yrs beginning 1990 17yrs beginning 1991		Net Net Net Net	Minimal	\$15.00 \$15.00 \$15.00 \$15.00	5.0% 5.0% 5.0% 3.4%
8	Axis Condominiums Miami	19,992	2008	Irish Pub Spanish Restaurant Gelato & Coffee Bar	5,484 8,220 1,587	\$32.00 \$32.00 \$35.00	\$35 Year 2. CPI increase(3%min-7%max) 9 mont \$35 Year 2. CPI increase(3%min-7%max) 9 mont CPI Increase(3% min-7% max) 8 months free	Jul-10 Jul-10 Aug-10	Net Net Net		N/A N/A N/A	
9	55 Miracle Mile Coral Gables	65,242 etail+Office	2004	Tarpon Bend CIBO Wine Bar	6,500 7,076	\$34.00 \$28.00	increase & 7% of sales over 6MM(food & liqu 3% annual increase	Jun-11 Oct-12	Net Net		N/A N/A	

CONCLUSION

Market Retail Rent is based on a triple net lease basis, where the tenant pays all expenses, including utilities, water, electricity, common areas, cleaning, taxes, and insurance.

The market rent for the subject located at 1661 Pennsylvania Avenue in Miami Beach as of April 30, 2015 is \$70 per square foot of rentable area net. The market rent is based on a 7,807 SF of rentable area. Operating expenses are \$15.57/ per square foot of rentable area.

Property	Address	Market Rent	Type of Rent	Total Operating Expenses
Restaurant	1661 Pennsylvania Ave.	\$70	NNN	\$15.57

ADDENDA

Exhibit A
Subject Photographs

1701 Meridian Avenue.-Retail.





1661 Pennsylvania Ave.- Restaurant

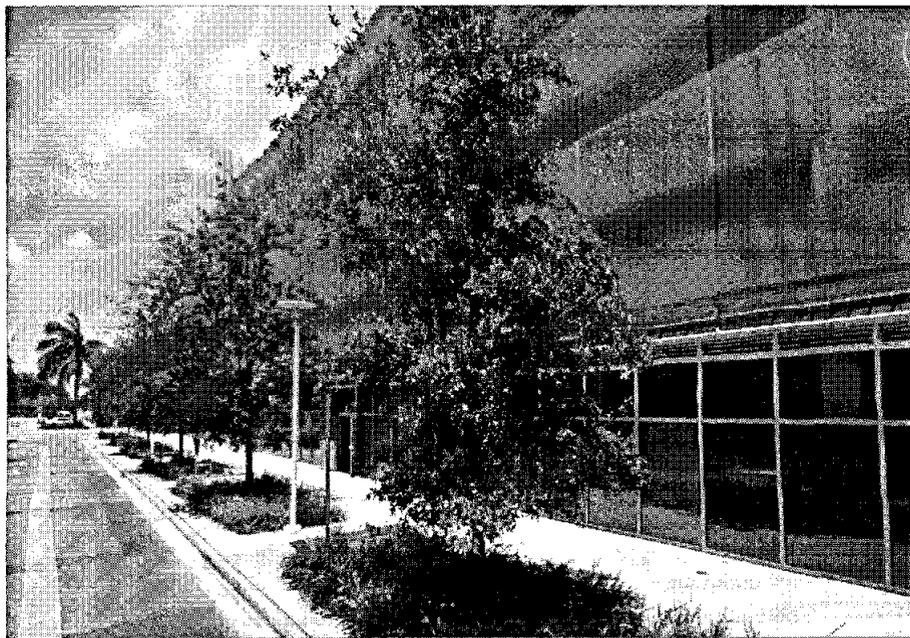
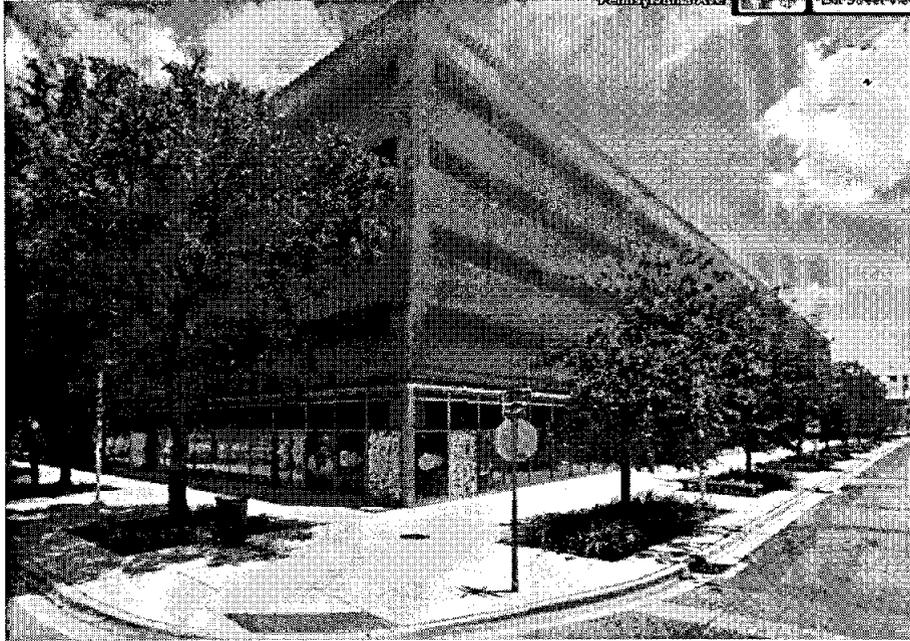


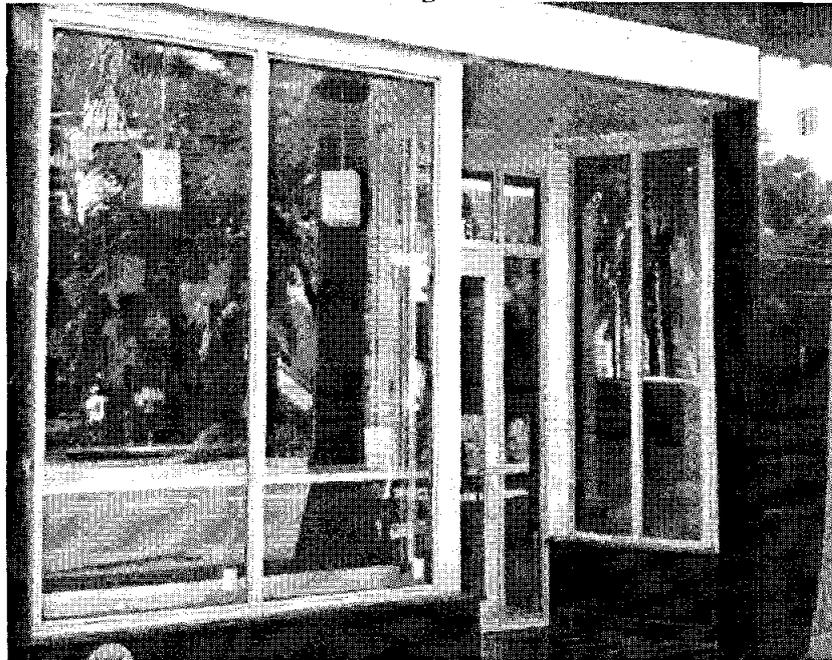


Exhibit B
Comparable Rent Photographs

RETAIL PHOTOS



**Retail 1 – The Lincoln
1691 Michigan Avenue**



**Retail 2
1616 Washington Ave.**



Retail 3
1601 Washington Ave.



Retail 4
1841 Washington Ave.

RESTAURANT PHOTOS



Restaurant 1
1787 Purdy Ave.



Restaurant 1
1787 Purdy Ave.



Restaurant 2
1542 Washington Ave



Retail 3
1234 Washington Ave.



Retail 3
1234 Washington Ave.



Retail 4
40 Island Avenue

Exhibit C
Contract Leases

2009-27096
R7F-06/03/0:

LEASE AGREEMENT

THIS LEASE AGREEMENT, made this 15th day of July, 2009, by and between the **CITY OF MIAMI BEACH**, a Florida municipal corporation, (hereinafter referred to as "City" or "Landlord"), and **ROMA WAXING, INC.** (d/b/a Uni.K Wax Center), a Florida corporation, (hereinafter referred to as "Tenant").

1. Demised Premises.

The City, in consideration of the rentals hereinafter reserved to be paid and of the covenants, conditions and agreements to be kept and performed by the Tenant, hereby leases, lets and demises to the Tenant, and Tenant hereby leases and hires from the City, those certain premises hereinafter referred to as the "Demised Premises" and more fully described as follows:

1,290.59 square feet of City-owned property (the "Building"), located at 1701 Meridian Avenue, Unit 3 (a.k.a. 771 17th Street), Miami Beach, Florida, 33139, and as more specifically delineated in "Exhibit 1", attached hereto and incorporated herein.

2. Term.

2.1 Tenant shall be entitled to have and to hold the Demised Premises for an initial term of three (3) years, commencing on the 1st day of August, 2009 (the "Commencement Date"), and ending on the 31st day of July, 2012. For purposes of this Lease Agreement, and including, without limitation, Subsection 2.2 herein, a "contract year" shall be defined as that certain period commencing on the 1st day of August, and ending on the 31st day of July.

2.2 Provided Tenant is in good standing and free from default(s) under Section 18 hereof, and upon written notice from Tenant, which notice shall be submitted to the City Manager no earlier than one hundred twenty (120) days, but in any case no later than sixty (60) days prior to the expiration of the initial term, this Lease may be extended for one (1) additional three (3) year renewal term. Any extension, if approved, shall be memorialized in writing and signed by the parties hereto (with the City hereby designating the City Manager as the individual authorized to execute such extensions on its behalf).

In the event that the City Manager determines, in his sole discretion, not to extend or renew this Lease Agreement (upon expiration of the initial term or any renewal term), the City Manager shall notify Tenant of same in writing, which notice shall be provided to Tenant within fifteen (15) business days of the City Manager's receipt of Tenant's written notice.

ag 15

3. Rent.

3.1 Base Rent:

Base Rent for the Demised Premises shall begin to accrue on the Commencement Date.

3.1.1 Throughout the Term herein, the Base Rent for the Demised Premises shall be Thirty Five Thousand Four Hundred Sixty Five Dollars and 41/100 (\$35,465.41) per year, payable in monthly installments of Two Thousand Nine Hundred Fifty Five Dollars and 45/100 (\$2,955.45), commencing on the Commencement Date and, thereafter, on each first day of subsequent months.

3.1.2 Concurrent with the payment of the Base Rent, Tenant shall also include any and all additional sums for all applicable sales and use tax, now or hereafter prescribed by Federal, State or local law.

3.1.3 The Base Rent amount pursuant to this Section 3.1 shall be increased annually, on the anniversary of the Commencement Date of the Lease, in increments of three (3%) percent per year.

3.2 Additional Rent:

In addition to the Base Rent, as set forth in Section 3.1, Tenant shall also pay the following Additional Rent as provided below:

3.2.1 Operating Expenses:

Tenant shall pay Four Hundred Thirty Dollars and 20/100 (\$430.20) per month, for its proportionate share of "Operating Expenses" which are defined as follows:

"Operating Expenses" shall mean the following costs and expenses incurred in operating, repairing, and maintaining the Common Facilities (as hereinafter defined) and shall include, without limitation, water service to the Building, sewer service to the Building, trash removal from the Building, costs incurred for gardening and landscaping, repairing and maintaining elevator(s), painting, janitorial services (except for areas within the Demised Premises), lighting, cleaning, striping, policing, removing garbage and other refuse and trash, removing ice and snow, repairing and maintaining sprinkler systems, water pipes, air-conditioning systems, temperature control systems, and security systems, fire alarm repair and maintenance and other equipment in the common areas and the exterior and structural portions of the Building, paving and repairing, patching and maintaining the parking areas and walkways, and cleaning adjacent areas, management fees and the City's employment expenses to employees furnishing and rendering any services to the common areas, together with an additional administration charge equal to fifteen percent (15%) of all other expenses included in the annual common area expenses, provided by the City for the common or joint

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use and/or benefit of the occupants of the Building, their employees, agents, servants, customers and other invitees.

“Common Facilities” shall mean all Building areas, spaces, equipment, as well as certain services, available for use by or for the benefit of Tenant and/or its employees, agents, servants, volunteers, customers, guests and/or invitees.

Tenant agrees and understands that the costs incurred for Operating Expenses may increase or decrease and, as such, Tenant’s pro-rata share of Operating Expenses shall increase or decrease accordingly.

3.2.2 Property Taxes:

The Property Tax Payment shall be payable by Tenant, in accordance with Section 11 herein. The 2008 Property Tax Payment is Eleven Thousand Two Hundred Twenty Three Dollars and 72/100 (\$11,223.72), payable in monthly installments of Nine Hundred Thirty Five Dollars and 31 /100 (\$935.31).

3.2.3 Insurance:

The Additional Rent shall also include Tenant’s pro-rata share toward estimated insurance costs incurred to insure the whole of the Building, payable in monthly installments of Ninety Six Dollars and 79/100 (\$96.79). This insurance coverage is in addition to the insurance required pursuant to Section 10, which shall be obtained at Tenant’s sole expense and responsibility.

3.3 Sales Taxes:

Concurrent with the payment of the Base Rent and Additional Rent as provide herein, Tenant shall also pay any and all sums for all applicable tax(es), including without limitation, sales and use taxes and Property Taxes, imposed, levied or assessed against the Demised Premises, or any other charge or payment required by any governmental authority having jurisdiction there over, even though the taxing statute or ordinance may purport to impose such tax against the City.

3.4 Enforcement.

Tenant agrees to pay the Base Rent, Additional Rent, and any other amounts as may be due and payable by Tenant under this Agreement, at the time and in the manner provided herein, and should said rents and/or other additional amounts due herein provided, at any time remain due and unpaid for a period of fifteen (15) days after the same shall become due, the City may exercise any or all options available to it hereunder, which options may be exercised concurrently or separately, or the City may pursue any other remedies enforced by law.

4. Location for Payments.

All rents or other payments due hereunder shall be paid to the City at the following address:

Handwritten signature and initials in the bottom right corner of the page.

City of Miami Beach
Revenue Manager
1700 Convention Center Drive, 3rd Floor
Miami Beach, Florida 33139

or at such other address as the City may, from time to time, designate in writing.

5. Parking.

Tenant may request, from the City's Parking Department, the use of no more than three (3) parking spaces, if available, at Municipal Parking Garage 2-G located on 17th Street and Meridian Court. Rates for said spaces are subject to change, and are currently Seventy (\$70.00) Dollars per month, plus applicable sales and use tax per space.

6. Security Deposit.

Upon execution of this Agreement Tenant shall furnish the City with a Security Deposit, in the amount of Five Thousand (\$5,000.00) Dollars. Said Security Deposit shall serve to secure Tenant's performance in accordance with the provisions of this Agreement. In the event Tenant fails to perform in accordance with said provisions, the City may retain said Security Deposit, as well as pursue any and all other legal remedies provided herein, or as may be provided by applicable law.

The parties agree and acknowledge that the foregoing condition is intended to be a condition subsequent to the City's approval of this Agreement. Accordingly, in the event that Tenant does not satisfy the aforesaid, then the City Manager or his designee may immediately, without further demand or notice, terminate this Agreement without being prejudiced as to any remedies which may be available to him for breach of contract.

7. Use and Possession of Demised Premises.

7.1 The Demised Premises shall be used by the Tenant solely for the purpose(s) of operating a hair removal facility, including waxing and retail sale of related items, facials and retail sales of related items. Said Premises shall be open for operation a minimum of five (5) days a week, with normal hours of operation being as follows:

Monday - Wednesday:	9:00 AM to 7:00 PM
Thursday and Friday:	9:00 AM to 9:00 PM
Saturday	10:00 AM to 6:00 PM
Sunday	12:00 PM to 6:00 PM

Tenant shall not otherwise modify the days or hours of operation without the prior written approval of the City Manager. Nothing herein contained shall be construed to authorize hours contrary to the laws governing such operations.

7.2 It is understood and agreed that the Demised Premises shall be used by the Tenant during the Term of this Agreement only for the above purpose(s)/use(s), and for no other purpose(s) and/or use(s) whatsoever.

Tenant will not make or permit any use of the Demised Premises that, directly or indirectly, is forbidden by law, ordinance or government regulation, or that may be dangerous to life, limb or property. Tenant may not commit (nor permit) waste on the Demised Premises; nor permit the use of the Demised Premises for any illegal purposes; nor commit a nuisance on the Demised Premises. In the event that the Tenant uses the Demised Premises (or otherwise allows the Demised Premises to be used) for any purpose(s) not expressly permitted herein, or permits and/or allows any prohibited use(s) as provided herein, then the City may declare this Agreement in default pursuant to Section 18 or, without notice to Tenant, restrain such improper use by injunction or other legal action.

8. Improvements.

- 8.1 Tenant accepts the Demised Premises in their present "AS IS" condition and may construct or cause to be constructed, such interior and exterior improvements and maintenance to the Demised Premises, as reasonably necessary for it to carry on its permitted use(s), as set forth in Section 7; provided, however, that any plans for such improvements shall be first submitted to the City Manager for his prior written consent, which consent, if granted at all, shall be at the City Manager's sole and absolute discretion. Additionally, any and all approved improvements shall be made at Tenant's sole expense and responsibility. All permanent (fixed) improvements to the Demised Premises shall remain the property of the City upon termination and/or expiration of this Agreement. Upon termination and/or expiration of this Agreement, all personal property and non-permanent trade fixtures may be removed by the Tenant from the Demised Premises, provided that they can be (and are) removed without damage to the Demised Premises. Tenant will permit no liens to attach to the Demised Premises arising from, connected with, or related to the design and construction of any improvements. Moreover, such construction shall be accomplished through the use of licensed, reputable contractors who are acceptable to the City. Any and all permits and or licenses required for the installation of improvements shall be the sole cost and responsibility of Tenant.
- 8.2 Notwithstanding Subsection 8.1, upon termination and/or expiration of this Agreement, and at City's sole option and discretion, any or all alterations or additions made by Tenant to or in the Demised Premises shall, upon written demand by the City Manager, be promptly removed by Tenant, at its expense and responsibility, and Tenant further hereby agrees, in such event, to restore the Demised Premises to their original condition prior to the Commencement Date of this Agreement.
- 8.3 The above requirements for submission of plans and the use of specific contractors shall not apply to improvements (which term, for purposes of this Subsection 8.3 only, shall also include improvements as necessary for Tenant's maintenance and repair of the Demised Premises) which do not exceed Five Hundred (\$500.00) Dollars, provided that the work is not structural, and provided that it is permitted by applicable law.

9. City's Right of Entry.

9.1 The City Manager, and/or his authorized representatives, shall have the right to enter upon the Demised Premises at all reasonable times for the purpose of inspecting same; preventing waste; making such repairs as the City may consider necessary; and for the purpose of preventing fire, theft or vandalism. The City agrees that, whenever reasonably possible, it shall use reasonable efforts to provide notice (whether written or verbal), unless the need to enter the Demised Premises is an emergency, as deemed by the City Manager, in his sole discretion, which if not immediately addressed could cause property damage, loss of life or limb, or other injury to persons. Nothing herein shall imply any duty on the part of the City to do any work that under any provisions of this Agreement the Tenant may be required to perform, and the performance thereof by the City shall not constitute a waiver of the Tenant's default.

9.2 If the Tenant shall not be personally present to open and permit entry into the Demised Premises at any time, for any reason, and any entry thereon shall be necessary or permissible, the City Manager, and/or his authorized representatives, may enter the Demised Premises by master key, or may forcibly enter the Demised Premises without rendering the City or such agents liable therefore.

9.3 Tenant shall furnish the City with duplicate keys to all locks including exterior and interior doors prior to (but no later than by) the Commencement Date of this Agreement. Tenant shall not change the locks to the Demised Premises without the prior written consent of the City Manager, and in the event such consent is given, Tenant shall furnish the City with duplicate keys to said locks in advance of their installation.

10. Tenant's Insurance.

10.1 Tenant shall, at its sole expense and responsibility, comply with all insurance requirements of the City. It is agreed by the parties that Tenant shall not occupy the Demised Premises until proof of the following insurance coverages have been reviewed and approved by the City's Risk Manager:

10.1.1 Comprehensive General Liability, in the minimum amount of One Million (\$1,000,000) Dollars (subject to adjustment for inflation) per occurrence for bodily injury and property damage. The City of Miami Beach must be named as an additional insured on this policy.

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

10.1.3 All-Risk property and casualty insurance, written at a minimum of eighty (80%) percent of replacement cost value and with replacement cost endorsement, covering all leasehold improvements installed in the Demised Premises by or on behalf of Tenant and including

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without limitation all of Tenant's personal property in the Demised Premises (including, without limitation, inventory, trade fixtures, floor coverings, furniture, and other property removable by Tenant under the provisions of this Agreement).

- 10.2 Proof of these coverages must be provided by submitting original certificates of insurance to the City's Risk Manager and Asset Manager respectively. All policies must provide thirty (30) days written notice of cancellation to both the City's Risk Manager and Asset Manager (to be submitted to the addresses set forth in Section 27 hereof). All insurance policies shall be issued by companies authorized to do business under the laws of the State of Florida and must have a rating of B+:VI or better per A.M. Best's Key Rating Guide, latest edition, and certificates are subject to the approval of the City's Risk Manager.

11. Property Taxes and Assessments.

For the purposes of this Section and other provisions of this Agreement:

- 11.1 The term "Property Taxes" shall mean (i) real estate taxes, assessments, and special assessments of any kind which may be imposed upon the Demised Premises, and (ii) any expenses incurred by the City in obtaining a reduction of any such taxes or assessments.

- 11.2 The term "Property Tax Year" shall mean the period of twelve (12) calendar months, beginning on January 1st of each year.

- 11.3 Tenant shall pay, as Additional Rent pursuant to Section 3.2, for such Property Tax Year an amount ("Property Tax Payment") equal to Tenant's pro-rata share of Property Taxes (if any) for such Property Tax Year; said pro-rata share to be determined by the City based upon the ratio of the Demised Premises to the tax lot. If a Property Tax Year ends after the expiration or termination of the term of this Agreement, the Property Tax Payment therefore shall be prorated to correspond to that portion of such Property Tax Year occurring within the term of this Agreement. The Property Tax Payment shall be payable by Tenant immediately upon receipt of notice from the City. A copy of the tax bill(s) or other evidence of such taxes issued by the taxing authorities, together with the City's computation of the Property Tax Payment, will be made available to Tenant once received from the taxing authorities, if requested by Tenant. Tenant shall pay any difference in the amount between the estimated property taxes and the actual property taxes to the City immediately, upon receipt of request for said payment from the City.

12. Assignment and Subletting.

Tenant shall not have the right to assign or sublet the Demised Premises, in whole or in part, without the prior written consent of the City Manager, which consent, if granted at all shall be at the City Manager's sole and absolute discretion. Such written consent is not a matter of right and the City is not obligated to give such consent. If granted as provided herein, the making of any assignment or sublease

will not release Tenant from any of its obligations under this Agreement.

13. Operation, Maintenance and Repair.

- 13.1 Tenant shall be solely responsible for the operation, maintenance and repair of the Demised Premises. Tenant shall, at its sole expense and responsibility, maintain the Demised Premises, and all fixtures and appurtenances therein, and shall make all repairs thereto, as and when needed, to preserve them in good working order and condition. Tenant shall be responsible for all interior walls and the interior and exterior of all windows and doors, as well as immediate replacement of any and all plate glass or other glass in the Demised Premises which may become broken, using glass of the same or better quality.

The City shall be responsible for the maintenance of the roof, the exterior of the Building, the structural electrical and plumbing (other than plumbing surrounding any sink(s) and/or toilet(s), including such sink(s) and toilet(s) fixture(s), within the Demised Premises), the common areas and the chilled water supply system. The City shall maintain and/or repair those items that it is responsible for, so as to keep same in proper working condition.

Tenant agrees and understands, that if the City provides a separate air-conditioning unit for the Demised Premises, the City, at its sole discretion, may require that Tenant obtain, at any time during the Term of this Agreement, and continuously maintain in good standing, at Tenant's expense, throughout the Term of this Agreement, a maintenance and repair contract, approved by the City, with a service company previously approved in writing by the City, providing for the preventative maintenance and repair of all heating/ventilation/air-conditioning (HVAC) equipment servicing the Demised Premises. In the event that the City notifies Tenant that it will require Tenant to contract for said maintenance and repair services, Tenant shall provide to the City, in writing, within ten (10) business days, the name(s) and telephone number(s) of service company(ies) for the City's review and approval. Tenant shall provide a copy of a current, enforceable and fully executed maintenance and repair contract, no later than ten (10) business days after receipt of the City's approval of the service company, as proof of Tenant's compliance with this provision.

If the City provides a separate air-conditioning unit for the Demised Premises, as provided herein, Tenant may request that the City inspect same to ensure that it is in proper working order. If the unit is not in proper working order, the City shall, at its sole discretion, repair or replace the unit.

- 13.2 All damage or injury of any kind to the Demised Premises, and including without limitation its fixtures, glass, appurtenances, and equipment (if any), or to the building fixtures, glass, appurtenances, and equipment, if any, except damage caused by the gross negligence and/or willful misconduct of the City, shall be the sole obligation of Tenant, and shall be repaired, restored or replaced promptly by Tenant, at its sole expense and to the

satisfaction of the City.

- 13.3 All of the aforesaid repairs, restorations and replacements shall be in quality and class equal to or better than the original work or installations and shall be done in good and workmanlike manner.
- 13.4 If Tenant fails to make such repairs or restorations or replacements, the same may be made by the City, at the expense of Tenant, and all sums spent and expenses incurred by the City shall be collectable by the City and shall be paid by Tenant within three (3) days after submittal of a bill or statement therefore.
- 13.5 It shall be Tenant's sole obligation and responsibility to insure that any renovations, repairs and/or improvements made by Tenant to the Demised Premises comply with all applicable building codes and life safety codes of governmental authorities having jurisdiction.
- 13.6 Tenant Responsibilities for Utilities (not included within Operating Expenses). Tenant is solely responsible for, and shall promptly pay when due, all charges and impact fees for any and all utilities for the Demised Premises **NOT** included as an Operating Expense (pursuant to Subsection 3.2.1).

In addition to other rights and remedies hereinafter reserved to the City, upon the failure of Tenant to pay for such utility services (as contemplated in this Subsection 13.6) when due, the City may elect, at its sole discretion, to pay same, whereby Tenant agrees to promptly reimburse the City upon demand.

In no event, however, shall the City be liable, whether to Tenant or to third parties, for an interruption or failure in the supply of any utilities or services to the Demised Premises.

- 13.7 **TENANT HEREBY ACKNOWLEDGES AND AGREES THAT THE DEMISED PREMISES ARE BEING LEASED IN THEIR PRESENT "AS IS" CONDITION.**

14. Governmental Regulations. Tenant covenants and agrees to fulfill and comply with all statutes, ordinances, rules, orders, regulations, and requirements of any and all governmental bodies, including but not limited to Federal, State, Miami-Dade County, and City governments, and any and all of their departments and bureaus applicable to the Demised Premises, and shall also comply with and fulfill all rules, orders, and regulations for the prevention of fire, all at Tenant's own expense and responsibility. Tenant shall pay all cost, expenses, claims, fines, penalties, and damages that may be imposed because of the failure of Tenant to comply with this Section, and shall indemnify and hold harmless the City from all liability arising from each non-compliance.

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15. Liens.

Tenant will not permit any mechanics, laborers, or materialman's liens to stand against the Demised Premises or improvements for any labor or materials to Tenant or claimed to have been furnished to Tenant's agents, contractors, or sub-tenants, in connection with work of any character performed or claimed to have performed on said Premises, or improvements by or at the direction or sufferance of the Tenant; provided however, Tenant shall have the right to contest the validity or amount of any such lien or claimed lien. In the event of such contest, Tenant shall give the City reasonable security as may be demanded by the City to insure payment thereof and prevent sale, foreclosure, or forfeiture of the Premises or improvements by reasons of such non-payment. Such security need not exceed one and one half (1½) times the amount of such lien or such claim of lien. Such security shall be posted by Tenant within ten (10) days of written notice from the City, or Tenant may "bond off" the lien according to statutory procedures. Tenant will immediately pay any judgment rendered with all proper costs and charges and shall have such lien released or judgment satisfied at Tenant's own expense.

16. Intentionally Omitted.

17. Condemnation.

17.1 If at any time during the Term of this Agreement (including any renewal term hereunder) all or any part or portion of the Demised Premises is taken, appropriated, or condemned by reason of Eminent Domain proceedings, then this Agreement shall be terminated as of the date of such taking, and shall thereafter be completely null and void, and neither of the parties hereto shall thereafter have any rights against the other by reason of this Agreement or anything contained therein, except that any rent prepaid beyond the date of such taking shall be prorated to such date, and Tenant shall pay any and all rents, additional rents, utility charges, and/or other costs for which it is liable under the terms of this Agreement, up to the date of such taking.

17.2 Except as hereunder provided, Tenant shall not be entitled to participate in the proceeds of any award made to the City in any such Eminent Domain proceeding, excepting, however, Tenant shall have the right to claim and recover from the condemning authority, but not from the City, such compensation as may be separately awarded or recoverable by Tenant in Tenant's own right on account of any and all damage to Tenant's business by reasons of the condemnation and for or on account of any cost or loss which Tenant might incur in removing Tenant's furniture and fixtures.

18. Default.

18.1 Default by Tenant:

At the City's option, any of the following shall constitute an Event of Default under this Agreement:

18.1.1 The Base Rent, Additional Rent, or any other amounts as may be due

and payable by Tenant under this Agreement, or any installment thereof, is not paid promptly when and where due within fifteen (15) days of due date, and Tenant shall not have cured such failure within five (5) days after receipt of written notice from the City specifying such default;

- 18.1.2 The Demised Premises shall be deserted, abandoned, or vacated;
- 18.1.3 Tenant shall fail to comply with any material term, provision, condition or covenant contained herein other than the payment of rent and shall not cure such failure within thirty (30) days after the receipt of written notice from the City specifying any such default; or such longer period of time acceptable to the City, at its sole discretion;
- 18.1.4 Receipt of notice of violation from any governmental authority having jurisdiction dealing with a law, code, regulation, ordinance or the like, which remains uncured for a period of thirty (30) days from its issuance, or such longer period of time as may be acceptable and approved in writing by the City Manager, at his sole discretion;
- 18.1.5 Any petition is filed by or against Tenant under any section or chapter of the Bankruptcy Act, as amended, which remains pending for more than sixty (60) days, or any other proceedings now or hereafter authorized by the laws of the United States or of any state for the purpose of discharging or extending the time for payment of debts;
- 18.1.6 Tenant shall become insolvent;
- 18.1.7 Tenant shall make an assignment for benefit of creditors;
- 18.1.8 A receiver is appointed for Tenant by any court and shall not be dissolved within thirty (30) days thereafter; or
- 18.1.9 The leasehold interest is levied on under execution.

19. Rights on Default.

19.1 Rights on Default:

In the event of any default by Tenant as provided herein, City shall have the option to do any of the following, in addition to and not in limitation of, any other remedy permitted by law or by this Agreement;

- 19.1.1 Terminate this Agreement, in which event Tenant shall immediately surrender the Demised Premises to the City, but if Tenant shall fail to do so the City may, without further notice, and without prejudice to any other remedy the City may have for possession or arrearages in rent or damages for breach of contract, enter upon the Demised Premises and expel or remove Tenant and its effects in accordance with law, without being liable for prosecution or any claim for damages

therefore, and Tenant agrees to indemnify and hold harmless the City for all loss and damage which the City may suffer by reasons of such Agreement termination, whether through inability to re-let the Demised Premises, or otherwise.

- 19.1.2 Declare the entire amount of the Base Rent and Additional Rent which would become due and payable during the remainder of the term of this Agreement to be due and payable immediately, in which event Tenant agrees to pay the same at once, together with all rents therefore due, at the address of the City, as provided in the Notices section of this Agreement; provided, however, that such payment shall not constitute a penalty, forfeiture, or liquidated damage, but shall merely constitute payment in advance of the rents for the remainder of said term and such payment shall be considered, construed and taken to be a debt provable in bankruptcy or receivership.
- 19.1.3 Enter the Demised Premises as the agent of Tenant, by force if necessary, without being liable to prosecution or any claim for damages therefore; remove Tenant's property there from; and re-let the Demised Premises, or portions thereof, for such terms and upon such conditions which the City deems, in its sole discretion, desirable, and to receive the rents therefore, and Tenant shall pay the City any deficiency that may arise by reason of such re-letting, on demand at any time and from time to time at the office of the City; and for the purpose of re-letting, the City may (i) make any repairs, changes, alterations or additions in or to said Demised Premises that may be necessary or convenient; (ii) pay all costs and expenses therefore from rents resulting from re-letting; and (iii) Tenant shall pay the City any deficiency as aforesaid.
- 19.1.4 Take possession of any personal property owned by Tenant on said Demised Premises and sell the same at public or private sale, and apply same to the payment of rent due, holding Tenant liable for the deficiency, if any.
- 19.1.5 It is expressly agreed and understood by and between the parties hereto that any installments of rent accruing under the provisions of this Agreement which shall not be paid when due shall bear interest at the maximum legal rate of interest per annum then prevailing in Florida from the date when the same was payable by the terms hereof, until the same shall be paid by Tenant. Any failure on the City's behalf to enforce this Section shall not constitute a waiver of this provision with respect to future accruals of past due rent. No interest will be charged for payments made within the grace period, such grace period to be defined as within five (5) days from the due date. In addition, there will be a late charge of Fifty (\$50.00) Dollars for any payments submitted after the grace period.

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19.1.6 If Tenant shall default in making any payment of monies to any person or for any purpose as may be required hereunder, the City may pay such expense but the City shall not be obligated to do so. Tenant, upon the City's paying such expense, shall be obligated to forthwith reimburse the City for the amount thereof. All sums of money payable by Tenant to the City hereunder shall be deemed as rent for use of the Demised Premises and collectable by the City from Tenant as rent, and shall be due from Tenant to the City on the first day of the month following the payment of the expense by the City.

19.1.7 The rights of the City under this Agreement shall be cumulative but not restrictive to those given by law and failure on the part of the City to exercise promptly any rights given hereunder shall not operate to waive or to forfeit any of the said rights.

19.2 Default by City:

The failure of the City to perform any of the covenants, conditions and agreements of this Agreement which are to be performed by the City and the continuance of such failure for a period of thirty (30) days after notice thereof in writing from Tenant to the City (which notice shall specify the respects in which Tenant contends that the City failed to perform any such covenant, conditions and agreements) shall constitute a default by the City, unless such default is one which cannot be cured within thirty (30) days because of circumstances beyond the City's control, and the City within such thirty (30) day period shall have commenced and thereafter shall continue diligently to prosecute all actions necessary to cure such defaults.

However, in the event the City fails to perform within the initial thirty (30) day period provided above, and such failure to perform prevents Tenant from operating its business in a customary manner and causes an undue hardship for Tenant, then such failure to perform (regardless of circumstances beyond its control) as indicated above, shall constitute a default by the City.

19.3 Tenant's Rights on Default:

If an event of the City's default shall occur, Tenant, to the fullest extent permitted by law, shall have the right to pursue any and all remedies available at law or in equity, including the right to sue for and collect damages, including reasonable attorney fees and costs, to terminate this Agreement; provided however, that Tenant expressly acknowledges and agrees that any recovery by Tenant shall be limited to the amount set forth in Section 32 of this Agreement.

20. Indemnity Against Costs and Charges.

20.1 Tenant shall be liable to the City for all costs and charges, expenses, reasonable attorney's fees, and damages which may be incurred or sustained by the City, by reason of Tenant's breach of any of the provisions of this Agreement. Any sums due the City under the provisions of this item shall constitute a lien against the interest of the Tenant and the Demised

Premises and all of Tenant's property situated thereon to the same extent and on the same conditions as delinquent rent would constitute a lien on said premises and property.

20.2 If Tenant shall at any time be in default hereunder, and if the City shall deem it necessary to engage an attorney to enforce the City's rights and Tenant's obligations hereunder, Tenant will reimburse the City for the reasonable expenses incurred thereby, including, but not limited to, court costs and reasonable attorney's fees, whether suit be brought or not and if suit be brought, then Tenant shall be liable for expenses incurred at both the trial and appellate levels.

21. Indemnification Against Claims.

21.1 Tenant shall indemnify and save the City harmless from and against any and all claims or causes of action (whether groundless or otherwise) by or on behalf of any person, firm, or corporation, for personal injury or property damage occurring upon the Demised Premises or upon any other land or other facility or appurtenance used in connection with the Demised Premises, occasioned in whole or in part by any of the following:

21.1.1 An act or omission on the part of Tenant, or any employee, agent, contractor, invitee, guest, assignee, sub-tenant or subcontractor of Tenant;

21.1.2 Any misuse, neglect, or unlawful use of the Demised Premises by Tenant, or any employee, agent, contractor, invitee, guest, assignee, sub-tenant or subcontractor of Tenant;

21.1.3 Any breach, violation, or non-performance of any undertaking of Tenant under this Agreement;

21.1.4 Anything growing out of the use or occupancy of the Demised Premises by Tenant or anyone holding or claiming to hold through or under this Agreement.

21.2 Tenant agrees to pay all damages to the Demised Premises and/or other facilities used in connection therewith, caused by Tenant or any employee, agent, contractor, guest, or invitee of Tenant.

22. Signs and Advertising.

Without the prior written consent of the City Manager, which consent, if given at all, shall be at the City Manager's sole and absolute discretion, Tenant shall not permit the painting and display of any signs, plaques, lettering or advertising material of any kind on or near the Demised Premises. All additional signage shall comply with signage standards established by the City and comply with all applicable building codes, and any other municipal, County, State and Federal laws.

23. Effect of Conveyance.

The term "City" and/or "Landlord" as used in the Agreement means only the owner for the time being of the land and building containing the Demised Premises, so that in the event of any sale of said land and building, or in the event of a lease of said building, the City shall be and hereby is entirely freed and relieved of all covenants and obligations of the City hereunder, and it shall be deemed and construed without further agreement between the parties, or between the parties and the purchaser at such sale, or the lease of this building, that the purchaser or Tenant has assumed and agreed to carry out all covenants and obligations of the City hereunder.

24. Damage to the Demised Premises.

24.1 If the Demised Premises shall be damaged by the elements or other casualty not due to Tenant's negligence, or by fire, but are not thereby rendered untenable, as determined by the City Manager, in his sole discretion, in whole or in part, and such damage is covered by the City's insurance, if any, (hereinafter referred to as "such occurrence"), the City, shall, as soon as possible after such occurrence, utilize the insurance proceeds to cause such damage to be repaired and the Rent (Base Rent and Additional Rent) shall not be abated. If by reason of such occurrence, the Demised Premises shall be rendered untenable, as determined by the City Manager, in his sole discretion, only in part, the City shall as soon as possible utilize the insurance proceeds to cause the damage to be repaired, and the Rent meanwhile shall be abated proportionately as to the portion of the Demised Premises rendered untenable; provided however, that the City shall promptly obtain a good faith estimate of the time required to render the Demised Premises tenable and if such time exceeds sixty (60) days, either party shall have the option of canceling this Agreement.

24.2 If the Demised Premises shall be rendered wholly untenable by reason of such occurrence, the City shall have the option, but not the obligation, in its sole discretion, to utilize the insurance proceeds to cause such damage to be repaired and the Rent meanwhile shall be abated. However, the City shall have the right, to be exercised by notice in writing delivered to Tenant within sixty (60) days from and after said occurrence, to elect not to reconstruct the destroyed Demised Premises, and in such event, this Agreement and the tenancy hereby created shall cease as of the date of said occurrence, the Rent to be adjusted as of such date. If the Demised Premises shall be rendered wholly untenable, Tenant shall have the right, to be exercised by notice in writing, delivered to the City within thirty (30) days from and after said occurrence, to elect to terminate this Agreement, the Rent to be adjusted accordingly.

24.3 Notwithstanding any clause contained in this Section 24, if the damage is not covered by the City's insurance, then the City shall have no obligation to repair the damage, but the City shall advise Tenant in writing within thirty (30) days of the occurrence giving rise to the damage and of its decision not to repair, and the Tenant may, at any time thereafter, elect to terminate this Agreement, and the Rent shall be adjusted accordingly.

25. Quiet Enjoyment.

Tenant shall enjoy quiet enjoyment of the Demised Premises and shall not be evicted or disturbed in possession of the Demised Premises so long as Tenant complies with the terms of this Agreement.

26. Waiver.

26.1 It is mutually covenanted and agreed by and between the parties hereto that the failure of the City to insist upon the strict performance of any of the conditions, covenants, terms or provisions of this Agreement, or to exercise any option herein conferred, will not be considered or construed as a waiver or relinquishment for the future of any such conditions, covenants, terms, provisions or options but the same shall continue and remain in full force and effect.

26.2 A waiver of any term expressed herein shall not be implied by any neglect of the City to declare a forfeiture on account of the violation of such term if such violation by continued or repeated subsequently and any express waiver shall not affect any term other than the one specified in such waiver and that one only for the time and in the manner specifically stated.

26.3 The receipt of any sum paid by Tenant to the City after breach of any condition, covenant, term or provision herein contained shall not be deemed a waiver of such breach, but shall be taken, considered and construed as payment for use and occupation, and not as Rent, unless such breach be expressly waived in writing by the City.

27. Notices.

The addresses for all notices required under this Agreement shall be as follows, or at such other address as either party shall be in writing, notify the other:

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

With copy to: Asset Manager
City of Miami Beach
1700 Convention Center Drive
Miami Beach, Florida 33139

TENANT: Noemi Grupenmager, President
Roma Waxing, Inc.
18911 Collins Avenue, Suite #1707
Sunny Isles, Florida 33160

With copy to:

Branch Manager
Uni.K. Wax Center
771 17th Street
Miami Beach, Florida 33139

All notices shall be hand delivered and a receipt requested, or by certified mail with Return receipt requested, and shall be effective upon receipt.

28. Entire and Binding Agreement.

This Agreement contains all of the agreements between the parties hereto, and it may not be modified in any manner other than by agreement in writing signed by all the parties hereto or their successors in interest. The terms, covenants and conditions contained herein shall inure to the benefit of and be binding upon the City and Tenant and their respective successors and assigns, except as may be otherwise expressly provided in this Agreement.

29. Provisions Severable.

If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

30. Captions.

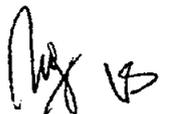
The captions contained herein are for the convenience and reference only and shall not be deemed a part of this Agreement or construed as in any manner limiting or amplifying the terms and provisions of this Agreement to which they relate.

31. Number and Gender.

Whenever used herein, the singular number shall include the plural and the plural shall include the singular, and the use of one gender shall include all genders.

32. Limitation of Liability.

The City desires to enter into this Agreement only if in so doing the City can place a limit on the City's liability for any cause of action for money damages due to an alleged breach by the City of this Agreement, so that its liability for any such breach never exceeds the sum of Ten Thousand (\$10,000.00) Dollars. Tenant hereby expresses its willingness to enter into this Agreement with Tenant's recovery from the City for any damage action for breach of contract to be limited to a maximum amount of \$10,000.00. Accordingly, and notwithstanding any other term or condition of this Agreement, Tenant hereby agrees that the City shall not be liable to Tenant for damage in an amount in excess of \$10,000.00 for any action or claim for breach of contract arising out of the performance or non-performance of any obligations imposed upon the City by this Agreement. Nothing contained in this Section or elsewhere in this Agreement is in any way intended to be a waiver of the limitation placed upon the City's liability as set forth in Florida Statutes, Section 768.28.



33. Surrender of the Demised Premises.
Tenant shall, on or before the last day of the Term herein demised, or the sooner termination thereof, peaceably and quietly leave, surrender and yield upon to the City the Demised Premises, together with any and all equipment, fixtures, furnishings, appliances or other personal property, if any, located at or on the Demised Premises and used by Tenant in the maintenance, management or operation of the Demised Premises, excluding any trade fixtures or personal property, if any, which can be removed without material injury to the Demised Premises, free of all liens, claims and encumbrances and rights of others or broom-clean, together with all structural changes, alterations, additions, and improvements which may have been made upon the Demised Premises, in good order, condition and repair, reasonable wear and tear excepted, subject, however, to the subsequent provisions of this Section. Any property which pursuant to the provisions of this Section is removable by Tenant on or at the Demised Premises upon the termination of this Agreement and is not so removed may, at the option of the City, be deemed abandoned by Tenant, and either may be retained by the City as its property or may be removed and disposed of at the sole cost of the Tenant in such manner as the City may see fit. If the Demised Premises and personal property, if any, be not surrendered at the end of the Term as provided in this Section, Tenant shall make good the City all damages which the City shall suffer by reason thereof, and shall indemnify and hold harmless the City against all claims made by any succeeding tenant or purchaser, so far as such delay is occasioned by the failure of Tenant to surrender the Demised Premises as and when herein required.
34. Time is of the Essence.
Time is of the essence in every particular and particularly where the obligation to pay money is involved.
35. Venue:
This Agreement shall be deemed to have been made and shall be construed and interpreted in accordance with the laws of the State of Florida. This Agreement shall be enforceable in Miami-Dade County, Florida, and if legal action is necessary by either party with respect to the enforcement of any and all the terms or conditions herein, exclusive venue for the enforcement of same shall lie in Miami-Dade County, Florida.
- CITY AND TENANT HEREBY KNOWINGLY AND INTENTIONALLY WAIVE THE RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING THAT THE CITY AND TENANT MAY HEREIN AFTER INSTITUTE AGAINST EACH OTHER WITH RESPECT TO ANY MATTER ARISING OUT OF OR RELATED TO THIS AGREEMENT.**
36. Radon is a naturally occurring radioactive gas that, when it is accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time. Levels of Radon that exceed Federal and State guidelines have been found in buildings in Florida. Additional information regarding Radon and Radon testing may be obtained from your County Public Health Unit.

37. No Dangerous Materials.

Tenant agrees not to use or permit in the Demised Premises the storage and/or use of gasoline, fuel oils, diesel, illuminating oils, oil lamps, combustible powered electricity producing generators, turpentine, benzene, naphtha, propane, natural gas, or other similar substances, combustible materials, or explosives of any kind, or any substance or thing prohibited in the standard policies of fire insurance companies in the State of Florida. Any such substances or materials found within the Demised Premises shall be immediately removed.

Tenant shall indemnify and hold the City harmless from any loss, damage, cost, or expense of the City, including, without limitation, reasonable attorney's fees, incurred as a result of, arising from, or connected with the placement by Tenant of any "hazardous substance" or "petroleum products" on, in or upon the Demised Premises as those terms are defined by applicable Federal and State Statute, or any environmental rules and environmental regulations promulgated thereunder. The provisions of this Section 37 shall survive the termination or earlier expiration of this Agreement.

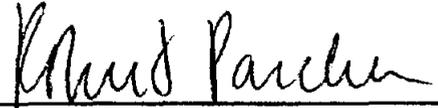
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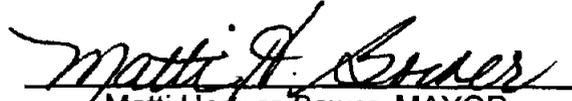
IN WITNESS WHEREOF, the parties hereto have caused their names to be signed and their seals to be affixed, all as of the day and year first above written, indicating their agreement.

Attest:

CITY OF MIAMI BEACH, FLORIDA



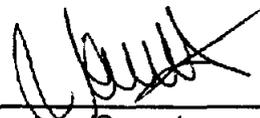
Robert Parcher, CITY CLERK



Matti Herrera Bower, MAYOR

Attest:

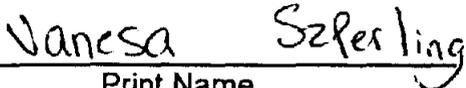
ROMA WAXING, INC.



Signature/Secretary



Noemi Grupermager, President



Print Name

CORPORATE SEAL
(affix seal here)

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**APPROVED AS TO
FORM & LANGUAGE
& FOR EXECUTION**



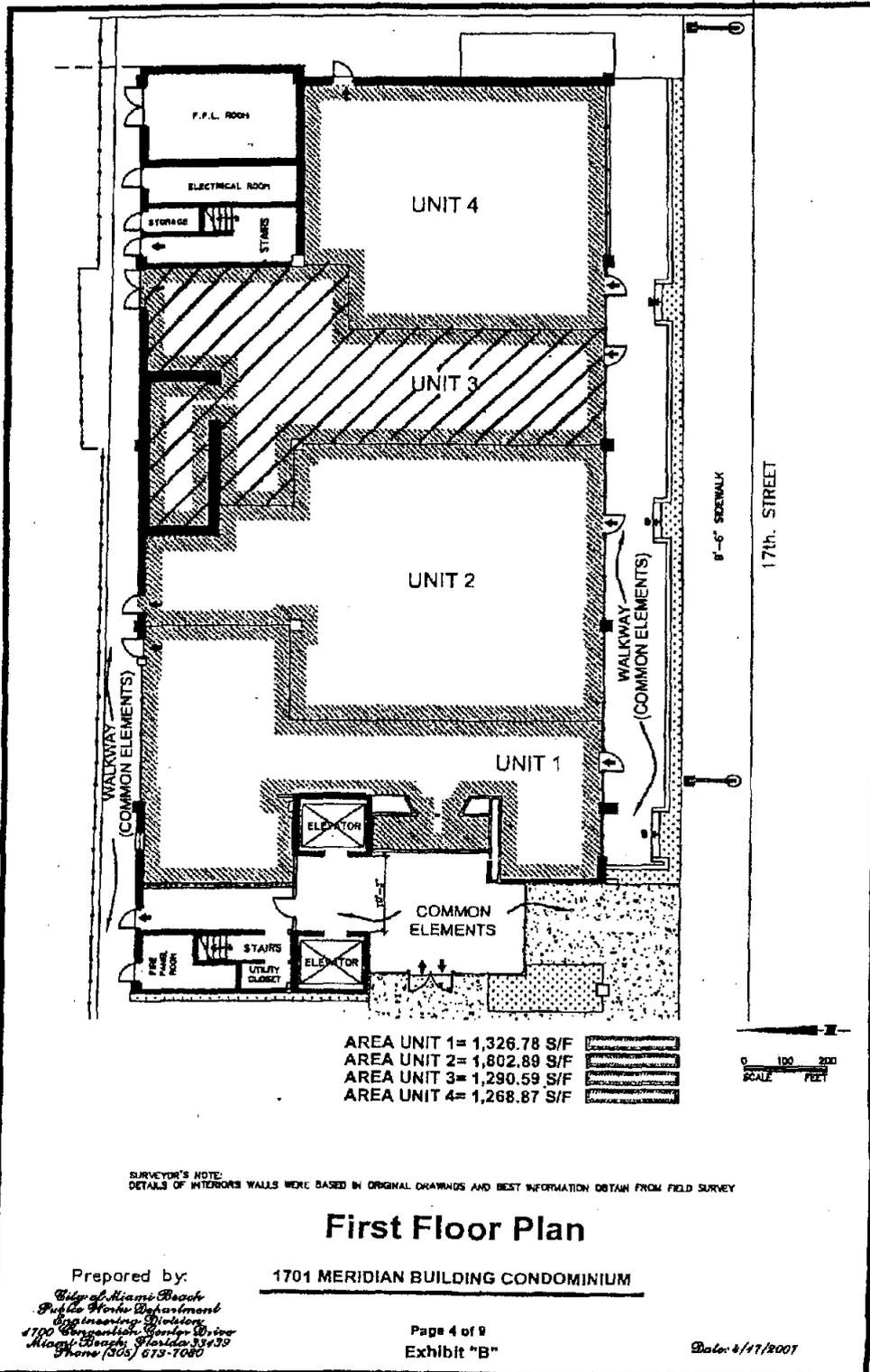
City Attorney



Date

EXHIBIT 1

Demised Premises



LANDLORD:

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

and

Miami Beach Redevelopment Agency
1700 Convention Center Drive
Miami Beach, Florida 33139

TENANT:

Penn 17 LLC

DATE OF EXECUTION:

SEPTEMBER 16, 2011

1661 PENNSYLVANIA AVENUE
RETAIL LEASE

ECONOMIC DEVELOPMENT
REDEVELOPMENT AGENCY
ASSISTANT MANAGER
2011 AUG 29 AM 9:43

LEASE SUMMARY

The following is a summary of basic lease provisions with respect to the Lease. It is an integral part of the Lease, and terms defined or dollar amounts specified in this Summary shall have the meanings or amounts as stated, unless expanded upon in the text of the Lease and its Exhibits, which are attached to and made a part of this Summary.

1. Date of Lease Execution: _____, 2011

2. "Landlord": City of Miami Beach and Miami Beach Redevelopment Agency

3. Landlord 's Address: City of Miami Beach and Miami Beach Redevelopment Agency
1700 Convention Center Drive
Miami Beach, Florida 33139
Attention: Asset Manager

with a copy to:

City of Miami Beach and Miami Beach Redevelopment Agency
1700 Convention Center Drive
Miami Beach, Florida 33139
Attention: Legal Department

4. "Tenant": Penn 17 LLC

5. Tenant's Address: 1661 Pennsylvania Avenue, Suite 6
Miami Beach, Florida 33139

6. Premises (Section 1.1): 1661 Pennsylvania Avenue, Suite G
(Section 3.11) Miami Beach, Florida 33139
(As shown on Exhibit "B"; and which may also be referred to herein and in the Lease as the "Restaurant Space" or the "Restaurant Portion")

and

Additional Area (Storage Space) (As described in Section 3.11, and as also shown on Exhibit "B-1").

7. Retail Space (Section 1.1) 1661 Pennsylvania Ave, Suite G
(Section 3.11) Miami Beach, Florida 33139
(As shown on Exhibit "B"; and which may also be referred to herein and as the "Restaurant Space" or the "Restaurant Portion")

and

Additional Area (Dry Storage Space) (As described in Section 3.11, and as also shown on Exhibit "B-1").



8. Gross Rentable Area of Premises /Retail Space (Section 1.1):
(Section 3.11)

Approximately 7,807 rentable square feet (in Suite G, as also shown in Exhibit "B"), plus 2,230 square feet for Additional Area (Exhibit "B-1").

9. Permitted Use of Premises/Retail Space (Section 3.1):
(Section 3.11)

The main/primary use of the Restaurant Space, as also described in Exhibit "B," shall be for the operation of a first-class, high quality restaurant, similar in price/menu/service to Gigi Restaurant, located at 3470 North Miami Avenue, Miami, Florida; as well as secondary ancillary uses for a high quality bakery, small bar/café, and book & gift shop (which may also, without limitation, be permitted to sell food items and merchandise with the "Gigi's" logo); and all to be further subject to the prohibited uses described in Section 3.6 of the Lease.

Tenant's portion of the Additional Area described in Exhibit "B-1" shall be used solely and exclusively for storage (and shall also be subject to the prohibited uses in Section 3.6 of the Lease).

10. Term of Lease (Section 1.1):

Nine (9) years and three hundred and sixty four (364) days.

"Lease Commencement Date": The earlier of: (i) end of the six (6) month term of the Pre-Lease Agreement executed between Landlord and Tenant, dated May 17, 2011 (which is attached and incorporated as Exhibit "C" hereto), or **October 13, 2011**; or (ii) issuance by the City of a Full Building Permit

"Rent Commencement Date": The earlier of: (i) 180 days from the Lease Commencement Date; or (ii) 90 days from the issuance by the City of a Temporary Certificate of Occupancy (TCO) or Tenant opening for business, whichever is earlier.

"Expiration Date": Nine (9) years and three hundred and sixty four (364) days after the "Lease Commencement Date."

"Renewal Options": N/A

11. "Minimum Rent" (Section 2.2):

<u>LEASE YEAR</u>	<u>ANNUAL MINIMUM RENT*</u>	<u>MONTHLY PAYMENT (PLUS SALES TAX)</u>
1 - 2	\$585,525	\$48,794

3-10	See Note (*)	See Note (*)
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Note (*) Commencing on the third anniversary of the Lease Commencement Date, and at the beginning of each succeeding year thereafter during the Term of the Lease, the Minimum Rent shall be increased annually in increments of three (3%) percent per year.

- 12. Additional Rent: See Item 18 hereof, entitled "Cost Pass-Throughs".
- 13. Percentage Rental (Section 2.3): 2% of gross sales (as defined in Section 2.3) in excess of \$8,000,000; plus 3% of gross sales in excess of \$9,000,000.
- 14. Prepaid Rent: One month's Minimum Rent, due upon Lease execution.
- 15. First Month's Rent: See Item 10 hereof, "Rent Commencement Date".
- 16. Security Deposit (Section 2.7): Three (3) months' Minimum Rent, due upon Lease execution.
- 17. Construction Deposit (Section 5.1(n)): \$ 1 million to be deposited in Escrow Account to be held as security for Tenant's construction obligations, and to be deposited, distributed, and otherwise governed in accordance with the terms and conditions of the Escrow Agreement executed between Landlord and Tenant, and attached and incorporated as Exhibit "F" to the Lease.
- 18. Cost Pass-Throughs (Section 2.4): Tenant's proportionate share of Common Area Maintenance (CAM) which also includes, without limitation, Tenant's proportionate share of Property Taxes and Insurance

<u>LEASE YEAR</u>	<u>COMMON AREA MAINTENANCE (CAM) COST PER SQUARE FOOT*</u>	<u>MONTHLY/ANNUAL PAYMENT</u>
1	\$10.00/sq.ft	\$8,364/mo - \$10,3700/yr
2 - 10	See Note (*)	See Note (*)

Note (*) Beginning on the second anniversary of the Lease Commencement Date, and at the beginning of each succeeding year thereafter during the Term of the Lease, the CAM rate shall be adjusted to reflect the actual pro-rata share of Property Taxes and Insurance costs incurred by the Landlord during the previous calendar year.

- 19. Option Period(s) Rent: N/A
- 20. Comprehensive General Liability Insurance (Section 6.1): \$1,000,000.00
- 21. Monthly Promotional Charge (Section 13.1): N/A

22. Broker(s) (Section 14.12): Koniver Stern Group and City Realty Group International
23. Estimated Completion Date for Tenant's Work (Exhibit "F." Escrow Agreement, Article I, Section 5): June 1, 2012
24. Trade Name (Section 3.1): Penn 17
25. Tenant's Parking (Section 3.13) Tenant shall be permitted to purchase up to fourteen (14) parking spaces (the "Tenant Spaces") on the ground floor of the Garage at \$70 month/per space, to be used by Tenant solely for the purpose of providing parking for its employees. The location of the Tenant Spaces shall be determined by the City's Parking Director, at his sole discretion.

Tenant will pay a \$100.00 (refundable) deposit for a hand-held exit verifier to be used for validating tickets for delivery vehicles entering the Garage on Tenant's behalf. Delivery vehicles entering the Garage would have their tickets validated with this device. Tenant's delivery vehicles would have up to thirty (30) minutes to make deliveries at no charge; any time over the thirty (30) minute time limit would be automatically charged at the City's then-established self-parking hourly rate (which is \$1.00/hr as of the Lease execution date). Tenant will establish a pre-paid account with an initial deposit of \$500.00, against which any deliveries exceeding the thirty (30) minute limit will be charged.

THIS LEASE (the "Lease"), dated the 16th day of September 2011, is made by and among the City of Miami Beach, Florida, a municipal corporation, and the Miami Beach Redevelopment Agency, a public body corporate and politic (collectively referred to as the "Landlord"), and Penn 17 LLC (the "Tenant").

RECITALS:

A. The Landlord is the fee simple owner of a certain facility (the "Facility") containing a municipal parking garage and appurtenances containing approximately five hundred fifty (550) parking spaces (the "Garage") and certain retail space (the "Premises/Retail Space") located in an area bounded by Pennsylvania Avenue and 17th Street, City of Miami Beach, Miami-Dade County, Florida, as more particularly described in **Exhibit "A,"** attached hereto and made a part hereof (the "Land"). The Landlord is the fee simple owner of the Land and the Facility.

B. Landlord and Tenant desire to enter into this Lease for the Premises/Retail Space, as defined in Sections 6 and 7 of the Lease Summary, and **Exhibits "B" and "B-1"** attached hereto and made a part hereof, on the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant hereby agree as follows:

ARTICLE I. TERM.

1.1 Grant Term. In consideration of the performance by Tenant of its obligations under this Lease, Landlord leases to Tenant, and Tenant leases from Landlord, for the Term, the Premises/Retail Space. A site plan showing the description and location of the Premises/Retail Space within the Facility, is attached hereto and made a part hereof as Exhibits "B" and "B-1," respectively.

The "Term" of the Lease is the period from the Lease Commencement Date as specified in the Lease Summary, through the Expiration Date, as specified in the Lease Summary.

1.2. Landlord's Work. Tenant acknowledges and agrees that it is accepting possession of the Premises/Retail Space in their **AS-IS WHERE-IS** condition and that, except as otherwise expressly hereinafter set forth in **Exhibit "B-2,"** attached hereto and made a part hereof, Landlord has no other obligation to furnish, render, or supply any money, work, labor, material, fixture, equipment, or decoration with respect to the Premises/Retail Space.

Tenant is responsible for any and all utility impact fees and connection fees, charges, and/or deposits as may be required in connection with Tenant's Work, as hereinafter defined.

Upon the expiration of five (5) business days following the Lease Commencement Date, the Premises/Retail Space shall be conclusively deemed to be accepted by Tenant unless Tenant shall have given Landlord written notice of any contended defects in the Premises/Retail Space.

ARTICLE II. RENT.

2.1 Covenant to Pay. Tenant shall pay to Landlord all sums due hereunder from time to time from the Rent Commencement Date without prior demand, together with all applicable Florida sales tax thereon; however, unless otherwise provided in this Lease, payments other than Tenant's regular monthly payments of Minimum Rent shall be payable by Tenant to Landlord within five (5) days following demand. All rent or other charges that are required to be paid by Tenant to Landlord shall be payable at Landlord's address indicated on the Lease Summary. Minimum Rent and additional rent (which is all sums payable to Landlord other than Minimum Rent) for any "Lease Year" consisting of less than twelve (12) months shall be prorated on a per diem basis, based upon a period of 365 days. "Lease Year" means the twelve (12) full calendar months commencing on the Lease Commencement Date. However, the final Lease Year may contain less than twelve (12) months due to expiration

or sooner termination of the Term. Tenant agrees that its covenant to pay rent and all other sums under this Lease is an independent covenant and that all such amounts are payable without counterclaim, set-off, deduction, abatement, or reduction whatsoever, except as expressly provided for in this Lease.

2.2 Minimum Rent. Subject to any escalation which may be provided for in this Lease, Tenant shall pay Minimum Rent for the Term in the initial amount specified in the Lease Summary, which, except for the first installment, shall be payable throughout the Term in equal monthly installments in advance on the first day of each calendar month of each year of the Term, such monthly installments to be in the amounts (subject to escalation) specified in the Lease Summary. The first monthly installment of Minimum Rent shall be due on the date specified in Item 10 of the Lease Summary. The Minimum Rent described above shall be adjusted during the Term of this Lease as provided in the Lease Summary. It is also agreed and understood that the applicable Florida State Sales and Use Tax shall be added to Tenant's payment of Minimum Rent and forwarded to Landlord as part of said payments. It is the intent of Landlord that it is to receive Minimum Rent, and any other additional rental amounts due, as net, free and clear of all costs and charges arising from, or relating to, the Premises/Retail Space.

2.3. Percentage Rent. Tenant shall pay the Landlord annual percentage rent for each Lease Year (the "Percentage Rent") during the Term in an amount equal to two (2%) percent of gross sales (for each Lease Year) in excess of \$8,000,000. Should gross sales exceed \$9,000,000, the Percentage Rent shall increase to three (3%) of gross sales in excess of this amount. Tenant shall pay the full amount of Percentage Rent due in annual installments, in arrears, within sixty (60) days after the end of each Lease Year for the preceding Lease Year.

The term "gross sales" as used herein shall include all receipts, whether collected or accrued, derived by Tenant (or any licensee, concessionaire, or sub-tenant of Tenant), from all business conducted upon or from the Premises/Retail Space including, without limitation, receipts from the sale of food, beverage, alcoholic beverages, merchandise, rental of space, or from any other source whatsoever; provided, however, that gross sales shall not include gratuities (tips) and taxes.

2.4 Common Area Maintenance (CAM). Subject to escalation which may be provided for in this Lease, Tenant shall remit, together with regular monthly payments of Minimum Rent, its proportionate share of Common Area Maintenance (CAM) payments in the initial amount specified in the Lease Summary. The CAM shall be adjusted during the Term of this Lease as provided in the Lease Summary.

2.5 Payment of Personal Property Taxes; Sales Tax Reports. Tenant shall pay, when due, all taxes attributable to the personal property, trade fixtures, business, occupancy, or sales of Tenant or any other occupant of the Premises/Retail Space and to the use of the Premises/Retail Space by Tenant or such other occupant. Tenant shall provide Landlord with copies of Tenant's sales tax reports provided to the State of Florida, as and when such reports are provided to the State.

2.6 Rent Past Due. If any payment due from Tenant shall be overdue more than five (5) days, a late charge of five (5%) percent of the delinquent sum may be charged by Landlord. If any payment due from Tenant shall remain overdue for more than fifteen (15) days, an additional late charge in an amount equal to the lesser of the highest rate permitted by law or one and one-half (1 1/2%) percent per month eighteen (18%) percent per annum) of the delinquent amount may be charged by Landlord, such charge to be computed for the entire period for which the amount is overdue and which shall be in addition to and not in lieu of the five (5%) percent late charge or any other remedy available to Landlord.

2.7 Security Deposit. Landlord acknowledges receipt of a security deposit in the amount specified on the Lease Summary to be held by Landlord, without any liability for interest thereon, as security for the performance by Tenant of all its obligations under this Lease. Landlord shall be entitled to commingle the security deposit with Landlord's other funds. If Tenant defaults in any of its obligations under this Lease, Landlord may at its option, but without prejudice to any other rights which Landlord may have, apply all or part of the security deposit to compensate Landlord for any loss, damage, or expense sustained by Landlord as a result of such default. If all or any part of the security deposit is so applied, Tenant shall restore the security deposit to its original amount on demand of Landlord. Within thirty (30) days following termination of this Lease, if Tenant is not then in

default, the security deposit will be returned by Landlord to Tenant.

Notwithstanding the foregoing, for purposes of the security deposit described in the Lease Summary and the above paragraph, Tenant, at its option, shall have the right to post an irrevocable, unconditional, and transferable Letter of Credit, in such form as shall reasonably be approved by Landlord's City Manager. If Tenant delivers the Letter of Credit to Landlord, and provided Landlord's City Manager approves the form of such Letter of Credit, then Landlord will return the cash security deposit promptly after Landlord's receipt of the Letter of Credit.

2.8 Landlord's Lien. To secure the payment of all rent and other sums of money due and to become due hereunder and the faithful performance of this Lease by Tenant, Tenant hereby gives to Landlord an express first and prior contract lien and security interest on all property now or hereafter acquired (including fixtures, equipment, chattels, and merchandise) which may be placed in the Premises and also upon all proceeds of any insurance which may accrue to Tenant by reason of destruction of or damage to any such property. Such property shall not be removed therefrom without the written consent of Landlord's City Manager until all arrearages in rental and other sums of money then due to Landlord hereunder shall first have been paid; provided, Tenant may operate its business in the ordinary course and the removal of merchandise from the Premises by customers of Tenant shall not be a default under this section. All exemption laws are hereby waived in favor of said lien and security interest. This lien and security interest is given in addition to Landlord's statutory lien and shall be cumulative thereto. Landlord shall, in addition to all of its rights hereunder, also have all of the rights and remedies of a secured party under the Uniform Commercial Code as adopted in the State in which the Premises are located. To the extent permitted by law, this Lease shall constitute a security agreement under Article 9 of the Florida Uniform Commercial Code.

ARTICLE III. USE OF PREMISES/RETAIL SPACE.

3.1 Permitted Use(s). The Premises/Retail Space shall be used and occupied solely and exclusively for the purposes specified in the Lease Summary. The business of Tenant in the Premises/Retail Space shall be carried on under the name specified in the Lease Summary and under no other name unless first approved by Landlord's City Manager in writing. Tenant shall carry on its business on the Premises/Retail Space in a reputable manner and shall not do, omit, permit, or suffer to be done or exist upon the Premises/Retail Space anything which shall result in a nuisance, hazard, or bring about a breach of any provision of this Lease or any applicable municipal or other (i.e. federal, State, or County) governmental law or regulation, or would otherwise be inconsistent with a first-class retail center. Tenant shall observe all reasonable rules and regulations established by Landlord from time to time for the Premises/Retail Space. The rules and regulations in effect as of the date hereof are attached to and made a part of this Lease as **Exhibit "D."** Landlord will provide a copy of any amendments to the rules and regulations at least seven (7) days prior to the effective date of any such amendments. Tenant shall display such name as Landlord may from time to time designate for the Facility in its stationery used upon the Premises/Retail Space, and in material which is given, visible, or available to customers of Tenant. Tenant shall promote such name in any advertisements or promotional material published or initiated by Tenant in regard to its business from the Premises/Retail Space. The names for the Premises/Retail Space and the Facility (of which the Retail Space is a part) which Landlord may from time to time adopt, and every name or mark adopted by Landlord in connection with the Facility shall be used by Tenant only in association with the business carried on in the Premises/Retail Space during the Term and Tenant's use thereof shall be subject to such reasonable regulation as Landlord may from time to time impose.

3.2 Compliance with Laws. The Premises/Retail Space shall be used and occupied in a safe, careful, and proper manner so as not to contravene any present or future laws, rules, regulations, constitutions, orders, ordinances, charters, statutes, codes, executive orders, and requirements of all governmental authorities having jurisdiction over the Premises/Retail Space, or any street, road, avenue, or sidewalk comprising a part of, or lying in front of, the Premises/Retail Space, or any vault in or under the Premises/Retail Space (including, without limitation, any of the foregoing relating to handicapped access or parking, the local building codes, and the laws, rules, regulations, orders, ordinances, statutes, codes, and requirements of any applicable Fire Rating Bureau or other body exercising similar functions), the temporary and/or permanent Certificates of Occupancy issued for the Premises/Retail Space as then in force, and any and all provisions and requirements of any property, casualty, or

other insurance policy required to be carried by Tenant under this Lease. If due to Tenant's use of the Premises/Retail Space, repairs, improvements, or alterations are necessary to comply with any of the foregoing, Tenant shall pay the entire cost thereof.

3.3 Signs. Tenant, at Tenant's expense, shall erect and maintain identification signage upon the storefront of the Premises/Retail Space. The design and specification of such signage shall be subject to Landlord's sign criteria as adopted from time to time and such design and specification (including camera-ready artwork) shall be submitted for Landlord's prior approval. Except with the prior written consent of Landlord's City Manager, Tenant shall not erect, install, display, inscribe, paint, or affix any signs, lettering, or advertising medium upon or above any exterior portion of the Premises/Retail Space or in or on Tenant's storefront or storefront window. Landlord's signage criteria is attached hereto and made a part hereof as **Exhibit "E."**

3.4 Environmental Provisions.

(a) Tenant shall not knowingly incorporate into, use, or otherwise place or dispose of at the Premises/Retail Space (or allow others to incorporate into, use, or otherwise place or dispose of at the Premises/Retail Space) any Hazardous Materials, as hereinafter defined, unless (i) such Hazardous Materials are for use in the ordinary course of business (i.e., as with office or cleaning supplies), (ii) notice of and a copy of the current material safety data sheet is provided to Landlord for each such Hazardous Material (except for Hazardous Materials used by Tenant in the ordinary course of business (i.e., as with office or cleaning supplies)), and (iii) such materials are handled and disposed of in accordance with all applicable governmental laws, rules, and regulations. If Landlord or Tenant ever has knowledge of the presence at the Premises/Retail Space of Hazardous Materials which affect the Premises/Retail Space, and/or the Facility, such party shall notify the other thereof in writing promptly after obtaining such knowledge. For purposes of this Lease, "Hazardous Materials" shall mean: (a) petroleum and its constituents; (b) radon gas, asbestos in any form which is or could become friable, urea formaldehyde foam insulation, transformers or other equipment which contain dielectric fluid containing levels of polychlorinated biphenyls in excess of federal, state or local safety guidelines, whichever are more stringent; (c) any substance, gas, material or chemical which is or may hereafter be defined as or included in the definition of "hazardous substances," "hazardous materials," "hazardous wastes," "pollutants or contaminants," "solid wastes," or words of similar import under any applicable governmental laws, rules, and regulations including, but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act, as amended, 42 U.S.C. § 9601 et seq.; the Hazardous Materials Transportation Act, as amended, 49 U.S.C. § 1801, et seq.; the Resource Conservation and Recovery Act, as amended, 42 U.S.C. § 6901, et seq.; the Federal Water Pollution Control Act, as amended, 33 U.S.C. § 1251, et seq.; and Florida Statutes, Chapters 376 and 403; and (d) any other chemical, material, gas, or substance, the exposure to or release of which is regulated by any governmental or quasi-governmental entity having jurisdiction over the Premises, the Retail Space, and/or the Facility, or the operations thereon.

(b) If Tenant or its employees, agents, contractors, or assigns shall ever violate the provisions of subsection (a), above, then Tenant shall clean-up, remove, and dispose of the Hazardous Material causing the violation, in compliance with all applicable governmental standards, laws, rules, and regulations and repair any damage to the Premises/Retail Space within such period of time as may be reasonable under the circumstances after written notice by Landlord, provided that such work shall commence not later than thirty (30) days from such notice and be diligently and continuously carried to completion by Tenant or Tenant's designated contractors. Tenant shall notify Landlord of its method, time, and procedure for any clean-up or removal of Hazardous Materials under this provision; and Landlord shall have the right to require reasonable changes in such method, time, or procedure or to require the same to be done after normal business hours or when the Premises/Retail Space is otherwise closed (i.e., holidays) if reasonably required for the protection of other tenants or occupants of the Facility.

(c) Tenant agrees to defend, indemnify and hold harmless Landlord against any and all claims, costs, expenses, damages, liability, and the like, which Landlord may hereafter be liable for, suffer, incur, or pay arising under any applicable environmental laws, rules, and regulations and resulting from or arising out of any breach of the covenants contained in this Section 3.4, or out of any act, activity, or violation of any applicable

environmental laws, rules, and regulations on the part of Tenant, its employees, agents, contractors, or assigns. Tenant's liability under this Section 3.4 shall survive the expiration or any termination of this Lease.

3.5 Hours; Continued Occupancy. During the Term, Tenant shall conduct its business in and on the Premises/Retail Space, at a minimum, on all days and during all hours established by Landlord's City Manager from time to time. However, Tenant shall open for business no later than 11 AM and shall close no later than 3 AM on weekdays, and shall be permitted to be open 24 hours on weekends. Tenant shall open the whole of the Premises/Retail Space for business to the public, fully fixtured, stocked, and staffed on the Completion Date set forth in Item 23 of the Lease Summary, and shall continuously, actively, and diligently carry on the business specified in Section 3.1 on the whole of the Premises/Retail Space during the Term, during such hours and upon such days as are herein required, except when prevented from doing so by force majeure (as the term is described in Section 14.1). Tenant acknowledges that its continued occupancy of the Premises/Retail Space and the regular conduct of its business therein are of utmost importance to Landlord. Tenant acknowledges that Landlord is executing this Lease in reliance thereupon and that the same is a material element inducing Landlord to execute this Lease. Tenant shall not keep or display any merchandise on or otherwise obstruct the common areas and shall not sell, advertise, conduct, or solicit business anywhere within the Facility other than in and on the Premises/Retail Space. Tenant shall ship and receive supplies, fixtures, equipment, furnishings, wares, and merchandise only through the appropriate service and delivery facilities provided by Landlord; and shall not park its trucks or other delivery vehicles or allow suppliers or others making deliveries to or receiving shipments from the Premises/Retail Space to park in the parking areas, except in those parts thereof as may from time to time be allocated by Landlord for such purpose. Tenant shall maintain available a substantial stock of goods, wares, and merchandise adequate to ensure successful operation of Tenant's business, and shall employ and maintain sales and other personnel sufficient at all times for proper service to customers. In recognition of Tenant's monetary contribution to Landlord (in the form of rent), Tenant agrees that, except for Tenant's Bond Street Restaurant at the Townhouse Hotel, located at 150 20th Street, Miami Beach, Florida (which restaurant was operating prior to the Lease Commencement Date), during the Term neither Tenant, or any guarantor or affiliate, parent, or subsidiary of Tenant, will own, lease, or operate another restaurant, bakery, or bar/café, or any other structure or site for retail business conducting any of the same businesses and/or operations as described in Item 9 of the Lease Summary within one (1) miles of any point in the Facility.

3.6 Prohibited Uses. The restrictive covenants contained in paragraphs (A) – (FF) of this Section 3.6 are intended and designed to bind Landlord and Tenant and their respective successors and assigns, and be binding upon and run with the Premises/Retail Space throughout the Term. Notwithstanding any other provisions of this Lease, Tenant shall not use the Premises/Retail Space nor permit them to be used for any of the following purposes ("Prohibited Uses"): (A) for the sale by Tenant, as its principal business purpose, of any merchandise which Tenant, in the course of its normal business practice, purchases at manufacturers' clearances or purchases of ends-of-runs, bankruptcy stock, seconds, or other similar merchandise; (B) for the sale of second-hand goods, war surplus articles, insurance salvage stock, fire sale stock, merchandise damaged by or held out to be damaged by fire, except merchandise damaged by fire or smoke occurring in the Retail Space, and then only for thirty (30) days after the date of any such damage; (C) as an auction or flea market; (D) for a bankruptcy sale or going-out-of-business sale or liquidation sale or any similar sale, unless Tenant is in fact in bankruptcy or is going out of business or is in liquidation, in which case such sale shall not continue beyond thirty (30) days; (E) a business primarily used for an order office, mail order office, or catalogue store; (F) any business in which Tenant is engaged in intentionally deceptive or fraudulent advertising or selling practices or any other act or business practice contrary to honest retail practices; (G) amusement centers (as defined in § 33.1 of the Code of Miami-Dade County or its successor provision); (H) coinbox entertainment (pinball, video games, moving pictures operated by coins); (I) casino gambling or games of chance or reward (provided, however, that the sale of State of Florida lottery tickets shall not be prohibited); (J) any unlawful or illegal business, use or purpose, or for any business, use or purpose which is immoral or disreputable (including "adult entertainment establishments" and "adult" bookstores) or extra-hazardous, or in such manner as to constitute a nuisance of any kind (public or private), or for any purpose or in any way in violation of Tenant's Certificate(s) of Occupancy (or other similar approvals of applicable governmental authorities); (K) movie theatre; (L) medical facilities and offices; (M) check cashing facilities; (N) pawn shops; (O) the sale of firearms; (P) tatoo parlors, fortune tellers, psychics, palm readers, body piercing shops; (Q) printing or duplicating other than as an incidence to the operation of some other business; (R) the sale of religious artifacts and books; (S) places of worship; (T) political offices; (U) military

recruiting; (V) consular, legation or any other offices of foreign governments; (W) tire sales; (X) the sale of animals or birds of any kind and/or products of a nature typically sold in pet shops; (Y) offices for the practice of veterinary medicine; (Z) the sale of major appliances as a primary business; (AA) housing or sleeping quarters; (BB) grocery stores (other than specialty gourmet shops); (CC) second hand stores; (DD) any theatre or performing arts activity; or (EE) dinner theatre; and/or (FF) in any manner that will violate any Certificate of Occupancy or Certificate of Use for the Premises/Retail Space, or which will violate any laws, ordinances, or other rules or regulations applicable to the Premises/Retail Space.

Immediately upon its discovery of any Prohibited Use, Tenant shall take all reasonable necessary steps, legal and equitable, to compel discontinuance of such business or use including, if necessary, the removal from the Premises/Retail Space of any subtenants, licensees, invitees or concessionaires.

3.7 Exclusive Use. So long as Tenant is in actual occupancy of the Premises/Retail Space and using the Premises/Retail Space for the permitted use(s) set forth in the Lease Summary, Landlord agrees not to enter into any leases for space in the Facility with persons or entities whose primary business would be as a restaurant operation.

3.8 Outdoor Seating. Subject to City approval and (if approved) Tenant's compliance with all applicable laws, ordinances, rules, and regulations including, without limitation, the City's Sidewalk Café Ordinance (as same may be amended from time to time), Tenant shall be entitled to use an outside area adjacent to and fronting the portion of the Premises/Retail Space described in Exhibit "B" hereto (and as further determined by the City's Public Works Director, and **not** including any frontage associated with the Additional Area/Dry Storage described in Section 3.11 and Exhibit "B-1" hereof) for use as an outdoor sidewalk café. Tenant acknowledges that any such outdoor seating area must be approved, and subject to annual renewal (for purposes of seating for and serving of Tenant's customers) by the City pursuant to the City's Sidewalk Café Permit procedures, and shall **not** be as a matter of right under the Lease. Further, any such Sidewalk Café Permit will be issued as a revocable license consistent with other sidewalk café permits in the City, and there will be the standard fees and costs associated with that Permit (in addition to the rent and other charges described in this Lease). The installation and maintenance of the outdoor seating area shall be subject to the obligations imposed upon Tenant in this Lease with respect to Tenant's use and occupancy of the Premises/Retail Space, including, but not limited to, Articles V and VI of the Lease.

3.9 Intentionally omitted.

3.10 Intentionally omitted.

3.11 Additional Area (Storage Space). Tenant has identified an additional un-used space underneath the garage ramp of the Facility as possible space for storage (the Additional Area, as delineated in Exhibit "B-1" attached hereto). Tenant, at Tenant's sole cost and expense, shall build-out the **entire** Additional Area in order to make said Area usable for its intended purpose, which will include, without limitation, installing lighting, electricity, life safety systems (i.e. sprinklers) as required by the City, door access, and pouring flooring. The square footage for Tenant's portion of the Additional Area shall be included (as additional square footage) in the Premises/Retail space, and shall also be included for purposes of calculating Tenant's payment of any Additional Rent (on that additional square footage), but **not** for purposes of calculating (additional) Minimum Rent. In consideration of this, the Tenant shall be permitted to use 2,230 square feet, and shall allow the balance to be used by the Landlord, at no charge to Landlord.

3.12 Flood Panels. Tenant acknowledges that in the event that Landlord's City Manager determines, in his/her sole and reasonable discretion, that a condition arises that requires the installation of flood panels on the Premises/Retail Space, then Tenant will assume sole and immediate responsibility for installation of same. Once Landlord's City Manager determines (also in his/her sole and reasonable discretion) that the condition necessitating the installation has passed, Tenant shall also assume sole and immediate responsibility for removal and storage of the flood panels.

3.13 Tenant's Parking. Tenant shall be permitted to purchase up to fourteen (14) parking spaces (the "Tenant Spaces") on the ground floor of the Garage at \$70 month/per space, to be used exclusively by Tenant for the purpose of providing parking for its employees. The location of the Tenant Spaces shall be determined by the City's Parking Director, at his sole discretion.

Tenant will pay a \$100.00 (refundable) deposit for a hand-held exit verifier to be used for validating tickets for delivery vehicles entering the Garage on Tenant's behalf. Delivery vehicles entering the Garage would have their tickets validated with this device. Tenant's delivery vehicles would have up to thirty (30) minutes to make deliveries at no charge; any time over the thirty (30) minute time limit would be automatically charged at the City's then-established self-parking hourly rate (which is \$1.00/hr as of the Lease execution date). Tenant will establish a pre-paid account with an initial deposit of \$500.00, against which any deliveries exceeding the thirty (30) minute limit will be charged.

ARTICLE IV. ACCESS AND ENTRY.

4.1 Right of Examination. Landlord, through its City Manager and/or such other individuals as he/she may designate, in his/her reasonable discretion, from time to time, shall be entitled at all reasonable times and upon reasonable notice (but no notice is required in emergencies) to enter the Premises/Retail Space to examine them if Landlord reasonably believes that Tenant is not complying with any of its obligations hereunder; to make such repairs, alterations, or improvements thereto as Landlord considers necessary or reasonably desirable; to have access to underfloor facilities and access panels to mechanical shafts and to check, calibrate, adjust, and balance controls and other parts of the heating, air conditioning, ventilating, and climate control systems. Landlord reserves to itself (and others acting on behalf of Landlord including, without limitation, Landlord's City Manager and/or such individuals as he/she may designate, in his/her reasonable discretion, from time to time) the right to install, maintain, use, and repair pipes, ducts, conduits, vents, wires, and other installations leading in, through, over, or under the Premises/Retail Space and for this purpose, Landlord may take all material into and upon the Premises/Retail Space which is required therefor. Tenant shall not unduly obstruct any pipes, conduits, or mechanical or other electrical equipment so as to prevent reasonable access thereto. Landlord reserves the right to use all exterior walls and roof area. Landlord shall exercise its rights under this section, to the extent possible in the circumstances, in such manner so as to minimize interference with Tenant's use and enjoyment of the Premises/Retail Space.

4.2 Right to Show Premises/Retail Space. Landlord and its agents (including, without limitation, Landlord's City Manager and such other individuals as he/she may designate, in his/her reasonable discretion, from time to time) shall have the right to enter the Premises/Retail Space at all reasonable times and upon reasonable notice to show them to prospective purchasers, lenders, or anyone having a prospective interest in the Premises/Retail Space and, during the last six (6) months of the Term, to show them to prospective tenants. Landlord shall exercise its rights under this section, to the extent possible in the circumstances, in such manner so as to minimize interference with Tenant's use and enjoyment of the Premises/Retail Space.

ARTICLE V. CONSTRUCTION; MAINTENANCE, REPAIRS, AND ALTERATIONS.

5.1 Tenant Investment. As an added inducement to have City enter into this Lease, Tenant covenants and agrees that it will invest, or cause to be invested, no less than \$1,200,000 in hard construction costs on/to the Premises/Retail Space including, without limitation, the following fixed, non-removable improvements to the Restaurant Portion: grease trap; HVAC units and distribution; plumbing installed and distributed for kitchen and bathrooms; completed bathrooms for not less than 200 patrons; and electrical system installed with distribution. As a condition of the City of Miami Beach's issuance of a Temporary Certificate of Occupancy (TCO) for the Premises/Retail Space, Tenant shall first certify, in writing, to Landlord that it has, in fact, expended not less than the required aforesaid amount(s) for hard construction costs.

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5.2 Tenant's Construction Obligations.

(a) Subject to the provisions hereof, Tenant shall, at its sole cost and expense, cause the construction and installation of any and all improvements, alterations and/or repairs to the Premises/Retail Space in accordance with Tenant's Plans, as hereinafter defined, and as necessary to permit Tenant to occupy same and conduct normal business operations (such improvements being referred to herein as "Tenant's Work").

(b) Tenant, at Tenant's expense, agrees to furnish to Landlord's City Manager or his/her designee, who, for purposes of this Article, shall be the City's Asset Manager, a preliminary schedule of finishes and values, as well as a conceptual plan for any improvements and/or alterations to the Premises/Retail Space. The preliminary schedule of finishes and values, as well as the conceptual plan shall be subject to Landlord's City Manager's review and approval, not to be unreasonably withheld or delayed. Landlord's City Manager (or his/her designee) shall notify Tenant in writing of its acceptance or of its objections to the preliminary schedule of finishes and conceptual plan within ten (10) business days after such preliminary schedule has been provided to him/her. Should Tenant fail to submit the preliminary schedule of finishes and conceptual plan within the time period set forth above, or should Tenant fail to make any reasonable modifications Landlord' City Manager (or his/her designee) may require, within five (5) business days of notice thereof, then either such event shall be deemed to be a default under this Lease.

(c) Tenant, at Tenant's expense, agrees to furnish to Landlord' City Manager (or his/her designee) a set of schematic drawings (including an initial space plan) plan for any improvements and/or alterations to the Premises/Retail Space, which shall also include as an attachment a schedule of finishes and Tenant's proposed construction budget (the "Schematic Drawings") for Tenant's Work. The construction budget shall include detailed descriptions of the scope of work and provide for a minimum expenditure for Tenant's Work. The Schematic Drawings shall be subject to Landlord's City Manager's (or his/her designee) review and approval, not to be unreasonably withheld or delayed. Landlord's City Manager (or his/her designee) shall notify Tenant in writing of its acceptance or of its objections to the Schematic Drawings. Should Tenant fail to submit the Schematic Drawings within the time period set forth above, or should Tenant fail to make any reasonable modifications Landlord may require within five (5) business days of notice thereof, then either such event shall be deemed to be a default under this Lease. Tenant acknowledges that submission of satisfactory Schematic Drawings is a condition to Landlord's entering into this Lease with Tenant and that if Tenant fails to furnish Schematic Drawings acceptable to Landlord within the time periods set forth herein, then, in such event, Tenant shall be in default under this Lease, and Landlord shall have the option to declare this Lease null and void. The Schematic Drawings, as approved by Landlord's City Manager (or his/her designee), shall be incorporated herein by reference and made part of this Lease.

(d) Within ten (10) business days after the date Landlord's City Manager (or his/her designee) has approved the Schematic Drawings, Tenant, at Tenant's expense, agrees to furnish to Landlord's City Manager (or his/her designee) a complete, detailed set of plans and specifications through the design development stage ("Tenant's Plans") for Tenant's Work, which shall include, without limitation, all working drawings, elevations, finish selections, and signage schematics, along with a separate schedule detailing Tenant's estimated expenditures in connection with Tenant's Work (based on the construction budget described above as supplemented to reflect the approved Schematic Drawings) and a list of the proposed architect and engineer(s), interior design team, general contractor, and subcontractors. Tenant's Plans shall be based on the approved Schematic Drawings and shall be in a form sufficient to obtain a building permit from the City of Miami Beach. Tenant's Plans shall be prepared by Tenant's architect and engineer(s), which architect and engineer(s) shall be subject to Landlord's City Manager's (or his/her designee's) prior written approval, not to be unreasonably withheld or delayed. Tenant's Plans shall be subject to Landlord's City Manager's (or his/her designee's) reasonable review and approval, which approval shall not be unreasonably withheld or delayed. Landlord's City Manager (or his/her designee) shall notify Tenant in writing of its acceptance or of its objections to Tenant's Plans within ten (10) business days after the Tenant's Plans have been provided to Landlord. Should Tenant fail to submit Tenant's Plans within the time period set forth above, or should Tenant fail to make any reasonable modifications Landlord may require within five (5) business days of notice thereof, then either such event shall be deemed to be a default.

under this lease. Notwithstanding Landlord's City Manager's (or his/her designee's) review and approval of Tenant's Plans, Landlord assumes no responsibility whatsoever, and shall not be liable, for the manufacturer's, architect's, or engineer's design or performance of any structural, mechanical, electrical, or plumbing systems or equipment of Tenant.

(e) Once Landlord approves Tenant's Plans, Tenant shall, within five (5) business days, provide Landlord's City Manager (or his/her designee) with two (2) sets of Tenant's Plans (and any changes to Tenant's Plans and/or the approved construction budget shall be made only by written addendum signed by both parties). Tenant's Plans, as approved by Landlord's City Manager (or his/her designee), shall be incorporated herein by reference and made part of this Lease.

(f) Within ten (10) business days after the date Landlord's City Manager (or his/her designee) has approved Tenant's Plans, Tenant, at Tenant's expense, agrees to furnish to Landlord's City Manager (or his/her designee) a complete and detailed set of construction documents in AIA form, including all exhibits ("Tenant's Construction Documents") for Tenant's Work, which shall be prepared by Tenant's architects. Tenant's Construction Documents shall be subject to Landlord's City Manager's (or his/her designee's) prior written approval, which approval shall not be unreasonably withheld or delayed, and Tenant shall receive written notification of Landlord's approval or objections to Tenant's Construction Documents. Should Tenant fail to submit Tenant's Construction Documents with the period set forth above or should Tenant fail to make any reasonable modifications, Landlord may request within five (5) business days of notice hereof, then either such event shall be deemed a default under this Lease. Notwithstanding Landlord's review of Tenant's Construction Documents, Landlord assumes no responsibility whatsoever and shall not be liable with respect to any item contained therein.

(g) Once Landlord's City Manager (or his/her designee) approves Tenant's Construction Documents, Tenant shall, within five (5) days, provide Landlord's City Manager (or his/her designee's) with two (2) sets of Tenant's Construction Documents (and any changes to Tenant's Construction Documents and/or the approved construction budget shall be made only by written addendum signed by both parties).

(h) Tenant shall use only licensed contractors and subcontractors approved, in writing, by Landlord's City Manager (or his/her designee) to complete the construction and installation of Tenant's Work, which approval shall not be unreasonably withheld or delayed. Within ten (10) business days after the date hereof, Tenant shall provide to Landlord's City Manager (or his/her designee) certificates of insurance evidencing that Tenant has the required comprehensive general liability insurance required of Tenant under the Lease. In addition, Tenant shall provide to Landlord's City Manager (or his/her designee) certificates of insurance evidencing that Tenant's general contractor has in effect (and shall maintain at all times during the course of the work hereunder) workers' compensation insurance to cover full liability under workers' compensation laws of the State of Florida with employers' liability coverage; comprehensive general liability and builder's risk insurance for the hazards of operations, independent contractors, products and completed operations (for two (2) years after the date of acceptance of the work by Landlord and Tenant); and contractual liability specifically covering the indemnification provision in the construction contract, such comprehensive general liability to include broad form property damage and afford coverage for explosion, collapse and underground hazards, and "personal injury" liability insurance and an endorsement providing that the insurance afforded under the contractor's policy is primary insurance as respects Landlord and Tenant and that any other insurance maintained by Landlord (if any) or Tenant is excess and non-contributing with the insurance required hereunder, provided that such insurance may be written through primary or umbrella insurance policies with a minimum policy limit of \$1,000,000.00. Landlord and Tenant are to be included as an additional insured for insurance coverages required of the general contractor. Tenant shall inform its contractor, subcontractors, and material suppliers that Landlord's interest in the Premises/Retail Space shall not be subject to any lien to secure payment for work done or materials supplied to the Premises/Retail Space on Tenant's behalf. All inspections and approvals necessary and appropriate to complete Tenant's Work in accordance with Tenant's Plans and as necessary to obtain a certificate of use and occupancy as hereinafter provided are the responsibility of Tenant and its general contractor. Tenant shall arrange a meeting prior to the commencement of construction between Landlord and Tenant's contractors for the purpose of organizing and coordinating the completion of Tenant's Work.

(i) Once Tenant's Plans have been approved by Landlord's City Manager (or his/her designee), Tenant shall diligently pursue the issuance of a full building permit therefor. Tenant shall commence Tenant's Work (and shall be required to diligently pursue same) upon receipt of the full building permit. If Tenant has not achieved Substantial Completion of Tenant's Work in accordance with Tenant's Plans, as approved by Landlord's City Manager (or his/her designee), by the date set forth in the Lease Summary, then, in such event, Tenant shall be in default under this Lease, and Landlord shall have the option to declare this Lease null and void and exercise any remedies available under this Lease. Should this Lease be declared null and void pursuant to this paragraph, Tenant shall forfeit all rights to any deposits, advance rent, and any other payments made under this Lease, and Landlord shall have no further liability to Tenant under this Lease. "Substantial Completion" of Tenant's Work shall mean that Tenant's Work has been completed in accordance with the approved Tenant's Plans and that the Premises are approved for use and occupancy by the appropriate governmental authorities and are in suitable condition for the operation of Tenant's business.

(j) All of Tenant's Work shall be completed in a good and workmanlike manner and shall be in conformity with the City's building codes and the Florida Building Code, and in accordance with Landlord's construction rules and regulations pertaining to contractors. Upon completion of Tenant's Work, Tenant shall furnish Landlord's City Manager (or his/her designee):

(1) a certificate of use and/or occupancy issued by the City and other evidence satisfactory to Landlord's City Manager (or his/her designee) that Tenant has obtained the governmental approvals necessary to permit occupancy; and

(2) a notarized affidavit from Tenant's contractor(s) that all amounts due for work done and materials furnished in completing Tenant's Work have been paid; and

(3) releases of lien from any subcontractor or material supplier that has given Landlord a Notice to Owner pursuant to Florida law; and

(4) as-built drawings of the Premises/Retail Space, with a list and description of all work performed by the contractors, subcontractors, and material suppliers.

(k) Any damage to the existing finishes of the Premises/Retail Space, and/or the Facility shall be patched and repaired by Tenant, at its expense, and all such work shall be done to Landlord's satisfaction. If any patched and painted area does not match the original surface, then the entire surface shall be repainted at Tenant's expense. Tenant agrees to indemnify and hold harmless Landlord, its employees, contractors, and agents, from and against any and all costs, expenses, damage, loss, or liability, including, but not limited to, reasonable attorneys' fees and costs, which arise out of, is occasioned by, or is in any way attributable to the build-out of the Premises/Retail Space or any subsequent improvements or alterations by Tenant pursuant to this Lease. Tenant, at its expense, shall be responsible for the maintenance, repair, and replacement of any and all items constructed by Tenant's contractor.

(l) Tenant shall not alter the existing fire alarm system in the Premises/Retail Space, and/or the Facility. Tenant's Plans shall include detailed drawings and specifications for the design and installation of Tenant's fire alarm (and security) system(s) for the Premises/Retail Space. Such system(s) shall meet all appropriate building code requirements, and the fire alarm system shall, at Tenant's expense, be integrated into Landlord's fire alarm system for the Facility. (Landlord is not required to provide any security system.) Landlord's electrical contractor and/or fire alarm contractor shall, at Tenant's expense, make all final connections between Tenant's and Landlord's fire alarm systems. Tenant shall insure that all work performed on the fire alarm system shall be coordinated at the job site with the Landlord's representative.

(m) the above requirements for submission of plans and the use of specific contractors shall not apply to maintenance or repairs which do not exceed \$1,500.00, provided that the work is not structural, and provided that it is permitted by applicable law.

(n) Construction Deposit:

Landlord has requested, and Tenant has agreed, to secure Tenant's construction obligations under this Lease in an amount and upon the terms and conditions hereinafter set forth. On or before the Lease Commencement Date, Tenant shall deposit with its attorney as Escrow Agent ("Escrow Agent"), a cash construction deposit in the sum of One Million Dollars (\$1,000,000) ("Construction Deposit"). The Construction Deposit shall be deposited as follows: \$500,000 upon execution by the Parties of the Escrow Agreement referenced below and attached and incorporated as **Exhibit "F"** hereto; and the remaining \$500,000 to be deposited within forty five (45) calendar days from execution. Tenant's failure to deposit the Construction Deposit within the aforesaid time periods shall be deemed a default by Tenant under this Lease. The Construction Deposit shall be held as security for Tenant's construction obligations under this Lease including, but not limited to, Tenant's obligation to commence and complete construction of the Tenant's Work within the time and in the manner herein set forth. The Construction Deposit shall be deposited, distributed and otherwise governed pursuant to this paragraph (n) and the terms and conditions of the Escrow Agreement executed between Landlord and Tenant (and attached and incorporated as Exhibit "F" hereto). Tenant shall only use a licensed and insured general contractor. Tenant shall have the right to draw against the Construction Deposit for hard construction costs only, based upon draw requests executed by Tenant's architect and certifying to Landlord that the work set forth in the draw request has been substantially completed. The draw request shall be accompanied by lien waivers or releases of lien from the persons or entities performing the work or furnishing the materials referred to therein. In no event shall the Construction Deposit be reduced to less than **\$50,000** until such time as the Tenant's Work has been substantially completed, as determined by Landlord, in its sole and reasonable discretion. The Construction Deposit shall be released upon issuance by the City of a **final** Certificate of Occupancy (CO), with proof that all permits have been closed, together with final lien waivers and contractor's affidavit reflecting that all contractors, subcontractors, laborers and materialmen have been paid in full. In the event Tenant fails to substantially complete Tenant's Work in accordance with the final plans and as required herein, such failure shall constitute a default. In the event of default and in addition to any and all other rights of the Landlord hereunder, Escrow Agent shall deliver the Construction Deposit to the Landlord who shall have the right, in addition to and not in limitation of any and all rights of Landlord hereunder, to retain such Construction Deposit in the same manner as in the case of the Security Deposit. Further, in the event Tenant fails or refuses to deliver to Escrow Agent, the Construction Deposit simultaneously with the delivery of possession of the Premises, Tenant shall be deemed in default hereunder and in addition to all other rights and remedies of Landlord hereunder, In such event, Tenant shall not be entitled to retain possession of the Premises and Landlord shall retain the Security Deposit as partial consideration for the damages sustained by Landlord resulting from such default.

The parties agree and acknowledge that the foregoing conditions are intended to be conditions subsequent to Landlord's approval of this Lease. Accordingly, in the event that Tenant does not satisfy the aforesaid, then Landlord's City Manager may immediately, without further demand or notice, terminate this Lease without being prejudiced as to any remedies which may be available to him/her for breach of contract.

5.2 Maintenance and Repairs by Landlord. It is hereby acknowledged and agreed that Landlord is solely responsible to maintain and repair certain portions of the Facility. Landlord shall use all reasonable efforts to fulfill its maintenance and repair obligations. Tenant will notify Landlord in writing of any necessary repairs that are the obligation of Landlord. Landlord shall not be responsible for any damages caused to Tenant by reason of failure of any equipment or facilities serving the Premises/Retail Space, or the Facility or delays in the performance of any work for which the Landlord is responsible to perform pursuant to this Lease. Notwithstanding any other provisions of this Lease, if any part of the Premises/Retail Space, or the Facility is damaged or destroyed or requires repair, replacement, or alteration as a result of the act or omission of Tenant, its employees, agents, invitees, licensees, or contractors, Landlord shall have the right to perform same and the cost of such repairs, replacement, or alterations shall be paid by Tenant to Landlord upon demand. In addition, if, in an emergency, it shall become necessary to make promptly any repairs or replacements required to be made by Tenant, Landlord may re-enter the Premises/Retail Space and proceed forthwith to have the repairs or replacements made and pay the costs thereof. Within ten (10) days after written demand, Tenant shall reimburse Landlord for the cost of making the repairs.

5.3 Maintenance and Repairs by Tenant. Tenant shall, at its sole cost, repair and maintain the Premises/Retail Space, exclusive of base building mechanical and electrical systems, all to a standard consistent with a first class retail center, with the exception only of those repairs which are the obligation of the Landlord

pursuant to this Lease. Without limiting the generality of the foregoing, Tenant is specifically required to maintain and make repairs to (i) the portion of any pipes, lines, ducts, wires, or conduits contained within the Premises/Retail Space; (ii) windows, plate glass, doors, and any fixtures or appurtenances composed of glass (including, without limitation, interior and exterior washing of windows and plate glass); (iii) Tenant's sign; (iv) any heating or air conditioning equipment serving the Premises/Retail Space ("HVAC") (which shall include, without limitation, a preventive maintenance HVAC service contract. Such service contract shall include, without limitation, preventive HVAC maintenance no less than quarterly); (v) the Premises/Retail Space, or the Facility when repairs to the same are necessitated by any act or omission of Tenant, or the failure of Tenant to perform its obligations under this Lease; and (vi) all or any portion of Tenant's Work including, without limitation, any materials, machinery, finishings, fixtures, and equipment related thereto. All repair and maintenance performed by Tenant shall be performed by contractors or workmen designated or approved by Landlord's City Manager, which approval shall not be unreasonably withheld or delayed. At the expiration or earlier termination of the Term, Tenant shall surrender the Premises/Retail Space to Landlord in as good condition and repair as Tenant is required to maintain the Premises/Retail Space throughout the Term, reasonable wear and tear excepted. Tenant shall also furnish, maintain, and replace all electric light bulbs, tubes, and tube casings located within or serving the Premises/Retail Space and Tenant's signage, all at Tenant's sole cost and expense. Tenant shall be responsible for all trash removal for its business operations, including, without limitation, that Tenant shall keep all wet garbage under refrigeration.

5.4 Approval of Tenant's Alterations. No alterations (including, without limitation, improvements, additions, or modifications to the Premises/Retail Space) shall be made by Tenant to the Premises/Retail Space without Landlord's prior written approval, which, as to exterior or structural alterations may be withheld in Landlord's sole discretion. Any alterations by Tenant shall be performed at the sole cost of Tenant, by contractors and workmen approved by Landlord's City Manager, which approval shall not be unreasonably withheld or delayed, in a good and workmanlike manner, and in accordance with all applicable laws and regulations. Notwithstanding the foregoing, interior, nonstructural alterations which do not require a building permit may be made without Landlord's City Manager's consent, but Tenant shall notify Landlord's City Manager in writing prior to making any such alterations.

5.5 Removal of Improvements and Fixtures. All leasehold improvements and fixtures (other than unattached, movable trade fixtures which can be removed without damage to the Premises/Retail Space) shall at the expiration or earlier termination of this Lease become Landlord's property. Tenant may, during the Term, in the usual course of its business, remove its trade fixtures, provided that Tenant is not in default under this Lease; and Tenant shall, at the expiration or earlier termination of the Term, at its sole cost, remove such of the leasehold improvements (except for improvements if any installed by Landlord prior to the Lease Commencement Date) and trade fixtures in the Premises/Retail Space as Landlord shall require to be removed and restore the Premises/Retail Space to the condition existing prior to such removal. Tenant shall at its own expense repair any damage caused to the Premises/Retail Space, or the Facility by such removal. If Tenant does not remove its trade fixtures at the expiration or earlier termination of the Term, the trade fixtures shall, at the option of Landlord, become the property of Landlord and may be removed from the Premises/Retail Space and sold or disposed of by Landlord in such manner as it deems advisable without any accounting to Tenant.

5.6 Liens. Tenant shall promptly pay for all materials supplied and work done in respect of the Premises/Retail Space by, through, or under Tenant so as to ensure that no lien is recorded against any portion of the Premises/Retail Space, or the Facility, or against Landlord's or Tenant's respective interests therein. If a lien is so recorded, Tenant shall discharge it promptly by payment or bonding. If any such lien against the Premises/Retail Space, or the Facility is recorded and not discharged by Tenant as above required within fifteen (15) days following written notice to Tenant, Landlord shall have the right to remove such lien by bonding or payment and the cost thereof shall be paid immediately from Tenant to Landlord. Landlord and Tenant expressly agree and acknowledge that no interest of Landlord in the Premises/Retail Space or the Facility shall be subject to any lien for improvements made by Tenant in or for the Premises and/or Retail Space, and Landlord shall not be liable for any lien for any improvements made by Tenant, such liability being expressly prohibited by the terms of this Lease. Tenant hereby agrees to inform all contractors and material suppliers performing work in or for or supplying materials to the Premises/Retail Space of the requirements of this Section.

5.7 Utilities. Tenant shall pay to Landlord, or as Landlord directs, all gas, electricity, water, and other utility charges applicable to the Premises/Retail Space, as separately metered. In addition, Tenant's electrical equipment and lighting shall be restricted to that equipment and lighting which individually does not have a rated capacity and/or design load greater than the rated capacity and/or design load of the Premises/Retail Space. If Tenant's consumption of electrical services exceeds either the rated capacity and/or design load of the Premises/Retail Space, then Tenant shall remove the equipment and/or lighting to achieve compliance within ten (10) days after receiving written notice from Landlord, or such equipment and/or lighting may remain in the Premises/Retail Space, so long as (a) Tenant shall pay for all costs of installation and maintenance of submeters, wiring, air-conditioning, and other items required by Landlord, in Landlord's City Manager's reasonable discretion, to accommodate Tenant's excess design loads and capacities; and (b) Tenant shall pay to Landlord, within thirty (30) days after rendition of a bill, the cost of the excess consumption of electrical service at the rates charged to Landlord by Florida Power & Light, which shall be in accordance with any applicable laws.

ARTICLE VI. INSURANCE AND INDEMNITY.

6.1 Tenant's Insurance. Tenant shall, throughout the Term (and any other period when Tenant is in possession of the Premises/Retail Space), maintain at its sole cost the following insurance:

(A) All risks property insurance, containing a waiver of subrogation rights which Tenant's insurers may have against Landlord and against those for whom Landlord is in law responsible including, without limitation, its directors, officers, agents, and employees, and (except with respect to Tenant's chattels) incorporating a standard Florida mortgagee endorsement (without contribution). Such insurance shall insure property of every kind owned by Tenant in an amount not less than the full replacement cost thereof (new), with such cost to be adjusted no less than annually. Such policy shall include Landlord as an additional insured.

(B) Comprehensive general liability insurance. Such policy shall contain inclusive limits per occurrence of not less than the amount specified in the Lease Summary; provide for severability of interests; and include Landlord as an additional insured.

(C) Worker's compensation and employer's liability insurance in compliance with applicable legal requirements.

(D) Business interruption insurance, sufficient to insure Tenant for no less than one (1) full year of loss of business, with the Landlord named thereon as loss payee to the extent permitted by applicable law.

(E) Any other form of insurance which Landlord, acting reasonably, requires from time to time in form, in amounts, and for risks against which a prudent tenant would insure, but in any event not less than that carried by comparable restaurant establishments in Miami-Dade County, Florida.

All policies referred to above shall: (i) be taken out with insurers licensed to do business in Florida and reasonably acceptable to Landlord's City Manager; (ii) be in a form reasonably satisfactory to Landlord's City Manager; (iii) be non-contributing with, and shall apply only as primary and not as excess to any other insurance available to Landlord; (iv) contain an undertaking by the insurers to notify Landlord by certified mail not less than thirty (30) days prior to any material change, cancellation, or termination, and (v) with respect to subsection (A), contain replacement cost, demolition cost, and increased cost of construction endorsements. Certificates of insurance on Landlord's standard form or, if required by Landlord's City Manager, copies of such insurance policies certified by an authorized officer of Tenant's insurer as being complete and current, shall be delivered to Landlord's City Manager promptly upon request. If Tenant fails to take out or to keep in force any insurance referred to in this Section 6.1, or should any such insurance not be approved by Landlord, and Tenant does not commence and continue to diligently cure such default within two (2) business days after written notice by Landlord to Tenant specifying the nature of such default, then Landlord has the right, without assuming any obligation in connection therewith, to effect such insurance at the sole cost of Tenant and all outlays by Landlord shall be paid by Tenant to Landlord as additional rent without prejudice to any other rights or remedies of Landlord under this Lease. Tenant shall not keep or use in the Premises/Retail Space any article which may be prohibited

by any fire or casualty insurance policy in force from time to time covering the Premises/Retail Space, or the Facility.

6.2 Loss or Damage. Tenant acknowledges that the Landlord will be performing any maintenance and repairs required of Landlord hereunder. Landlord shall not be liable for any death or injury arising from or out of any occurrence in, upon, at, or relating to the Premises/Retail Space, or damage to property of Tenant or of others located in the Premises/Retail Space, nor shall it be responsible for any loss of or damage to any property of Tenant or others from any cause, unless such death, injury, loss, or damage results from the gross negligence or willful misconduct of Landlord. Without limiting the generality of the foregoing, Landlord shall not be liable for any injury or damage to persons or property resulting from fire, explosion, falling plaster, falling ceiling tile, falling fixtures, steam, gas, electricity, water, rain, flood, or leaks from any part of the Premises/Retail Space or from the pipes, sprinklers, appliances, plumbing works, roof, windows, or subsurface of any floor or ceiling of the Facility, or from the street or any other place or by dampness, or by any other cause whatsoever, unless resulting from the gross negligence or willful misconduct of Landlord. Tenant agrees to indemnify Landlord and hold it harmless from and against any and all loss (including loss of Minimum Rent and additional rent payable in respect to the Premises/Retail Space), claims, actions, damages, liability, and expense of any kind whatsoever (including attorneys' fees and costs at all tribunal levels), unless caused by the gross negligence or willful misconduct of Landlord, arising from any occurrence in, upon, or at the Premises/Retail Space, or the Facility, or the occupancy, use, or improvement by Tenant or its agents or invitees of the Premises/Retail Space, or the Facility, or occasioned wholly or in part by any act or omission of Tenant its agents, employees, and invitees or by anyone permitted to be in the Premises/Retail Space by Tenant.

6.3 Waiver of Subrogation. Landlord and Tenant each hereby waives on behalf of itself and its insurers (none of which shall ever be assigned any such claim or be entitled thereto due to subrogation or otherwise) any and all rights of recovery, claim, action, or cause of action, against the other, its agents, officers, or employees, for any loss or damage that may occur to the Premises/Retail Space, or any improvements thereto or the Facility, or any improvements to any of the aforesaid, or any personal property of such party therein, by reason of fire, the elements, or any other causes which are, or could or should be insured against under the terms of the standard fire and extended coverage insurance policies referred to in this Lease, regardless of whether such insurance is actually maintained and regardless of the cause or origin of the damage involved, including negligence of the other party hereto, its agents, officers, or employees. Tenant shall obtain from its insurers, under all policies of fire, theft, public liability, worker's compensation, and other insurance maintained by it at any time during the Term hereof insuring or covering the Premises/Retail Space or any portion thereof or operations therein, a waiver of all rights of subrogation which the insurer of Tenant have against the Landlord, and Tenant shall indemnify, defend, and hold harmless Landlord against any loss or expense, including reasonable attorneys' fees (appellate or otherwise) resulting from the failure to obtain such waiver.

ARTICLE VII. DAMAGE AND DESTRUCTION.

7.1 Damage to Premises/Retail Space. Tenant acknowledges that if the Premises/Retail Space are partially or totally destroyed due to fire or other casualty, any repairs to or rebuilding of the damaged portions of the Premises/Retail Space will be performed by Landlord but, in any event, only to the extent that Landlord is required to repair or rebuild the Retail Space to the condition Landlord was required to turn over the Premises/Retail Space to Tenant as of the Lease Commencement Date. If Landlord repairs or rebuilds, Minimum Rent shall abate proportionately to the portion of the Premises/Retail Space, if any, rendered untenable from the date of destruction or damage until the repairs have been substantially completed. Upon being notified that the repairs have been substantially completed, Tenant shall diligently perform all other work required to fully restore the Premises/Retail Space for use in Tenant's business, in every case at Tenant's cost and without any contribution to such cost by Landlord. Tenant agrees that during any period of reconstruction or repair of the Premises/Retail Space, it will continue the operation of its business within the Premises/Retail Space to the extent practicable. If all or any part of the Premises/Retail Space shall be damaged by fire or other casualty and the fire or other casualty is caused by the fault or neglect of Tenant or Tenant's employees, contractors, agents, guest, or invitees, rent and all other charges shall not abate.

7.2 Termination for Damage. Notwithstanding Section 7.1, if damage or destruction which has occurred to the Premises/Retail Space is such that, in the sole reasonable opinion of Landlord's City Manager, such reconstruction or repair cannot be completed within one hundred twenty (120) days of the happening of the damage or destruction, Landlord may, at its sole option, terminate this Lease on notice to Tenant given within thirty (30) days after such damage or destruction and Tenant shall immediately deliver vacant possession of the Premises/Retail Space in accordance with the terms of this Lease.

In addition, if Landlord undertakes the reconstruction or repair, and does not complete same within nine (9) months after the date of the fire or other casualty (subject to the time required to prepare plans for reconstruction, to obtain building permits, to receive distribution of insurance proceeds, and to complete the likely contract bidding process and all other relevant factors, but not to exceed an additional ninety (90) days), then Tenant shall have the right to terminate this Lease by written notice to Landlord's City Manager delivered within thirty (30) days after the expiration of such nine (9) month period (or as extended), whereupon both parties shall be relieved of all further obligations hereunder, except as otherwise expressly set forth herein.

ARTICLE VIII. ASSIGNMENT, LEASES, AND TRANSFERS.

8.1 Transfer by Tenant. Tenant shall not enter into, consent to, or permit any Transfer, as hereinafter defined, without the prior written consent of Landlord in each instance, which consent may be granted or withheld in Landlord's sole and absolute discretion for any reason or for no reason. For purposes of this Lease, "Transfer" means an assignment of this Lease in whole or in part; a sublease of all or any part of the Premises/Retail Space; any transaction whereby the rights of Tenant under this Lease or to the Premises/Retail Space are transferred to another; any mortgage or encumbrance of this Lease or the Premises/Retail Space or any part thereof or other arrangement under which either this Lease or the Premises/Retail Space become security for any indebtedness or other obligations; and if Tenant is a corporation or a partnership, the transfer of a controlling interest in the stock of the corporation or partnership interests, as applicable. If there is a permitted Transfer, Landlord may collect rent or other payments from the transferee and apply the net amount collected to the rent or other payments required to be paid pursuant to this Lease but no acceptance by Landlord of any payments by a transferee shall be deemed a waiver of any provisions hereof regarding Tenant. Notwithstanding any Transfer, Tenant shall not be released from any of its obligations under this Lease. Landlord's consent to any Transfer shall be subject to the further condition that if the Minimum Rent and additional rent pursuant to such Transfer exceeds the Minimum Rent and additional rent payable under this Lease, the amount of such excess shall be paid to Landlord. If, pursuant to a permitted Transfer, Tenant receives from the transferee, either directly or indirectly, any consideration other than Minimum Rent and additional rent for such Transfer, either in the form of cash, goods, or services, Tenant shall, upon receipt thereof, pay to Landlord an amount equivalent to such consideration.

In addition, Tenant shall not grant any purchase money security interest in its furniture, fixtures, and equipment in the Premises/Retail Space, without prior written consent of the Landlord's City Manager.

ARTICLE IX. DEFAULT.

9.1 Defaults. A default by Tenant shall be deemed to have occurred hereunder, if and whenever: (i) any Minimum Rent is not paid when due whether or not any notice or demand for payment has been made by Landlord; (ii) any other additional rent is in arrears and is not paid within five (5) days after written demand by Landlord; (iii) Tenant has breached any of its obligations in this Lease (other than the payment of rent) and Tenant fails to remedy such breach within thirty (30) days (or such shorter period as may be provided in this Lease), or if such breach cannot reasonably be remedied within thirty (30) days (or such shorter period), then if Tenant fails to immediately commence to remedy and thereafter proceed diligently to remedy such breach, in each case after notice in writing from Landlord; (iv) Tenant becomes bankrupt or insolvent; (v) any of Landlord's policies of insurance (if any) with respect to the Facility are canceled or adversely changed as a result of Tenant's use or occupancy of the Premises/Retail Space; or (vi) the business operated by Tenant in the Premises/Retail Space shall be closed by governmental or court order for any reason.

9.2 Remedies. In the event of any default hereunder by Tenant, then without prejudice to any other rights which it has pursuant to this Lease or at law or in equity, Landlord, through its City Manager, shall have the following rights and remedies, which are cumulative and not alternative:

(A) Landlord may cancel this Lease by notice to Tenant and retake possession of the Premises/Retail Space for Landlord's account, or may terminate Tenant's right to possession of the Premises/Retail Space without terminating this Lease. In either event, Tenant shall then quit and surrender the Premises/Retail Space to Landlord. If Landlord terminates Tenant's right to possession of the Premises/Retail Space without terminating this Lease, Tenant's liability under all of the provisions of this Lease shall continue notwithstanding any expiration and surrender, or any re-entry, repossession, or disposition hereunder.

(B) Landlord may enter the Premises/Retail Space as agent of Tenant to take possession of any property of Tenant on the Premises/Retail Space, to store such property at the expense and risk of Tenant or to sell or otherwise dispose of such property in such manner as Landlord may see fit without notice to Tenant. Re-entry and removal may be effectuated by summary dispossession proceedings, by any suitable action or proceeding, or otherwise. Landlord shall not be liable in any way in connection with its actions pursuant to this section, to the extent that its actions are in accordance with law.

(C) If Landlord terminates Tenant's right to possession of the Premises/Retail Space without terminating this Lease under subsection (A) above, Tenant shall remain liable (in addition to accrued liabilities) to the extent legally permissible for all rent and all of the charges Tenant would have been required to pay until the date this Lease would have expired had such cancellation not occurred. Tenant's liability for rent shall continue notwithstanding re-entry or repossession of the Premises/Retail Space by Landlord. In addition to the foregoing, Tenant shall pay to Landlord such sums as the court which has jurisdiction thereover may adjudge as reasonable attorneys' fees with respect to any successful lawsuit or action instituted by Landlord to enforce the provisions of this Lease.

(D) Landlord may relet all or any part of the Premises/Retail Space for all or any part of the unexpired portion of the Term of this Lease or for any longer period, and may accept any rent then attainable; grant any concessions of rent, and agree to paint or make any special repairs, alterations, and decorations for any new tenant as it may deem advisable, in its sole and absolute discretion. Landlord shall be under no obligation to relet or to attempt to relet the Premises/Retail Space, except as expressly set forth below.

(E) If Landlord terminates Tenant's right to possession of the Premises/Retail Space without terminating this Lease under subsection (A) above, and Landlord so elects, the rent hereunder shall be accelerated and Tenant shall pay Landlord damages in the amount of any and all sums which would have been due for the remainder of the Term (reduced to present value using a discount factor equal to the stated prime lending rate on the date of Tenant's default by Landlord's then existing mortgagee or, if there is no mortgagee, by Citibank, N.A., New York). Prior to or following payment in full by Tenant of such discounted sum promptly upon demand, Landlord shall use good faith efforts to relet the Premises/Retail Space. If Landlord receives consideration as a result of a reletting of the Premises/Retail Space relating to the same time period for which Tenant has paid accelerated rent, such consideration actually received by Landlord, less any and all of Landlord's cost of repairs, alterations, additions, redecorating, and other expenses in connection with such reletting of the Premises/Retail Space, shall be a credit against such discounted sum, and such discounted sum shall be reduced if not yet paid by Tenant as called for herein, or if Tenant has paid such discounted sum, such credited amount shall be repaid to Tenant by Landlord (provided said credit shall not exceed the accelerated amount).

(F) Landlord may remedy or attempt to remedy any default of Tenant under this Lease for the account of Tenant and to enter upon the Premises/Retail Space for such purposes. No notice of Landlord's intention to perform such covenants need be given Tenant unless expressly required by this Lease. Landlord shall not be liable to Tenant for any loss or damage caused by the reasonable acts of Landlord in remedying or attempting to remedy such default and Tenant shall pay to Landlord all expenses incurred by Landlord in connection with remedying or attempting to remedy such default. Any expenses incurred by Landlord shall accrue interest from the date of payment by Landlord until repaid by Tenant at the highest rate permitted by law.

9.3 Costs. Tenant shall pay to Landlord on demand all costs incurred by Landlord, including attorneys' fees and costs at all tribunal levels, incurred by Landlord in enforcing any of the obligations of Tenant under this Lease. In addition, upon any default by Tenant, Tenant shall be also liable to Landlord for the expenses to which Landlord may be put in re-entering the Premises/Retail Space; repossessing the Premises/Retail Space; painting, altering, or dividing the Premises/Retail Space; re-configuring the Premises/Retail Space (including, without limitation, subdividing the Premises/Retail Space) for any new tenant; putting the Premises/Retail Space in proper repair; protecting and preserving the Premises/Retail Space by placing watchmen and caretakers therein; reletting the Premises/Retail Space (including attorneys' fees and disbursements, marshall's fees, and brokerage fees, in so doing); and any other expenses reasonably incurred by Landlord.

9.4 Additional Remedies; Waiver. The rights and remedies of Landlord set forth herein shall be in addition to any other right and remedy now and hereinafter provided by law. All rights and remedies shall be cumulative and non-exclusive of each other. No delay or omission by Landlord in exercising a right or remedy shall exhaust or impair the same or constitute a waiver of, or acquiescence to a default.

9.5 Default by Landlord. In the event of any default by Landlord, Tenant's exclusive remedy shall be an action for damages or injunction, but prior to any such action Tenant will give Landlord's City Manager written notice specifying such default with particularity, and Landlord shall have a period of thirty (30) days following the date of such notice in which to cure such default (provided, however, that if such default reasonably requires more than thirty (30) days to cure, Landlord shall have a reasonable time to cure such default, provided Landlord commences to cure within such thirty (30) day period and thereafter diligently prosecutes such cure to completion). Notwithstanding any provision of this Lease, Landlord shall not at any time have any personal liability under this Lease. In the event of any breach or default by Landlord of any term or provision of this Lease, Tenant agrees to look solely to the equity or interest then-owned by Landlord in the Premises/Retail Space, and in no event shall any deficiency judgment be sought or obtained against Landlord. It is expressly understood that the obligations of Landlord under this Lease are solely corporate obligations, and that, except for conversion, fraud, or willful misconduct, no personal liability will attach to, or is or shall be incurred by, the officers, directors, or employees, as such, of the Landlord, or of any successor corporation, or any of them, under or by reason of the obligations, covenants, or agreements of Landlord contained in this Lease or implied therefrom; and, except for conversion, fraud, or willful misconduct, that any and all such personal liability, either at common law or in equity or by constitution or statute, of, and any and all such rights and claims against, every such officer, director, or employee, as such, or under or by reason of the obligations, covenants or agreements contained in this Lease or implied therefrom are expressly waived and released as a condition of, and as a consideration for, the execution of this Lease.

ARTICLE X. ESTOPPEL CERTIFICATE; SUBORDINATION.

10.1 Estoppel Certificate. Within ten (10) days after written request by Landlord's City Manager, Tenant shall deliver in a form supplied by Landlord, an estoppel certificate to Landlord as to the status of this Lease, including whether this Lease is unmodified and in full force and effect (or, if there have been modifications, that this Lease is in full force and effect as modified and identifying the modification agreements); the amount of Minimum Rent and additional rent then being paid and the dates to which same have been paid; whether or not there is any existing or alleged default by either party with respect to which a notice of default has been served, or any facts exist which, with the passing of time or giving of notice, would constitute a default and, if there is any such default or facts, specifying the nature and extent thereof; and any other matters pertaining to this Lease as to which Landlord shall request such certificate. Landlord, and any prospective purchaser, lender, or ground lessor shall have the right to rely on such certificate.

10.2 Subordination; Attornment. This Lease and all rights of Tenant shall be subject and subordinate to any and all mortgages, security agreements, or like instruments resulting from any financing, refinancing, or collateral financing (including renewals or extensions thereof), and to any and all ground leases, made or arranged by Landlord of its interests in all or any part of the Premises/Retail Space, from time to time in existence against the Premises/Retail Space, whether now existing or hereafter created. Such subordination shall not require any

further instrument to evidence such subordination. However, on request, Tenant shall further evidence its agreement to subordinate this Lease and its rights under this Lease to any and all documents and to all advances made under such documents. The form of such subordination shall be made as required by Landlord's City Manager. Tenant shall, if requested by Landlord, or a mortgagee, owner, or purchaser, or by any person succeeding to the interest of such mortgagee, owner, or purchaser, as the result of the enforcement of the remedies provided by law or the applicable instrument held by Landlord, such mortgagee, owner, or purchaser, automatically attorn to and become the tenant of Landlord or any such mortgagee, owner, purchaser, or successor-in-interest, without any change in the terms or other provisions of this Lease; provided, however, that Landlord, said mortgagee, owner, purchaser, or successor shall not be bound by (a) any payment of rent or additional rent for more than one (1) month in advance, or (b) any security deposit or the like not actually received by Landlord, such mortgagee, owner, or purchaser, or successor, or (c) any amendment or modification in this Lease made without the consent of Landlord, such mortgagee, owner, purchaser, or successor, or (d) any construction obligation, free rent, or other concession or monetary allowance, or (e) any set-off, counterclaim, or the like otherwise available against Landlord, or (f) any act or omission of any prior landlord (including Landlord). Upon request by Landlord, said mortgagee, owner, or purchaser, or successor, Tenant shall execute and deliver an instrument or instruments confirming its attornment.

Notwithstanding the foregoing, any such subordination of this Lease shall be conditioned on the Landlord obtaining a nondisturbance agreement in favor of Tenant from all mortgagees and ground lessors (if any) regarding any financings or overleases entered into by Landlord with respect to the Premises/Retail Space, and no subordination shall be effective without a corresponding nondisturbance agreement.

ARTICLE XI. CONTROL OF FACILITY BY LANDLORD.

11.1 Use and Maintenance of Common Areas. Tenant and those doing business with Tenant for purposes associated with Tenant's business on the Premises/Retail Space, shall have a non-exclusive license to use the common areas for their intended purposes during normal business hours in common with others entitled thereto and subject to any rules and regulations imposed by Landlord. Landlord shall use reasonable efforts to keep the common areas in good repair and condition and shall clean the common areas when necessary. Tenant acknowledges that any common areas of the Premises/Retail Space, and the Facility, shall at all times be under the exclusive control and management of Landlord. For purposes of this Lease, "common areas" shall mean those areas, facilities, utilities, improvements, equipment, and installations of the Premises/Retail Space, or the Facility, which are not designated or intended by Landlord to be leased, from time to time, or which are provided or designated from time to time by Landlord for the benefit or use of all patrons in the Facility, their employees, customers, and invitees, in common with others entitled to the use or benefit of same. Tenant acknowledges that, except for Tenant's portion of the Additional Area (as described in Section 3.11 of this Lease), the Garage portion of the Facility is not a part of the Premises/Retail Space, and that Tenant has no right or license to use the Garage pursuant to this Lease. Any use by Tenant or its invitees of the Garage is subject to the rules and regulations in connection therewith imposed by Landlord and/or the operator of the Garage. Landlord shall not be liable for any damage to automobiles of any nature whatsoever to, or any theft of, automobiles or other vehicles or the contents thereof, while in or about the Garage.

11.2 Alterations by Landlord. Landlord may (but shall not be obligated to) (i) alter, add to, subtract from, construct improvements on, re-arrange, and construct additional facilities in, adjoining, or proximate to the Premises/Retail Space; (ii) relocate the facilities and improvements in or comprising the Premises/Retail Space or erected on the Land; (iii) do such things on or in the Premises/Retail Space as required to comply with any laws, by-laws, regulations, orders, or directives affecting the Land or any part of the Premises/Retail Space; and (iv) do such other things on or in the Premises/Retail Space as Landlord, in the use of good business judgment determines to be advisable, provided that notwithstanding anything contained in this Section 11.2, access to the Premises/Retail Space shall be available at all times. Landlord shall not be in breach of its covenants for quiet enjoyment or liable for any loss, costs, or damages, whether direct or indirect, incurred by Tenant due to any of the foregoing; provided, Landlord shall exercise its rights under this section in a manner so as to minimize any disruption or interference with the operation of Tenant's business and property.

ARTICLE XII. CONDEMNATION.

12.1 Total or Partial Taking. If the whole of the Premises/Retail Space, or such portion thereof as will make the Premises/Retail Space unusable for the purposes leased hereunder, shall be taken by any public authority under the power of eminent domain or sold to public authority under threat or in lieu of such taking, the Term shall cease as of the day possession or title shall be taken by such public authority, whichever is earlier ("Taking Date"), whereupon the rent and all other charges shall be paid up to the Taking Date with a proportionate refund by Landlord of any rent and all other charges paid for a period subsequent to the Taking Date. If less than the whole of the Premises/Retail Space, or less than such portion thereof as will make the Premises/Retail Space unusable for the purposes leased hereunder, the Term shall cease only as to the part so taken as of the Taking Date, and Tenant shall pay rent and other charges up to the Taking Date, with appropriate credit by Landlord (toward the next installment of rent due from Tenant) of any rent or charges paid for a period subsequent to the Taking Date. Minimum Rent and other charges payable to Landlord shall be reduced in proportion to the amount of the Premises taken.

12.2 Award. All compensation awarded or paid upon a total or partial taking of the Premises/Retail Space including the value of the leasehold estate created hereby shall belong to and be the property of Landlord without any participation by Tenant; Tenant shall have no claim to any such award based on Tenant's leasehold interest. However, nothing contained herein shall be construed to preclude Tenant, at its cost, from independently prosecuting any claim directly against the condemning authority in such condemnation proceeding for damage to, or cost of removal of, stock, trade fixtures, furniture, and other personal property belonging to Tenant and for Tenant's moving expenses; provided, however, that no such claim shall diminish or otherwise adversely affect Landlord's award or the award of any mortgagee and Tenant may not prosecute any claim for leasehold value.

ARTICLE XIII. PROMOTION.

13.1 Intentionally Omitted.

ARTICLE XIV. GENERAL PROVISIONS.

14.1 Delay. Whenever a period of time is herein prescribed for the taking of any action by Landlord or Tenant, as applicable, Landlord or Tenant, as applicable, shall not be liable or responsible for, and there shall be excluded from the computation of such period of time, any delays due to strikes, riots, acts of God, shortages of labor or materials, war, or governmental laws, regulations, or restrictions in the nature of a prohibition or moratorium, or any bona fide delay beyond the reasonable control of Landlord or Tenant, as applicable. The foregoing shall not apply to any payments of money due under this Lease.

14.2 Holding Over. If Tenant remains in possession of the Premises/Retail Space after the end of the Term without having executed and delivered a new lease or an agreement extending the Term, there shall be no tacit renewal of this Lease or the Term, and Tenant shall be deemed to be occupying the Premises/Retail Space as a Tenant from month to month at a monthly Minimum Rent payable in advance on the first day of each month equal to twice the monthly amount of Minimum Rent payable during the last month of the Term, and otherwise upon the same terms as are set forth in this Lease, so far as they are applicable to a monthly tenancy.

14.3 Waiver; Partial Invalidity. If Landlord excuses or condones any default by Tenant of any obligation under this Lease, this shall not be a waiver of such obligation in respect of any continuing or subsequent default and no such waiver shall be implied. All of the provisions of this Lease are to be construed as covenants even though not expressed as such. If any provision of this Lease is held or rendered illegal or unenforceable it shall be considered separate and severable from this Lease and the remaining provisions of this Lease shall remain in force and bind the parties as though the illegal or unenforceable provision had never been included in this Lease.

14.4 Recording. Neither Tenant nor anyone claiming under Tenant shall record this Lease or any memorandum hereof in any public records without the prior written consent of Landlord.

14.5 Notices. Any notice, consent, or other instrument required or permitted to be given under this Lease shall be in writing and shall be delivered in person, or sent by certified mail, return receipt requested, or overnight express mail courier, postage prepaid, addressed (i) if to Landlord, at the address set forth in the Lease Summary; and (ii) if to Tenant, at the Premises/Retail Space or, prior to Tenant's occupancy of the Premises/Retail Space, at the address set forth on the Lease Summary. Any such notice or other instruments shall be deemed to have been given and received on the day upon which personal delivery is made or, if mailed, then forty-eight (48) hours following the date of mailing. Either party may give notice to the other of any change of address and after the giving of such notice, the address therein specified is deemed to be the address of such party for the giving of notices. If postal service is interrupted or substantially delayed, all notices or other instruments shall be delivered in person or by overnight express mail courier.

14.6 Successors; Joint and Several Liability. The rights and liabilities created by this Lease extend to and bind the successors and assigns of Landlord and the heirs, executors, administrators, and permitted successors and assigns of Tenant. No rights, however, shall inure to the benefit of any transferee unless such Transfer complies with the provisions of Article VIII. If there is at any time more than one Tenant or more than one person constituting Tenant, their covenants shall be considered to be joint and several and shall apply to each and every one of them.

14.7 Captions and Section Numbers. The captions, section numbers, article numbers, and table of contents appearing in this Lease are inserted only as a matter of convenience and in no way affect the substance of this Lease.

14.8 Extended Meanings. The words "hereof," "hereto," "hereunder," and similar expressions used in this Lease relate to the whole of this Lease and not only to the provisions in which such expressions appear. This Lease shall be read with all changes in number and gender as may be appropriate or required by the context. Any reference to Tenant includes, when the context allows, the employees, agents, invitees, and licensees of Tenant and all others over whom Tenant might reasonably be expected to exercise control. This Lease has been fully reviewed and negotiated by each party and their counsel and shall not be more strictly construed against either party.

14.9 Entire Agreement; Governing Law; Time. This Lease and the Exhibits and Riders, if any, attached hereto are incorporated herein and set forth the entire agreement between Landlord and Tenant concerning the Premises and there are no other agreements or understandings between them. This Lease and its Exhibits and Riders may not be modified except by agreement in writing executed by Landlord and Tenant. This Lease shall be construed in accordance with and governed by the laws of the State of Florida. Time is of the essence of this Lease.

14.10 No Partnership. The parties hereby acknowledge that it is not their intention under this Lease to create between themselves a partnership, joint venture, tenancy-in-common, joint tenancy, co-ownership, or agency relationship. Accordingly, notwithstanding any expressions or provisions contained herein, nothing in this Lease, whether based on the calculation of rental or otherwise, shall be construed or deemed to create, or to express an intent to create, a partnership, joint venture, tenancy-in-common, joint tenancy, co-ownership or agency relationship of any kind or nature whatsoever between the parties hereto. The provisions of this section shall survive expiration of the Term.

14.11 Quiet Enjoyment. If Tenant pays rent and other charges and fully observes and performs all of its obligations under this Lease, Tenant shall be entitled to peaceful and quiet enjoyment of the Premises/Retail Space for the Term without interruption or interference by Landlord or any person claiming through Landlord.

14.12 Brokerage. Landlord and Tenant each represent and warrant one to the other that except as set forth in the Lease Summary, neither of them has employed any broker in connection with the negotiations of the terms of this Lease or the execution thereof. Landlord and Tenant hereby agree to indemnify and to hold each other harmless against any loss, expense, or liability with respect to any claims for commissions or brokerage fees arising from or out of any breach of the foregoing representation and warranty. Landlord recognizes the broker(s)

specified in the Lease Summary as the sole broker(s) with whom Landlord has dealt in this transaction and agrees to pay any commissions determined to be due said broker(s).

14.13 Radon Notice. Chapter 88-285, Laws of Florida, requires the following notice to be provided with respect to the contract for sale and purchase of any building, or a rental agreement for any building:

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

14.14 Intentionally Omitted.

14.15 Execution. This Lease has been submitted for discussion purposes only and shall not be deemed an offer by either party to the other to enter into this Lease unless and until this Lease shall have been executed by both parties, indicating their acceptance of the terms and conditions contained herein.

14.16 TRIAL BY JURY. LANDLORD AND TENANT HEREBY KNOWINGLY AND INTENTIONALLY WAIVE THE RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING THAT THE CITY AND TENANT MAY HEREIN AFTER INSTITUTE AGAINST EACH OTHER WITH RESPECT TO ANY MATTER ARISING OUT OF OR RELATED TO THIS AGREEMENT.

14.17 Reference to "Approvals" or "Consent," etc. Except when expressly provided otherwise, all references in this Lease to the terms "approval," "consent," and words of similar import shall mean "reasonable written approval" or "reasonable written consent."

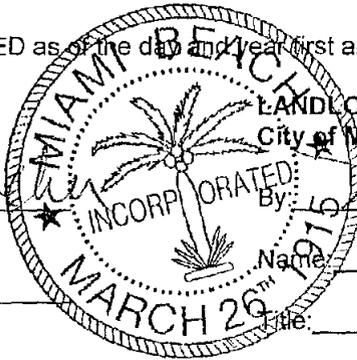
[REMAINDER OF PAGE LEFT INTENTIONALLY BLANK]

Handwritten initials and a signature in the bottom right corner of the page.

EXECUTED as of the day and year first above written.

WITNESSES:

Mark Parker



LANDLORD:

City of Miami Beach / Miami Beach Redevelopment Agency

Matti H. Bowler

Matti H. Bowler

Mayor/Chairperson

TENANT:

Penn 17, LLC

By:

Amin Ben-Fion

Managing member

add 2
Alvaro Cobble
Jeffrey Rynor

EXHIBITS:

- Exhibit "A": Legal Description
- Exhibit "B": Site Plan and Location of "Suite G" (Restaurant Space)
- Exhibit "B-1": Site Plan and Location of Additional Area (Storage Space)
- Exhibit "B-2": Description of Landlord's Work
- Exhibit "C": Pre Lease Agreement
- Exhibit "D": Landlord's Signage Criteria
- Exhibit "E": Rules and Regulations
- Exhibit "F": Construction Escrow Agreement

APPROVED AS TO
FORM & LANGUAGE
& FOR EXECUTION

[Signature]
City Attorney
[Signature]
Date *8/30/11*

2011 AUG 29 AM 3:35

FOUNDRING DEVEL. AGENT
REDEVELOPMENT AGENCY
ASSET MANAGEMENT

EXHIBIT "A"

Legal Description

LEGAL DESCRIPTION

A PARCEL OF LAND BEING OF PORTION OF THE NORTHEAST ONE-QUARTER (NE 1/4) OF SECTION 34, TOWNSHIP 53 SOUTH, RANGE 42 EAST BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS;

COMMENCE AT THE NORTHEAST CORNER OF LOT 7, BLOCK 3, AS SHOWN OF THE PLAT OF LINCOLN ROAD SUBDIVISION A, ACCORDING TO THE PLAT THEREOF, AS RECORDED IN PLAT BOOK 34 AT PAGE 66 OF PUBLIC RECORDS OF MIAMI-DADE COUNTY, FLORIDA; THENCE WESTERLY, ALONG THE SOUTH RIGHT OF WAY LINE OF LINCOLN LANE, AS SHOWN ON SAID PLAT OF LINCOLN ROAD SUBDIVISION A, FOR 573.05 FEET TO A POINT; THENCE DEFLECTING TO THE RIGHT, 89 DEGREES 59 MINUTES 25 SECONDS EAST, FOR 69.12 FEET TO THE POINT OF BEGINNING; THENCE CONTINUE NORTHERLY, ALONG THE LAST DESCRIBED COURSE, FOR 305.80 FEET TO A POINT; THENCE DEFLECTING TO THE LEFT, 90 DEGREES 00 MINUTES 00 SECONDS EAST, FOR 133.50 FEET TO A POINT; THENCE DEFLECTING TO THE LEFT, 90 DEGREES 00 MINUTES 00 SECONDS EAST FOR 305.80 FEET TO A POINT; THENCE DEFLECTING TO THE LEFT 90 DEGREES 00 MINUTES 00 SECONDS EAST FOR 133.50 FEET TO THE POINT OF BEGINNING

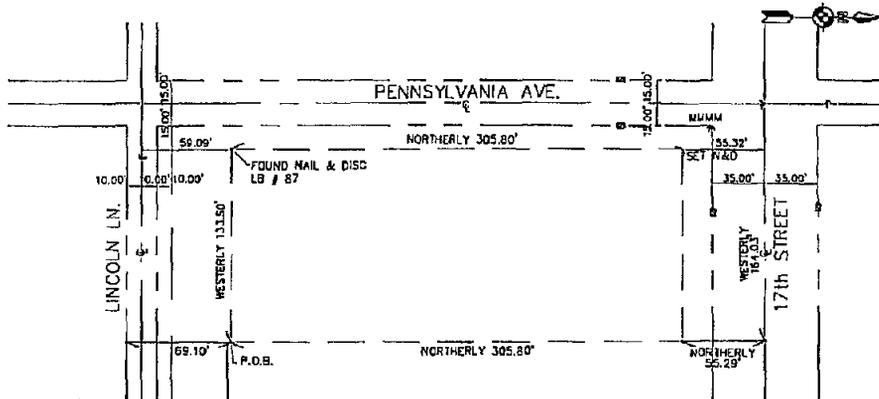
LYING AND BEING IN SECTION 34, TOWNSHIP 53 SOUTH, RANGE 42 EAST, CITY OF MIAMI BEACH, MIAMI-DADE COUNTY, FLORIDA, CONTAINING 40,824 SQUARE FEET.



PLAN VIEW

N.T.S.

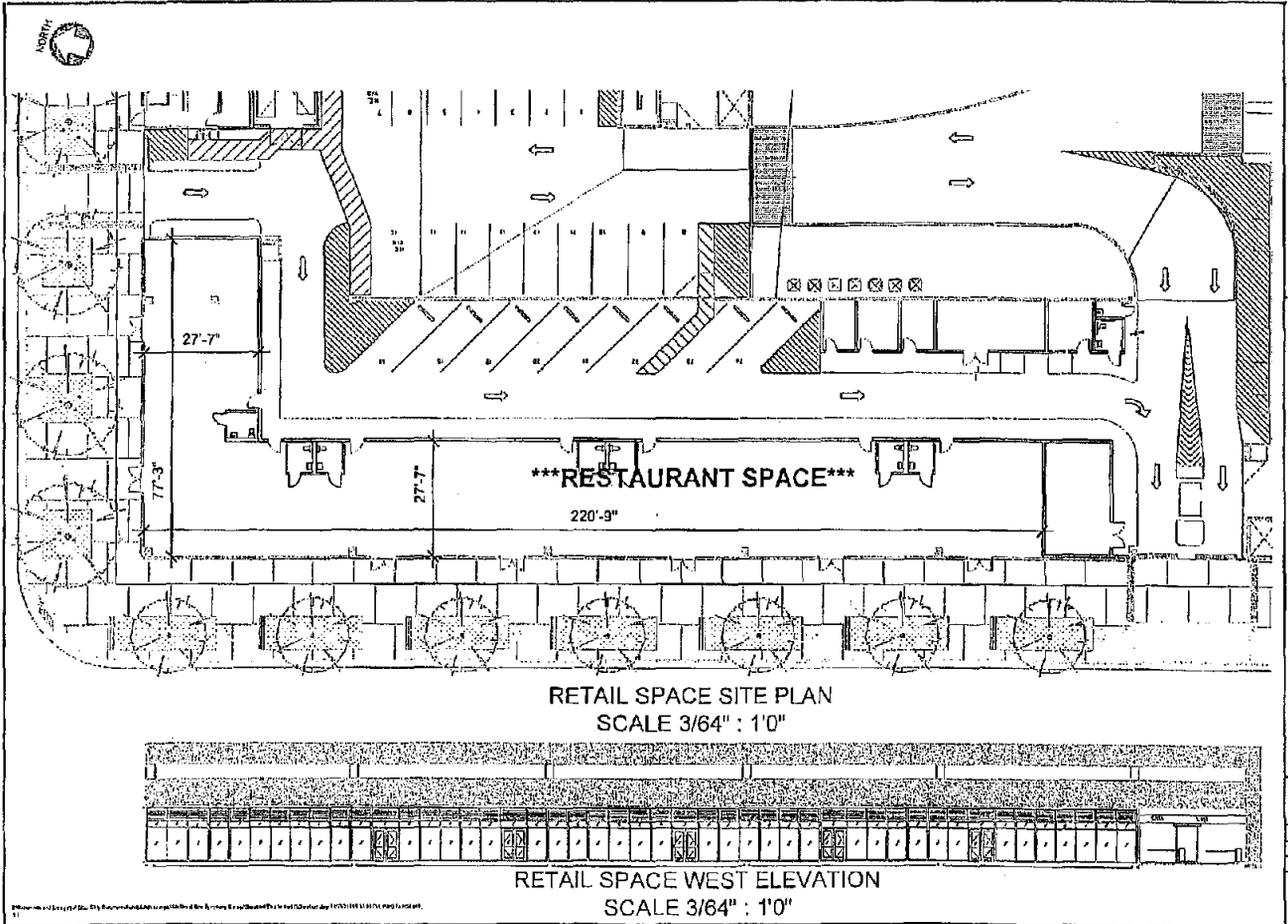
BUILDING LOCATION



AB2
7/10

EXHIBIT "B"

Site Plan of Retail Space/Premises and Location of Restaurant Space within the Retail Space/Premises



AB2
MPO

EXHIBIT "B-1"

Site Plan and Location of Additional Area (Storage Space)

To Be Included

Handwritten signature or initials, possibly "AD" and "MB", with a long horizontal line extending to the right.

EXHIBIT "B-2"

Description of Landlord's Work

TENANT AGREES AND ACKNOWLEDGES THAT IT IS EXPRESSLY ACCEPTING POSSESSION OF THE RETAIL SPACE AND THE PREMISES IN ITS "AS IS" "WHERE IS" CONDITION EXCEPT FOR THE FOLLOWING IMPROVEMENTS ("LANDLORD'S WORK"), which are existing on the Restaurant Portion of the Premises/Retail Space as of the Lease Commencement Date:

Vanilla Shell Retail Space shall mean a construction space delivered by the Landlord which shall include (i) concrete slab floor broom swept, (ii) weathertight space including all storefront, glass windows, insulated exterior walls and concrete ceiling slab, (iii) no demising walls between retail spaces or interior partitions shall be installed, (iv) one exterior door per retail space, (v) central electrical room with one retail electrical service, (vi) one 3" empty electrical conduit from the demising line of each retail space to the central fire alarm room, (viii) fire protection main line installed above the typical ceiling elevation of each retail space and capped, (ix) a 2" diameter domestic water line with shut-off valve installed above the typical ceiling elevation of each retail space, (x) a 4" capped sanitary sewer stub-out in one location to each retail space, (xi) a dedicated location in the Garage for retail tenants' HVAC condenser units and an obstruction-free path from this dedicated location to each retail space for tenants' installation of HVAC piping for this equipment, (xii) no gas service shall be brought to any retail space, (xiii) no grease trap shall be provided for any retail space (xiv) normal fresh air and exhaust air grilles shall be designed for each retail space with blank-off plates, (xv) no large kitchen exhaust duct or path shall be provided from any retail space to the exterior of the Garage.



EXHIBIT "C"

Pre-Lease Agreement

AB
2/10/05

OFFICE OF THE CITY ATTORNEY

City of Miami Beach

F L O R I D A



JOSE SMITH
City Attorney

Telephone: (305) 673-7470
Facsimile: (305) 673-7002

May 17, 2011

Amir Ben-Zion
Penn 17, LLC
5700 Collins Ave. PH A
Miami Beach, FL 33140

Re: Pennsylvania Avenue Garage
1661 Pennsylvania Avenue
Miami Beach, Florida 33139 (Property)

PRE-LEASE AGREEMENT BETWEEN CITY OF MIAMI BEACH, FLORIDA AND PENN
17, LLC

Dear Mr. Ben-Zion:

The following Letter Agreement (which may also be referred to herein as the Pre-Lease Agreement) shall confirm and memorialize the understanding between the City of Miami Beach, Florida (hereinafter City or Landlord) and Penn 17, LLC (hereinafter Gigi or Tenant), with regard to the Pre-Lease Due Diligence Period agreed to between the parties pursuant to that certain Letter of Intent, dated April 4, 2011, as executed by Tenant on April 5, 2011, and approved by the Mayor and City Commission on April 13, 2011, pursuant to Resolution No. 2011-27647 (the LOI). A copy of the LOI is attached and incorporated as Exhibit "A" to this Agreement.

Commencing retroactively from the date of approval of the LOI by the City, or April 13, 2011, and continuing until 5:00 PM Eastern Standard time on October 13, 2011 (the Due Diligence Period), Tenant and its agents shall make reasonable, diligent, good faith efforts to obtain a Building Permit for the intended Use of the Premises (as such terms--"Use" and "Premises"--are defined in the LOI) by no later than the expiration of the Due Diligence Period (or 5:00 PM EST on October 13, 2011; such date hereinafter referred to as the Expiration Date). For purposes of this Letter Agreement, a "Building Permit" shall mean a "Full Building Permit," as defined in the City's Land Development Regulations; issued by the City's Building Department; and which allows building or structures to be erected, constructed, altered, moved, converted, extended, enlarged, or used for any purpose, in conformity with applicable codes and ordinances.

In consideration of the City's granting of the aforesated Due Diligence Period, Tenant shall, concurrent with its execution of this Letter Agreement, tender to City a Pre-Lease Deposit, in the

1700 Convention Center Drive -- Fourth Floor -- Miami Beach, Florida 33139

ARZ
[Handwritten signature]

amount of \$25,000, which will only be refunded to Tenant if, after making reasonable, diligent, good faith efforts, Tenant is unable to obtain a Building Permit for the Premises by the Expiration Date.

Tenant shall be deemed to have made "reasonable, diligent, good faith efforts " under this Agreement if it satisfies the following conditions during the Due Diligence Period (and further, where provided below, during the express timeline within such Period):

1. Tenant shall enter into a contract with a Florida certified and licensed architect/engineer (the A/E Contract) which shall include, at a minimum, services for the preparation of detailed plans and specifications (including any layouts, architectural, mechanical, structural, and other plans, drawings, and/or construction documents which may be reasonably required by the City's Building Department in order to process and review Tenant's Building Permit application) for any and all proposed improvements and/or alterations to the Premises for Tenant's proposed Use (including, without limitation, those certain improvements/alterations specified as part of Tenant's Investment, as such term is defined in the LOI). Tenant shall provide the City Manager with a fully executed copy of the A/E contract as evidence of satisfaction of this condition.
2. Following execution of the A/E Contract, Tenant shall (i) submit a complete application for a Building Permit to the City's Building Department (which application shall include, without limitation, any required plans, drawings and/or other construction documents referenced in subsection (1) above); AND, concurrent therewith, (ii) obtain a Building Permit Process Number from the City's Building Department, no later than four (4) months from the commencement date of the Due Diligence Period (i.e. no later than August 13, 2011). Tenant shall provide the City Manager with the Building Permit Process Number as evidence of satisfaction of this condition.

In the event that Tenant satisfies the requirements in subsections (1) and (2) above, but is unable to obtain a Building Permit by the Expiration Date, then Tenant shall be deemed to have made reasonable, diligent, good faith efforts under this Agreement to obtain such Building Permit and, upon written request to the City Manager, shall be entitled to return of its Pre-Lease Deposit. Upon return of the Pre-Lease Deposit by the City, this Agreement shall automatically terminate and be of no further force and effect, and Tenant shall not be obligated to enter into the Lease for the Premises.

In the event that Tenant does not satisfy either or both of the aforesaid conditions in subsections (1) and (2), within the time period(s) provided herein, then Tenant shall be deemed NOT to have complied with its obligation to make reasonable, diligent, good faith efforts under this Agreement to obtain its Building Permit and, accordingly, the City shall be entitled to retain Tenant's Pre-Lease Deposit as liquidated damages, without further notice, demand, and/or any other action required. In such event, this Agreement shall automatically terminate and be of no further force and effect, and Tenant shall not be obligated to enter into the Lease; provided, however, that upon written notice to the City Manager (Tenant's Election Notice)--which notice must be delivered to the Manager no later than five (5) business days from the automatic termination of the Pre-Lease Agreement or the Expiration Date, whichever is earlier--Tenant may elect to proceed to enter into the Lease (upon the same terms and conditions as set forth in the LOI) and, in such event, the Pre-Lease Deposit shall be credited toward Tenant's Minimum Security Deposit (as such term is defined in the LOI). Notwithstanding the preceding, or Tenant's timely Election Notice, if Tenant does not execute the Lease within seven (7) calendar days from the date of Tenant's Election Notice, then Tenant's election shall terminate and be of no further force and effect; neither party shall be obligated to enter into the Lease; and the City shall be entitled to retain the Pre-Lease Deposit as liquidated damages.

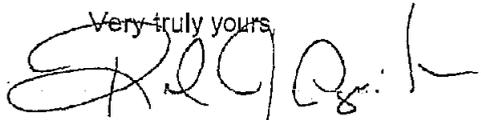
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In the event that Tenant obtains its Building Permit on or before the Expiration Date, then this Agreement shall automatically terminate and the parties shall proceed to enter into and execute the Lease. In that case, the Lease Commencement Date (as such term is defined in the LOI) shall be the date of issuance of the Building Permit, and the Pre-Lease Deposit shall be credited toward Tenant's Minimum Security Deposit. Notwithstanding the preceding, if Tenant does not execute the Lease within seven (7) calendar days from the date of issuance of the Building Permit, then the City shall be entitled to retain the Pre-Lease Deposit as liquidated damages.

In Tenant's pursuit of its Building Permit, and upon reasonable prior written notice to the City Manager requesting same, the City, at Tenant's sole cost and expense shall sign (within a reasonable period of time), all documents that are required of it under applicable law as Landlord and owner of the Premises (including, without limitation, owner's affidavits, etc.). Further, in recognition of Tenant's commitment to diligently pursue its Building Permit, and Tenant's anticipated expense of funds in pursuit thereof, the City agrees during the term of this Agreement or the Due Diligence Period, whichever expires earlier, to accept only back-up offers for lease(s) for all or a portion of the Premises, and will, in good faith, continue to negotiate the final terms of the Lease for the Premises with Tenant (consistent with those terms and conditions set forth in the LOI).

If the aforesaid meets with your approval, please acknowledge and execute same in the space provided below. Upon execution by the City Manager (on behalf of the City), we will forward a fully executed copy to you for your records.

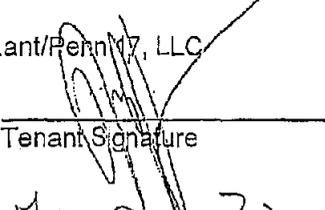
Very truly yours,



Raul J. Aguila
Chief Deputy City Attorney

I have read this letter agreement and fully understanding same, agree to be bound by the terms and conditions contained herein.

Tenant/Penn 17, LLC

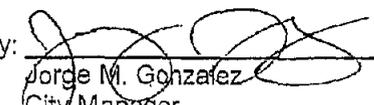
By: 

Tenant Signature

Amin Ben-Zion
Print Name

5/18/2011
Date

Landlord/City of Miami Beach

By: 

Jorge M. Gonzalez
City Manager

5/23/2011
Date

RJA/ed

- c: Hilda Fernandez, Assistant City Manager
- Jorge Gomez, Assistant City Manager
- Anna Parekh, Real Estate, Housing and Comm. Dev. Director

April 4, 2011

Amir Ben-Zion
Pennsylvania 17 LLC
5700 Collins Ave. PH A
Miami Beach, FL 33140

Re: Pennsylvania Avenue Garage
1661 Pennsylvania Avenue
Miami Beach, FL 33139 (the Property)

Dear Amir:

On behalf of the City of Miami Beach (City), as owner of the above referenced Property, I am pleased to present the following Letter of Intent (LOI), setting forth the substantive business terms under which the City would enter into a lease agreement (the Lease) with Pennsylvania 17 LLC (Tenant), for the Premises (as described below). Notwithstanding the preceding, this LOI is subject to and conditioned upon the following:

1. approval of the LOI by the Mayor and City Commission;
2. approval of the Pre-Lease Due Diligence Review Period Agreement (as described below) by the Mayor and City Commission, and execution of same by Tenant and the City; and
3. approval, in substantial form, of the Lease by the Mayor and City Commission, and execution of the final negotiated Lease by Tenant and the City.

Property: Pennsylvania Avenue Garage, 1661 Pennsylvania Avenue, Miami Beach, Florida.

Premises: Approximately 7,000 sq ft of ground floor retail space on the Property, to be leased in "AS IS" "WHERE IS" condition.

Tenant: Pennsylvania Avenue LLC, DBA Gigi.

Use: The main/primary use of the Premises shall be for the operation of a high quality restaurant, similar in menu/service to Gigi Restaurant (located at 3470 North Miami Avenue, Miami, Florida), as well as secondary ancillary uses for a high quality bakery, small bar/café, and book & gift shop.

ABZ
[Signature]

Additional Area
(Dry Storage):

Tenant has identified an additional unused space underneath the garage ramp of the Property as possible space for dry storage (the Additional Area). Tenant, at Tenant's sole cost and expense, shall build-out the entire Additional Area in order to make said Area usable for its intended purpose, which will include, without limitation, installing door access and pouring flooring. The square footage for Tenant's portion of the Additional Area shall be included (as additional square footage) in the Premises above, and shall also be included for purposes of calculating Tenant's payment of any additional real estate taxes and insurance charges (on that additional square footage), but not for purposes of calculating (additional) Base Rent. In consideration of this, the Tenant shall utilize fifty (50%) percent of the Additional Area (a minimum of 500 SF), and shall allow the balance to be used by the City, at no charge to City.

Outdoor Seating
(Sidewalk Café):

Subject to City approval and (if approved) Tenant's compliance with all applicable government requirements including, without limitation, the City's Sidewalk Café Ordinance (as same may be amended from time to time), Tenant shall be entitled to use an outside area adjacent to and fronting the Premises (as further determined by the City's Public Works Director) for use as an outdoor sidewalk café. Tenant acknowledges that any such outdoor seating area must be approved, and subject to annual renewal, by the City pursuant to the City's Sidewalk Café Permit procedures, and shall not be as a matter of right under the Lease. Further, any such Sidewalk Café Permit will be issued as a revocable license consistent with other sidewalk café permits in the City, and there will be the standard fees and costs associated with that Permit (in addition to the Rent and other charges described in this LOI).

Flood Panels:

Tenant acknowledges that in the event the City determines, in its sole and reasonable discretion, that a condition arises that requires the installation of flood panels on the Premises, then Tenant will assume sole and immediate responsibility for installation of same. Once the City determines (also in its sole and reasonable discretion) that the condition necessitating the installation has passed, Tenant shall also assume sole and immediate responsibility for removal and storage of the flood panels.

Tenant Investment: As an added inducement to have City enter into the Lease, Tenant covenants and agrees that it will invest, or cause to be invested, no less than \$1,200,000 in hard construction costs on/to the Premises

A32


including, without limitation, the following fixed, non-removable improvements: grease trap; HVAC units and distribution; plumbing installed and distributed for kitchen and bathrooms; completed bathrooms for not less than 200 patrons; and electrical system installed with distribution. As a condition of issuance of the Temporary Certificate of Occupancy (TCO) for the Premises, Tenant shall first certify to the City that it has, in fact, expended not less than the required aforesaid amount(s) for hard construction costs.

Construction
Escrow and
Guaranties:

Following Lease execution, and issuance by the City of Tenant's Full Building Permit, and prior to commencement of construction, Tenant shall deposit, in cash or through a Letter of Credit (in a form reasonably acceptable to and approved by the City), construction funds, in the amount of the cost of the work (as such amount is set forth in the construction contract between Tenant and its General Contractor) for the build-out of the Premises for the intended Use(s), which will be deposited into Tenant's attorney's escrow account to guarantee the diligent and timely prosecution of construction. At its sole discretion, the City may also require that Tenant's General Contractor (G.C.) furnish the City with a Construction Completion Guaranty, and/or require Tenant's G.C. to furnish a Payment and Performance Bond (in a form reasonably acceptable to and approved by the City), guaranteeing the performance of the G.C. under the construction contract. The City shall be named as a dual obligee under such Bond.

Term: Nine (9) years and 364 days.

Initial Base Rent: Year 1: \$75.00 psf.

Increases: Three (3%) percent, per year commencing with Year 3 of the Lease.

Additional Rent: Tenant shall pay its proportionate share of Common Area Maintenance share of (CAM), real estate taxes, and insurance for the Property (which is projected to be \$10.00 psf for Year 1 of the Lease).

Percentage Rent: In addition to the annual Base Rent and Additional Rent, Tenant shall also pay an annual Percentage Rent of two percent (2%) of gross sales in excess of \$8,000,000. Should sales exceed \$9,000,000, the Percentage Rent shall increase to three (3%)



percent above \$9,000,000. Tenant shall report sales annually on the anniversary date of the Rent Commencement Date.

Lease
Commencement
Date:

The earlier of: (i) end of the six (6) month term of the Pre-Lease Agreement (as set forth below), (ii) or issuance by the City of a Full Building Permit.

Rent
Commencement
Date:

The earlier of: (i) 180 days from the Lease Commencement Date or; (ii) 90 days from the issuance of a Temporary Certificate of Occupancy (TCO) or Tenant's opening for business, whichever is earlier.

Prepaid Rent:

One month of Base Rent (\$43,750), due upon Lease execution

Minimum Security
Deposit:

Three (3) months Base Rent (\$131,250), due upon Lease execution.

Pre-Lease Due
Diligence
Review Period:

It is the intent of Landlord and Tenant for Tenant to be granted a Pre-Lease Due Diligence Period based upon the following terms, which will be memorialized in a written agreement (the Pre-Lease Agreement) to be entered into between the parties, following approval of this LOI by the Mayor and City Commission:

- As a condition of the City's approval and execution of the Pre-Lease Agreement, and concurrent therewith, Tenant shall tender to the City a \$25,000 deposit, which will only be refundable if, after good-faith, diligent efforts, Tenant is unable to obtain a Full Building Permit for the Premises by the end of the term of said Agreement (as set forth below). In that event, Tenant shall not be obligated to enter into the Lease; provided, however, that Tenant may elect to waive the aforesaid condition and proceed to enter into the Lease, in which case the \$25,000 security for the Pre-Lease Agreement shall be credited toward Tenant's Minimum Security Deposit.
- The Pre-Lease Agreement shall be for a *maximum* term of six (6) months, which shall commence (following approval of this LOI by the Mayor and City

Commission) upon execution of the Agreement by the parties hereto; provided, however, that in the event Tenant obtains its Full Building Permit prior to the end of the maximum six (6) month term, then the Pre-Lease Agreement shall automatically terminate and the parties shall proceed to execute the Lease ; the Lease Commencement Date shall be deemed to have commenced as of the date of issuance of the Full Building Permit.

- Tenant shall be deemed to have made its "good faith, due diligence efforts" under the Pre-Lease Agreement if it satisfies the following conditions during the term of the Agreement, or with the timeline expressly provided therein: (i) contract with a Florida certified and licensed architect/engineer to prepare any and all required plans and specifications for the proposed Uses on the Premises including, without limitation, such construction documents as required by the City's Building Department in order to process and review Tenant's Building Permit application; and (ii) submit a complete application (including the required plans, drawings, and construction documents) for a Building Permit, and obtain a Building Permit process number from the City's Building Department no later than four (4) months from the commencement of the term of the Pre-Lease Agreement.
- City shall agree to sign within a reasonable period of time, all documents that are required of it as Landlord/Owner in Tenant's pursuit of a Building Permit.
- Time is of the essence and it shall be a requirement of the Tenant to notify the City if for any reason it deems that it cannot construct its proposed facility.
- In consideration of Tenant's diligent pursuit of a Full Building Permit for the Premises and the expense of funds anticipated by Tenant in said pursuit, City agrees to accept only back-up contracts during the term of the Pre-Lease Agreement, and will, in good faith, continue to negotiate the Lease anticipated in this LOI.

Sole Broker(s): Koniver Stern Group and City Realty Group International (Jon Jacobs, Realtor).

Contingency: The terms of this LOI shall be subject to approval by the City Commission.

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MBO

Good Faith
Negotiations:

This LOI represents some of our undertakings regarding a possible future Lease and is not intended to create a legally binding obligation on either party. Such an obligation will be created only when a proposed Lease is approved by the Mayor and City Commission and both parties execute the final Lease, covering all of the rights and obligations of the parties, which is then delivered by and between us. If the Lease is not approved by the Mayor and City Commission, and/or not executed by the parties, then neither party will be liable to the other under this document or as a result of any preliminary negotiation; provided, however, that in the event of Tenant's non-compliance with the conditions of the Pre-Lease Agreement, the City shall be entitled to retain Tenant's \$25,000 deposit.

The foregoing LOI is also predicated upon receipt of acceptable personal and corporate financial and business background information.

Please sign in the space indicated below, if you are in agreement with the terms stated herein, provide the required financial information, and I will forward the City's draft Lease for your review upon final approval of the LOI by the Mayor and City Commission.

If you should have any questions, please do not hesitate to contact me at 305-532-6100.

Thank you.

Lyle Stern

Koniver Stern Group

AGREED AND ACCEPTED BY TENANT/PENN 17 LLC:

By:

Signature

Print Name/Title

Date:


Amin Ben-Zion M/M
4/5/2011

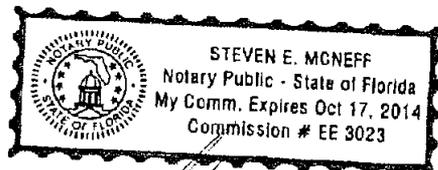




EXHIBIT "D"

Rules and Regulations

1. Security. Landlord may from time to time adopt appropriate systems and procedures for the security or safety of the Facility, any persons occupying, using, or entering the same, or any equipment, furnishings, or contents thereof, and Tenant shall comply with Landlord's reasonable requirements relative thereto.
2. Return of Keys. At the end of the Term, Tenant shall promptly return to Landlord all keys for the Retail Space and Premises which are in the possession of Tenant. In the event any Tenant fails to return keys, Landlord may retain \$100.00 of Tenant's security deposit for locksmith work and administration.
3. Repair, Maintenance, Alterations, and Improvements. Tenant shall carry out Tenant's repair, maintenance, alterations, and improvements in the Premises/Retail Space only during times agreed to in advance by Landlord and in a manner which will not interfere with the rights of other patron to the Facility.
4. Water Fixtures. Tenant shall not use water fixtures for any purpose for which they are not intended, nor shall water be wasted by tampering with such fixtures. Any cost or damage resulting from such misuse by Tenant shall be paid for by Tenant.
5. Personal Use of Premises/Retail Space. The Premises/Retail Space shall not be used or permitted to be used for residential, lodging, or sleeping purposes or for the storage of personal effects or property not required for business purposes.
6. Heavy Articles. Tenant shall not place in or move about the Premises/Retail Space without Landlord's prior written consent any safe or other heavy article which in Landlord's reasonable opinion may damage the Premises/Retail Space, and Landlord may designate the location of any such heavy articles in the Facility.
7. Bicycles, Animals. Tenant shall not bring any animals or birds into the Facility, and shall not permit bicycles or other vehicles inside or on the sidewalks outside the Premises/Retail Space except in areas designated from time to time by Landlord for such purposes.
8. Deliveries. Tenant shall ensure that deliveries of supplies, fixtures, equipment, furnishings, wares, and merchandise to the Premises/Retail Space are made through such entrances, elevators, and corridors and at such times as may from time to time be designated by Landlord, and shall promptly pay or cause to be paid to Landlord the cost of repairing any damage in the Premises/Retail Space, or the Facility, caused by any person making improper deliveries.
9. Solicitations. Landlord reserves the right to restrict or prohibit canvassing, soliciting, or peddling in the Facility.
10. Refuse. Tenant shall place all refuse in proper receptacles provided by Tenant at its expense in the Premises/Retail Space or in receptacles (if any) provided by Landlord for the Premises/Retail Space, and shall keep sidewalks and driveways outside the Premises/Retail Space, and lobbies, corridors, stairwells, ducts, and shafts of the Premises/Retail Space, free of all refuse.

Handwritten signature and initials, possibly "AB" and "MB", in the bottom right corner of the page.

11. Obstructions. Tenant shall not obstruct or place anything in or on the sidewalks or driveways outside the Premises/Retail Space or in the lobbies, corridors, stairwells, or other common areas, or use such locations for any purpose except access to and exit from the Premises/Retail Space without Landlord's prior written consent. Landlord may remove at Tenant's expense any such obstruction or thing caused or placed by Tenant (and unauthorized by Landlord) without notice or obligation to Tenant.

12. Proper Conduct. Tenant shall not conduct itself in any manner which is inconsistent with the character of the Premises/Retail Space as a first quality retail center or which will impair the comfort and convenience of other patrons in the Facility.

13. Employees, Agents, and Invitees. In these Rules and Regulations, "Tenant" includes the employees, agents, invitees, and licensees of Tenant and others permitted by Tenant to use or occupy the Premises/Retail Space.

14. Pest Control. In order to maintain satisfactory and uniform pest control throughout the Facility, Tenant shall engage for the Premises/Retail Space and at its sole cost, a qualified pest extermination contractor either designated or approved by Landlord, who shall perform pest control and extermination services in the Premises/Retail Space at such intervals as reasonably required or as may be directed by Landlord.



EXHIBIT "E"

Landlord's Signage Criteria

All building signage shall be consistent in type, composed of flush mounted non-plastic, individual letters and shall require a separate permit. Based on the design of the building and its lighting scheme, signage should be located in the window transom at the ground level of the structure, in a manner to be reviewed and approved by the City's Planning Department.

AS
MA

EXHIBIT "F"

Construction Escrow Agreement

ASZ
MB

WORK LETTER AND ESCROW AGREEMENT

THIS WORK LETTER AND ESCROW AGREEMENT (this "Work Letter") is attached to and made a part of that certain Lease (the "Lease"), dated this 29th day of August, 2011, by and between **CITY OF MIAMI BEACH**, a Florida municipal corporation and **MIAMI BEACH REDEVELOPMENT AGENCY**, a public body corporate and politic (collectively, "Landlord"), and **PENN 17 LLC**, a Florida limited liability company ("Tenant") and **MITRANI, RYNOR, ADAMSKY, & TOLAND, P.A.** ("Escrow Agent"). The terms and provisions of the Lease are hereby incorporated into this Work Letter by reference. In the event of any inconsistencies between this Work Letter and the Lease, the provisions of this Work Letter shall control. All capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Lease. The term "Landlord" as used herein, refers to the City of Miami Beach, Florida and Miami Beach Redevelopment Agency, acting in their proprietary capacities as owners and landlords and not in their governmental capacities.

In consideration of the execution of the Lease, the mutual covenants and conditions hereinafter set forth, and for other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, Landlord, Tenant and Escrow Agent agree as follows:

I. CONSTRUCTION OF TENANT'S WORK; TENANT DEPOSIT:

1. Building Shell; Construction of Tenant's Work. The terms of the Lease contemplate that Landlord shall construct the shell of the Building in compliance with the Lease, (the "Building Shell"). Landlord shall deliver the Building Shell to Tenant and, subject to the terms, covenants and conditions set forth in this Work Letter, Tenant shall build-out, construct and/or install, at Tenant's sole cost and expense, such walls, partitions, fixtures and other improvements in and to the Premises as Tenant deems necessary or desirable in order to make the Premises suitable for Tenant's intended use (the "Tenant's Work"). This Work Letter sets forth the agreement of Landlord and Tenant with respect to the construction and/or installation of the Tenant's Work, and all ancillary matters connected therewith and Tenant's deposit into escrow of certain funds, the disbursement of which is governed hereby.

2. Tenant Deposit. Simultaneously with execution of this Work Letter, Tenant shall deposit with Escrow Agent the sum of **One Million Dollars (\$1,000,000.00)** (the "Tenant Construction Fund") to be paid as follows: (a) **\$500,000** simultaneously with execution hereof, receipt of which Escrow Agent hereby acknowledges, and (b) **\$500,000** to be deposited with Escrow Agent on or before forty five (45) days after the date hereof, time being of the essence. Escrow Agent shall give written notice to landlord promptly after receipt of the payment required by subparagraph (b). Failure of Tenant to make the deposit required by subparagraph (b) on or before the date when due shall constitute a default by Tenant under this Work Letter and under the Lease and shall entitle Landlord to exercise all remedies available thereunder or at law or in equity for Tenant's default. The Tenant Construction Fund shall be held and disbursed by Escrow Agent in accordance with the terms of this Work Letter to pay actual Hard Costs of constructing the Tenant's Work. In no event, however, shall any portion of the Tenant Construction Fund be used to pay any "Soft Costs." As used herein, "Hard Costs" shall mean

direct contractor costs of labor, material, equipment, services, contractor overhead and profit. As used herein, "Soft Costs" shall mean all costs of the Tenant's Work other than Hard Costs. Soft Costs include, without limitation, architectural, engineering and legal fees; costs of financing, insurance, bonding, and security; impact fees; utility hook-up fees; costs of permits; pre-construction and post-construction expenses, and all other costs that are not direct costs of construction. All Soft Costs shall be paid as and when due from Tenant's own funds other than the Tenant Construction Fund.

3. No Unused Tenant Construction Fund. Upon final completion of the Tenant's Work, and payment of the unpaid hard costs for such Tenant's Work, Tenant shall have no right to receive any unused portion of the Tenant Construction Fund, if any. Any unused portion of the Tenant Construction Fund after completion of the Tenant's Work shall be deemed forfeited to Landlord as Additional Rent. Tenant recognizes and agrees that Tenant has committed to expend not less than One Million Two Hundred Thousand Dollars (\$1,200,000.00) towards Hard Costs of construction of the Tenant's Work. Tenant's failure to do so shall (a) constitute a default by Tenant under the Lease and entitle Landlord to exercise all remedies available under the Lease or this Work Letter or at law for Tenant's default; and (b) result in forfeiture to Landlord of any unexpended portion of the Tenant Construction Fund as Additional Rent under the Lease.

4. Services; Landlord's Inspection. During build-out of the Tenant's Work, Tenant shall be responsible for procuring, at its own cost and expense, any and all utilities or services necessary in connection therewith. Tenant shall be responsible for the cost of any additional security which may be required as a result of Tenant's construction of the Tenant's Work, which costs are Soft Costs and may not be paid out of the Tenant Construction Fund.

5. Delay in Substantial Completion. Tenant shall not commence construction of Tenant's Work until the date specified by Landlord ("Start Date") to Tenant in written notice. Tenant shall use its best efforts to Substantially Complete the Tenant's Work in accordance with the Tenant's Construction Drawings (as hereinafter defined), not later than the Estimated Completion Date. The "Estimated Completion Date" shall be June 1, 2012. "Substantial Completion" shall mean the date that (i) a final Certificate of Occupancy has been issued for the Premises and (ii) the Tenant's Work is sufficiently complete so as to allow Tenant to occupy the Premises for the purpose of conducting its business therein. In the event that the Substantial Completion is delayed past the Estimated Completion Date for any reason whatsoever, Tenant shall still commence to pay Rent under the Lease as of the Rent Commencement Date (as such term is defined in Item 10 of the Lease Summary), notwithstanding the fact that Substantial Completion has not occurred.

6. Landlord's Disclaimer. Notwithstanding the issuance of any approvals or consents by the Landlord, Landlord has no obligation or responsibility whatsoever for the adequacy, form or content of the Tenant's Construction Drawings, any contract, any change order, or any other matter incident to the Premises or the construction of the Tenant's Work. Any inspection of the Premises or the Tenant's Work shall be for Landlord's protection only and shall not constitute any assumption of responsibility to Tenant or anyone else with regard to the condition, construction, maintenance or operation of the Premises or the Tenant's Work or relieve Tenant of any of Tenant's obligations. Tenant shall select all surveyors, architects,

engineers, contractors, materialmen and all other persons or entities furnishing services or materials to the Premises. Landlord has no duty to supervise or to inspect the Premises or the construction of the Tenant's Work nor any duty of care to Tenant or any other person to protect against, or inform Tenant or any other person of, the existence of negligent, faulty, inadequate or defective design or construction of the Tenant's Work. Landlord shall not be liable or responsible for any defect in the Premises or the Tenant's Work, the performance or default of Tenant, Tenant's Architect or Engineer, Contractor, or any other party, or for any failure to construct, complete, protect or insure the Tenant's Work, or for the payment of costs of labor, materials or services supplied for the construction of the Tenant's Work, or for the performance of any obligation of Tenant whatsoever. Nothing, including acceptance of any document or instrument, shall be construed as a representation or warranty, express or implied, to any party by Landlord. Inspection shall not constitute an acknowledgment or representation by Landlord that there has been or will be compliance with the Tenant's Construction Drawings or applicable laws and governmental requirements or that the construction is free from defective materials or workmanship. Inspection whether or not followed by notice of default shall not constitute a waiver of any default then existing, or a waiver of Landlord's right thereafter to insist that the Tenant's Work be constructed in accordance with the Tenant's Construction Drawings, applicable laws, and governmental requirements. Landlord's failure to inspect shall not constitute a waiver of any of Landlord's rights under the Lease or Work Letter or at law or in equity. Tenant agrees that it shall be solely responsible for supervising the construction of the Tenant's Work, and Landlord shall have no obligation to provide any such administrative or management services.

II. TENANT'S CONSTRUCTION DRAWINGS; BUDGET; DISBURSEMENT OF TENANT'S CONTRIBUTION FUND:

1. Contents of Tenant's Construction Drawings. The Tenant's Work shall be completed in accordance with Tenant's Plans and Tenant's Construction Drawings as approved by Landlord pursuant to Article V of the Lease.

2. Tenant's Architect; Tenant's Engineers. Tenant shall employ a licensed architect approved by Landlord ("Tenant's Architect") in preparation of the Tenant Plans and Tenant's Construction Drawings, which shall be prepared and sealed in such a manner as may be required for the issuance of a building permit. All engineering drawings (the "Engineering Drawings"), shall be prepared by engineer(s) approved by Landlord ("Tenant's Engineers").

3. Modification of Tenant's Construction Drawings. Once approved, except as provided in Article IV, Section 8 hereof, no changes in, or revisions or additions to, the Tenant's Plans and Tenant's Construction Drawings may be made without the prior written approval of Landlord. Tenant shall provide Landlord with computerized architectural drawings ("CAD") of the Tenant's Plans and Tenant's Construction Drawings on disk. Upon completion of the Tenant's Work, Tenant shall provide Landlord with "as-built" plans both in blue print form and in CAD form.

4. Construction Budget. Tenant shall cause Contractor to prepare a detailed budget setting forth the total cost and expenses for construction of the Tenant's Work in accordance with the Tenant's Construction Drawings, which budget shall reflect actual Hard Costs of

construction of not less than \$1,200,000 and shall be subject to the approval of Landlord (the "Budget"). In the event that, at any time during construction of the Tenant's Work, the amount remaining in Tenant Construction Fund is not, in the opinion of Landlord, sufficient to complete the Hard Costs of the Tenant's Work, Tenant agrees to contribute a sum equal to the deficiency ("Tenant's Excess") into the Tenant Construction Fund. The Escrow Agent shall not be entitled to disburse any portion of the Tenant Construction Fund until Tenant shall have deposited the Tenant's Excess into the Tenant Construction Fund.

5. Disbursement of Tenant Construction Fund. Tenant agrees that in connection with any request for disbursement of the Tenant Construction Fund, Tenant shall comply with each of the requirements set forth in Article V hereof. Tenant further agrees to provide Landlord and Escrow Agent with proof of compliance prior to disbursement of any portion of the Tenant Construction Fund.

III. CONTRACTOR; CONSTRUCTION CONTRACT; PERFORMANCE BOND; BUILDING PERMITS:

1. Contractor. The Contractor employed by Tenant shall be subject to Landlord's approval, which shall not unreasonably be withheld ("Contractor") and shall enter into a construction contract with Tenant ("Construction Contract"). The Contractor shall be responsible for obtaining all necessary permits and approvals, which expense shall be a Soft Cost and shall not be paid for out of the Tenant Construction Fund. All construction performed by the Contractor shall be done in accordance with, and subject to, each of the terms, covenants and conditions set forth herein. In addition thereto, Tenant shall advise the Contractor, and all subcontractors, materialmen and suppliers that no interest of Landlord in the Premises, the Building or the Project shall be subject to liens to secure payment of any amount due for work performed or materials installed in the Premises.

2. Building Permits. Prior to commencing any work, Tenant shall obtain, at its sole cost and expense, and shall furnish copies to Landlord, all building and other permits required to construct the Tenant's Work. The cost for such building and other permits are Soft Costs and may not be paid out of the Tenant Construction Fund.

3. Performance Bond. Tenant shall require its Contractor to provide unconditional performance and payment bonds covering the total value of the Tenant's Work issued by a surety acceptable to Landlord. Said bonds shall be issued for each subcontractor, contractor or materialman furnishing material or providing labor or services to the Premises and shall (i) name Landlord as an additional obligee, (ii) be in an amount, in form and content, and issued by sureties, satisfactory to Landlord and (iii) be in compliance with all applicable laws. The cost of the performance and payment bond premiums are Soft Costs and may not be paid from the Tenant Construction Fund.

IV. TENANT'S COVENANTS WITH RESPECT TO CONSTRUCTION OF THE TENANT'S WORK:

Tenant hereby covenants and agrees with Landlord as follows:

1. Construction. (i) Prior to the commencement of construction of the Tenant's Work, to record a Notice of Commencement in the Public Records of Miami-Dade County, Florida, and to post a certified copy thereof in the Premises, in accordance with the requirements of Florida Statutes, Chapter 713, and to designate Landlord as one of the parties to receive a copy of all notices to owner, (ii) to cause the Tenant's Work to be constructed in accordance with the Tenant's Construction Drawings and all applicable Laws (as defined in Article IV, Section 13 hereof), (iii) to do no act that would relieve Contractor from its obligations to construct the Tenant's Work according to the Tenant's Construction Drawings, and (iv) to make no amendments, other than modifications or change orders as may be permitted hereunder, to the Tenant's Construction Drawings without the prior written consent of Landlord.

2. Agreement of Contractor to Complete Construction; Agreement of Tenant's Architect. To promptly furnish Landlord with the written agreement of Contractor, acceptable to Landlord, that, in the event of a default by Tenant hereunder or under the Lease or under the terms of the construction contract between Tenant and its Contractor (the "Construction Contract"), Contractor will, at the written request of Landlord, continue performance pursuant to the Construction Contract, until completion of construction of the Tenant's Work, provided Contractor is reimbursed for all work done subsequent to Landlord's request for Contractor to complete construction. Tenant shall also furnish Landlord with the written agreement of Tenant's Architect and Tenant's Engineer, that, following a default by Tenant hereunder or under the Lease, (i) Landlord shall be entitled to the use and benefit of the Tenant's Construction Drawings and (ii) Tenant's Architect and Engineer will continue performance under its agreement with Tenant, for the benefit of Landlord, upon request therefor by Landlord, provided that Landlord pays Tenant's Architect and Tenant's Engineer for all services rendered by Tenant's Architect and Tenant's Engineer after Landlord's request. Landlord, at its sole option, shall be entitled to use the Tenant Construction Fund to pay amounts owed to Contractor, Tenant's Architect and/or Tenant's Engineer pursuant to this paragraph, and Escrow Agent shall promptly disburse the funds to Landlord upon Landlord's request.

3. Insurance. To obtain and deliver to Landlord prior to the commencement of construction of the Tenant's Work, all insurance or evidence of all insurance required under the Lease and, in addition thereto, the following (all of which are Soft Costs and may not be paid for out of the Tenant Construction Fund):

(a) Builder's Risk Insurance. Builder's risk insurance, with a deductible of not more than \$5,000, with standard subrogation clauses that shall (i) name Landlord, as an additional insured, (ii) provide coverage equal to the highest insurable value of the Tenant's Work (but in no event less than the contract price under Construction Contract), and (iii) be in such form and issued by such companies as shall be approved by Landlord. The originals or certified copies of such policies, together with appropriate endorsements thereto, including, but not limited to, the written agreement by the insurer or insurers therein to give Landlord thirty (30) days prior written notice of intention to cancel or amend, shall be promptly delivered to Landlord; said insurance coverage to be kept in full force and effect at all times during construction of the Tenant's Work.

(b) Statutory Employer Liability and Workman's Compensation Insurance. A certificate or certificates from an insurance company reasonably acceptable to Landlord,

confirming that Tenant and Contractor have obtained statutory worker's compensation and employer's liability coverage in an amount not less than required by law, without allowance for any exemption thereunder.

(c) Automobile Insurance. Business and Automobile Liability with minimum limits of One Million and No/100 Dollars (\$1,000,000.00) per occurrence combined single limit for Bodily Injury Liability and Property Damage Liability. Coverage must be afforded on a form no more restrictive than the latest edition of the Business Automobile Liability Policy, without restrictive endorsements, as filed by the Insurance Services Office and must include: (1) Owned Vehicles, (2) Hired and Non-Owned Vehicles; and (3) Employers' Non-Ownership.

Any policy of insurance herein required shall contain a contractual liability endorsement covering indemnity and defense obligations of Tenant and such other coverage as may reasonably be required by Landlord. Such policy will among other things, make specific reference to the Lease and Work Letter. Any policy obtained by Tenant insuring against loss by physical damage to any portion of the Tenant's Work or to materials to be incorporated in the Tenant's Work or covering Tenant's or its contractor's tools, supplies, machinery or equipment shall contain an endorsement providing that the insurer waives its rights of subrogation against Landlord and any other named or additional insured. Nothing in this Section shall give or create in any third party any claim or right against Landlord, except that which may exist irrespective of this Section.

The insurance required hereunder may be contained in one or more policies. Prior to commencement of any construction, Tenant shall furnish to Landlord certificates or copies of policies showing that the insurance is in force and that the premiums due thereunder shall have been paid and that the subcontractors of Contractor, and such other persons as Tenant may direct are named as insured persons jointly with Contractor in respect of any loss covered. The certificates or policies shall provide that the insurance may not be canceled, terminated or modified without thirty (30) days advance written notice thereof to Landlord.

In the event of any failure of Tenant to furnish and maintain insurance required hereunder, Landlord, at its option and without waiving the default of Tenant, shall have the right to obtain such insurance for, and in the name of, Tenant. In such event Tenant shall pay the cost thereof upon demand and shall furnish all information required by the insurance carrier.

In addition to the foregoing insurance, Tenant shall, prior to commencement of construction, provide or cause to be provided to Landlord from each subcontractor performing services or furnishing labor at the Premises (1) general liability insurance, with limits of One Million and No/100 Dollars (\$1,000,000.00) per occurrence and Two Million and No/100 Dollars (\$2,000,000.00) in the aggregate and (2) automobile insurance in form and content and in such amount as Landlord may require.

4. Insurance Cooperation. To cooperate with Landlord in obtaining for Landlord the benefits of any insurance policy or other proceeds lawfully or equitably payable to it in connection with the transactions contemplated hereby and the collection of any indebtedness or obligation of Tenant to Landlord incurred hereunder.

5. Commencement and Completion of Construction. Tenant shall diligently pursue construction to completion, in accordance with (i) the Tenant's Construction Drawings, (ii) all applicable Laws, and (iii) such reasonable rules and regulations as Landlord may impose from time to time to ensure the orderly construction of the Tenant's Work and to minimize disruption. Tenant shall pay all Soft Costs from Tenant's own funds and not from the Tenant Construction Fund and supply such sums of money and perform such duties as may be reasonably necessary to complete the construction of the Tenant's Work on or before the Estimated Completion Date pursuant to the Tenant's Construction Drawings and in full compliance with all of the terms, covenants and conditions of this Agreement (the "Completion Date"). Tenant shall satisfy all liens, claims, or assessments (actual or contingent) asserted against the Premises, the Building or the Project, for any material, labor, or other items furnished in connection with the construction of the Tenant's Work, and shall comply with the Florida Mechanics' Lien Law, Chapter 713, Florida Statutes. In connection with the construction of the Tenant's Work, Tenant shall comply or cause Tenant's Contractor to comply with all construction, use, building, zoning, and other similar requirements of any governmental authority having or asserting jurisdiction over the Premises, or the Project. Upon request by Landlord, Tenant will provide evidence of satisfactory compliance with all of the foregoing to Landlord. In the event any lien shall be filed (whether properly or improperly) against the Premises, or the Project, it shall be removed, satisfied or transferred to bond by Tenant within ten (10) days. Tenant's failure to do so within the ten (10) day period shall be a default hereunder and under the Lease, and (i) Escrow Agent shall have no further right to make any disbursement to Tenant hereunder from the Tenant Construction Fund, and (ii) Landlord shall be entitled to avail itself of all rights and remedies provided for hereunder or under the Lease.

6. Right of Landlord to Inspect Premises. To permit Landlord, and Landlord's employees and Landlord's consultants, if any, and their representatives and agents, to enter upon the Premises and to inspect the Tenant's Work and all materials to be used in the construction thereof; and to cooperate and cause Contractor to cooperate with Landlord and its employees, representatives and agents during those inspections; provided, however, that this provision shall not be deemed to impose upon Landlord any obligation to undertake such inspections.

7. Correction of Defects. To promptly correct any material defect in the Tenant's Work, or any departure from the Tenant's Construction Drawings not approved by Landlord or permitted hereunder. The advance of any portion of the Tenant Construction Fund shall not constitute a waiver of Landlord's right to require compliance with this covenant.

8. Approval of Change Orders. To permit no deviations in excess of \$1,000.00 per change or \$5,000.00 in the aggregate, from the Tenant's Construction Drawings, without the prior written approval of Landlord. No change(s) shall be permitted unless and until such change(s) shall have been approved in writing by the Landlord in accordance with Article II, Section 3 hereof.

9. Notification of Claims by Subcontractors and Materialmen. To advise Landlord monthly and in writing, if Tenant receives any Notice to Owner, written or oral, from any laborer, subcontractor, or materialman in connection with any labor or materials furnished in the construction of the Tenant's Work.

10. Further Acts. To do and execute all and such further lawful and reasonable acts, documents, and assurances for the better and more effective carrying out of the intent and purpose of this Agreement, as Landlord shall reasonably require from time to time.

11. Architect's Opinion. To furnish to Landlord upon request, the written opinion of Tenant's Architect, in form and content reasonably satisfactory to Landlord, certifying, that, based on inter alia, (i) Architect's preparation of the Tenant's Construction Drawings, (ii) Architect's supervision and inspection of construction of the Tenant's Work, (iii) all applicable Laws, and (iv) Architect's professional knowledge and judgment: that (a) the Tenant's Work has been constructed in accordance with the Tenant's Construction Drawings, and in compliance with all Laws, (b) the proposed Tenant's Work can be constructed in accordance with the Tenant's Construction Drawings for a cost that does not exceed the price set forth in the Construction Contract; and (c) the amount remaining in the Tenant Construction Fund is sufficient to pay for all unpaid Hard Costs of Construction.

12. Certificate of Occupancy. To obtain and furnish to Landlord a copy of a final certificate of occupancy, or such other certificate or approval required by any governmental agency to insure that the Tenant's Work has been finally completed and that Tenant can occupy the Premises.

13. Florida Building Laws. Tenant and Contractor shall comply with all applicable provision of the Florida Building Codes Act, as amended from time to time, the Miami-Dade County Building and Zoning Code, as amended from time to time, and all other applicable laws, rules, ordinances and building or zoning codes (collectively, the "Laws").

14. Smoke, Alcohol, Drugs and Arms Free Site. Tenant acknowledges that the Premises and the Project shall be designated as a smoke, alcohol, drug and arms free site (the "Project Designation"). Tenant covenants to observe said Project Designation and to cause Contractor and all other contractors, subcontractors and materialmen employed in the construction of the Tenant's Work to comply with said restrictions. Violation of the Project Designation by Tenant, Contractor or any contractor, subcontractor or materialman employed in the construction of the Tenant's Work shall constitute a breach of the Lease. In addition to all other rights and remedies of Landlord hereunder, in the event of a violation of the Project Designation by any contractor, subcontractor or materialman, Landlord shall have the right to cause Tenant to terminate the contractor, subcontractor or materialman causing such violation. In order to facilitate the enforcement of this provision, Tenant agrees to include language in its contract with Contractor, and any other third party, provisions (i) requiring the Contractor and third party and any of their contractors, subcontractors and materialmen to observe said Project Designation and (ii) permitting the Tenant to terminate any contractor, subcontractor or materialman who fails to observe said Project Designation. Tenant agrees to immediately advise Landlord of any violation of the Project Designation.

15. Parking; Location of Construction Dumpsters and Storage Trailers; Temporary Bathroom Facilities. Landlord shall have the right to specify the location for the placement of construction dumpsters and storage trailers used by Tenant and/or its Contractor in the construction of the Tenant's Work. Landlord shall also have the right to specify the parking spaces used by Contractor and all other contractors, subcontractors and materialmen. However,

unless Landlord otherwise agrees, Contractor shall be solely responsible for arranging parking for all workers at an off-site location (not within the Project). Tenant shall, at its own cost and expense (which shall be part of Soft Costs), provide temporary bathroom facilities and off-site parking for the contractors, subcontractors and materialmen engaged in the construction of the Tenant's Work.

16. Maintenance of Premises during Construction. Tenant agrees to undertake the removal of construction related trash on or about the Premises on a daily basis. In the event that Tenant fails to comply with the foregoing, Landlord shall have the right, but not the obligation, to undertake such trash removal and any expenses incurred by Landlord in connection therewith shall be payable by Tenant (as Soft Costs) within five (5) days after receipt of an invoice from Landlord.

V. DISBURSEMENT OF TENANT CONSTRUCTION FUND:

Subject to compliance with and fulfillment of each and every of the terms, covenants and conditions set forth herein, Escrow Agent shall make disbursements out of the Tenant Construction Fund, up to the full amount of the Tenant Construction Fund, in accordance with this Work Letter and the following procedures:

1. Request for Payment. At such time as Tenant shall desire to obtain a disbursement of any portion of the Tenant Construction Fund for Hard Costs of Tenant Improvement costs, Tenant shall complete, execute and deliver to Escrow Agent and Landlord a request for an advance on a form of draw request approved by Landlord. Such draw request shall include, but not be limited to, the following information:

(a) a reasonably detailed breakdown of the total amount then being requested, identifying each contractor, subcontractor, supplier or materialman to be paid, the amount to be paid to each such contractor, subcontractor, supplier or materialman, and the work done by each such person or entity for which payment is being requested;

(b) a copy of all bills, invoices or statements for which payment is being requested must be attached to the draw request;

(c) waivers or releases or liens for all work performed to the date of the draw request, from each contractor, subcontractor, materialman or supplier performing work or supplying materials to the Premises, must be attached to the draw request;

(d) a statement by Tenant that Tenant or Tenant's Architect has inspected all work for which payment is being requested, that, based upon Tenant's Architect's inspection of the work, such work complies in all material respects with the Tenant's Construction Drawings and applicable Laws (subject to minor "punch list" items set forth on such certificate), and that Tenant authorizes and approves the payment to each contractor, subcontractor, supplier or materialman shown on the draw request, in the amount set forth in such draw request;

(e) a certification by Tenant that:

- (i) all outstanding claims for labor, materials and fixtures in connection with the Tenant's Work have been paid in full as of the date of the draw request, or will be paid in full from the proceeds of the draw then being requested;
 - (ii) there are no mechanics, materialmen or other liens filed in the public records against the Premises, the Building or the Project, arising from or out of the construction of the Tenant's Work;
 - (iii) Tenant has complied with all of Tenant's obligations, and is not in default, as of the date thereof, under the Lease, the Work Letter or the Construction Contract;
 - (iv) all insurance policies required hereunder and under the Lease are in full force and effect;
 - (v) all funds previously disbursed by Landlord from the Tenant Construction Fund have been applied in accordance with the prior draw request;
 - (vi) the undisbursed portion of the Tenant Construction Fund is sufficient to complete construction of the Tenant's Work in accordance with the Budget, the Construction Contract, the Tenant's Construction Drawings, and applicable Laws; and
 - (vii) there have been no changes in the Tenant's Construction Drawings other than those made pursuant to change orders permitted hereunder or those changes that are less than the required amount to receive approval.
- (f) such other and further information as Landlord may reasonably request.

2. Architect's Certification. Each draw request for Tenant's Work costs shall be accompanied by the written certification of Tenant's Architect, certifying that, based on (i) Architect's preparation of the Tenant's Construction Drawings, (ii) Architect's supervision and inspection of construction of the Tenant's Work, (iii) all applicable Laws, and (iv) Architect's professional knowledge and judgment:

(a) all Tenant's Work constructed as of the date of the draw request have been constructed in accordance with the Tenant's Construction Drawings and in accordance with all applicable Laws (subject only to minor "punch list" items set forth in such certificate);

(b) (i) neither Tenant nor Tenant's Contractor is in default under the Construction Contract (but such statement shall not be deemed a waiver of any claim Tenant may have or assert against Contractor), and (ii) each contractor, subcontractor, materialman or supplier performing work on or supplying materials to the Premises in connection with the Tenant's Work has been paid in full for all work done or materials supplied, up to the date of

Tenant's Architect's certification, except for amounts to be paid from the draw then being requested;

(c) all work for which Tenant is seeking disbursement from the Tenant Construction Fund, as reflected in the draw request, has been incorporated into the Premises; and

(d) the funds remaining in the Tenant Construction Fund are sufficient to pay for all Hard Costs required to complete the Tenant's Work.

3. Conditions Precedent to Each Disbursement. At no time and in no event shall Escrow Agent be obligated or permitted to disburse funds from the Tenant Construction Fund:

(a) if any default or Event of Default hereunder or under the Lease or Construction Contract shall have occurred and remain uncured; or

(b) if the Premises shall have been damaged by fire or other casualty and Landlord shall not have received insurance proceeds, sufficient in the reasonable judgment of Landlord, to effect the restoration of the Tenant's Work in accordance with the Tenant's Construction Drawings (and Tenant has failed to make arrangements satisfactory to Landlord for the payment of such insurance insufficiency); or

(c) if there shall be any mechanics' liens or other liens in connection with construction of the Tenant's Work, filed in the public records against the Premises, the Building or the Project which have not been released or transferred to bond; or

(d) if the warranties and representations of Tenant set forth herein, and, if applicable, in the Lease or in the Construction Contract, are false or untrue in any material respect as of the date of such advance; or

(e) if Tenant shall have failed to comply with and perform all of its obligations under this Work Letter or shall have failed to deliver to Landlord all documentation required hereunder; or

(f) if a Notice of Commencement has not been filed and posted as required by Article IV, Section 1 hereof; or

(g) if the funds remaining in the Tenant Construction Fund are insufficient to pay all Hard Costs to complete the Tenant's Work in accordance with the Tenant's Construction Drawings and all Laws.

4. Retainage. All disbursements from the Tenant Construction Fund shall be subject to the following retainages:

(a) Ten percent (10%) of that portion of each draw, or such lesser percent as may be approved by Landlord, which is applicable to payments to be made under the Construction Contract, unless such retainage has already been deducted from the draw request. Retainage relating to amounts due under subcontracts shall be released by Escrow Agent for each

subcontractor when the subcontractor has completed its contract to the satisfaction of the Contractor and Landlord.

(b) The final construction disbursement shall be withheld by Escrow Agent, and shall be disbursed along with all other retainages under this Section, only upon compliance with the following requirements (in addition to the requirements for all other disbursements):

- (i) Receipt by Landlord and Escrow Agent of satisfactory evidence of final completion of the Tenant's Work, substantially in accordance with the Tenant's Construction Drawings, and the approval of such completion by local governmental authorities, including, but not limited to, a final certificate of occupancy issued by the appropriate governmental authority.
- (ii) Receipt by Landlord of satisfactory "as-built" plans reflecting the completed Tenant's Work.
- (iii) Receipt by Landlord of the Contractor's Affidavit for Final Payment which shall include waivers of lien from Contractor and all subcontractors, materialmen and suppliers employed by Contractor or Tenant. Said documents shall be in form and substance reasonably satisfactory to Landlord.
- (iv) The written certification from Tenant's Architect that the Tenant's Work has been Substantially Completed in accordance with the Tenant's Construction Drawings and all applicable Laws, specifying in detail any outstanding, minor "punch list" items to be completed.

4. Notice, Frequency and Place of Disbursements. All draw requests for work performed or materials supplied to the Premises (for which payment has not theretofore been made), together with Tenant's Architect's Certificate and all other information and documentation required under this Work Letter, shall be submitted to Landlord and Escrow Agent by Tenant not later than the twenty fifth (25th) day of the month. Provided that (a) Tenant has complied with all of the terms, covenants and conditions set forth in this Work Letter, and (b) the Architect's Certificate and Tenant's draw request are true and correct in all material respects, and (c) Landlord has not objected in writing to the proposed disbursement, Escrow Agent shall disburse the funds requested in the draw request (or such portion thereof as permitted by this Work Letter) not more than ten (10) Business Days after receipt of the draw request and supporting documentation from Tenant. Unless otherwise approved by Landlord, Escrow Agent shall only be permitted to disburse funds from the Tenant Construction Fund one (1) time each calendar month; provided, however, that Landlord shall not unreasonably withhold its approval of a request by Tenant that Escrow Agent disburse funds from the Tenant Construction Fund at times other than as set forth hereinabove in this Section 4, in the event of a bona fide emergency (such as, by way of illustration, but not limitation, to avert a possible work stoppage by the Contractor or a subcontractor), provided that (i) such disbursement request otherwise complies

with all of the requirements of this Work Letter, and (ii) no more than four (4) such emergency requests need be considered by Landlord.

5. Disbursements. Landlord shall have the right, but not the obligation, to require Escrow Agent to make all disbursements from the Tenant Construction Fund (i) directly to Tenant, or (ii) jointly to Tenant and Contractor.

VI. DEFAULT:

1. Defaults. In addition to the Events of Default set forth in the Lease, the following shall also be deemed to be Events of Default under the Lease:

(a) If there is any default or Event of Default under the Construction Contract that arises by reason of the failure of Tenant to pay any sum of money due under the Construction Contract, and such default is not cured within five (5) days following receipt by Tenant of written notice alleging such default; or

(b) If Tenant shall fail to make, not later than thirty (30) days prior to the date when due, the payment of premiums on any policy of insurance required hereunder, and such failure is not cured within five (5) days of receipt by Tenant of written notice alleging such failure; or

(c) Any other defaults hereunder, or under the Construction Contract or the Lease, involving the failure of Tenant to pay monetary sums hereunder or thereunder (including payment of all Soft Costs), and such failure continues for five (5) days after receipt by Tenant of written demand therefor by Landlord; provided, however, that a good faith, bona fide dispute between Tenant and the Contractor or other payee for amounts allegedly due under the Construction Contract or other contract shall not, by itself, be considered an Event of Default hereunder, so long as Tenant is diligent and in good faith attempting to resolve such dispute.

(d) If any lien for labor, material, taxes or otherwise shall be filed against the Premises, the Building or the Project, on account of Tenant's work, and such lien is not removed, satisfied or transferred to bond as required under Article IV, Section 5 of this Work Letter.

(e) If construction of the Tenant's Work shall be abandoned and not be resumed at such time as may be reasonably necessary to complete construction by the Estimated Commencement Date, unless such cessation is due to acts of God, strike or unavailability of materials;

(f) Any other default under this Work Letter that is not cured within thirty (30) days after Tenant's receipt of notice of default from Landlord; provided, however, in the event such default cannot reasonably be cured within the thirty (30) day period, said period shall be extended for such additional period as may be reasonably required in order to cure such default (not to exceed an additional 30 days), so long as Tenant acts with reasonable diligence during and after the thirty (30) day period in attempting to cure the default; or

(g) If the total amount paid by Tenant for Hard Costs of constructing the Tenant's Work is less than \$1,200,000.00.

VII. REMEDIES OF LANDLORD:

Upon the occurrence of any one or more of the Events of Default set out in Section VI hereof, or any default or Events of Default under the Lease, Landlord shall at its option be entitled, in addition to and not in lieu of the remedies provided for in the Lease, exercise any of the following remedies:

1. Default Constitutes Default Under Lease. Tenant agrees that the occurrence of such Event of Default shall constitute a Default under the Lease, thereby entitling Landlord (i) to exercise any of the various rights and remedies provided, including, but not limited to, the acceleration of all rents, payments and other amounts due under the Lease, and (ii) cumulatively to exercise all other rights, remedies, options and privileges provided by law or in equity (unless stipulated to the contrary in the Lease).

2. Right of Landlord to Assume Possession and Complete Construction. Tenant agrees, upon the request of Landlord, to vacate the Premises and permit Landlord:

- (a) to enter into possession;
- (b) to perform or cause to be performed any and all work and labor necessary to complete the Tenant's Work in accordance with the Tenant's Construction Drawings, or in such other manner as Landlord may elect in its sole discretion;
- (c) to employ security watchmen to protect the Premises; and
- (d) to receive from Escrow Agent immediately upon demand that portion of the Tenant Construction Fund not previously disbursed (including any retainage) to be applied first to the extent necessary to complete construction of the Tenant's Work in accordance with the Tenant's Construction Drawings, or in such other manner as Landlord may elect, and if the completion requires a larger sum than the remaining undisbursed portion of the Tenant Construction Fund, to disburse such additional funds, all of which funds so disbursed to Landlord shall be deemed to have been disbursed to Tenant. If Landlord proceeds under this subparagraph (d), all portions of the Tenant Construction Fund that are not used to pay for completion of construction shall not be retained by Landlord as Additional Rent. Landlord, shall have the right, but not the obligation, to take all actions necessary in connection therewith, including, but not limited to, the following: To use any funds of Tenant which may be held in deposit and any funds which may remain unadvanced hereunder for the purpose of completing the Tenant's Work in the manner called for by the Tenant's Construction Drawings, or in such other manner as Landlord may elect; to make such additions and changes and corrections in the Tenant's Construction Drawings which shall be necessary or desirable to complete the Tenant's Work in a manner acceptable to Landlord; to employ such contractors, subcontractors, agents, engineers, architects, and inspectors as shall be required for said purposes; to pay, settle, or compromise all existing or future bills and claims which are or may be liens against said Premises; to execute all applications and certificates in the name of Tenant which may be required by any construction contract and to do any and every act with respect to the construction of the Tenant's Work which Tenant may do in its own behalf. Landlord shall also have power to prosecute and defend all actions or proceedings in connection with the construction of the

Tenant's Work and to take such action and require such performance as it deems necessary. In accordance therewith, Tenant hereby assigns and quit-claims to Landlord all sums to be advanced hereunder, including any remaining Tenant Allowance and any retainage and any sums paid hereunder to Landlord.

3. Additional Remedy. In lieu of exercising its rights under paragraph 2, Landlord may receive from Escrow Agent immediately upon demand all funds remaining in the Tenant Construction Account and apply them towards Landlord's damages for Tenant's breach of the Lease.

VIII. ESCROW AGENT PERFORMANCE OF DUTIES:

1. Escrow Agent agrees to perform the duties of Escrow Agent under this Work Letter and to hold and disburse the Tenant Construction Fund strictly in accordance with the provisions hereof.

2. In performing any of its duties under this Agreement, or upon the claimed failure to perform its duties hereunder, Escrow Agent shall not be liable to anyone for damages, losses or expenses which may occur as a result of Escrow Agent's so acting, or failing to act; except, however, Escrow Agent shall be liable for damages arising out of its willful default or gross negligence under this Agreement. Accordingly, Escrow Agent shall not incur any such liability with respect to (i) any good faith act or omission upon advice of counsel given with respect to any questions relating to the duties and responsibilities of Escrow Agent hereunder, or (ii) any good faith act or omission in reliance upon any document, including any written notice or instructions provided for in the Agreement, not only as to its due execution and to the validity and effectiveness of its provisions but also as to the truth and accuracy of any information contained therein, which Escrow Agent shall in good faith believe to be genuine, to have been signed or presented by the proper person or persons and to conform with the provisions of this Agreement.

3. The Escrow Agent shall not be liable in any manner for the sufficiency or correctness as to form, manner of execution or validity of any written instructions delivered to it, nor as to the identity, authority or rights of any person executing same. The duties of the Escrow Agent shall be limited to compliance with the written terms of this Agreement or to disbursement of the funds received hereunder in accordance with the written instruction described above. The Escrow Agent undertakes to perform only such duties as are expressly set forth herein, and no implied duties or obligations shall be read into this Agreement against the Escrow Agent. Upon the Escrow Agent's disbursing the Escrow Funds in accordance with the provisions hereof, the escrow shall terminate as regards such Escrow Funds, and Escrow Agent shall thereafter be released and relieved of and from any and all liability and obligation hereunder in connection therewith.

4. If any dispute or difference arises between the Landlord, the Tenant, the Escrow Agent, or any person, or if any conflicting demand shall be made upon the Escrow Agent, Escrow Agent may file a suit in interpleader in the Circuit Court of Dade County, Florida for the purpose of having the respective rights of the parties adjudicated and deposit with the Court any or all funds held hereunder. Upon the institution of such interpleader suit or other action and the deposit of such funds with the Court and the giving of notice thereof to the parties thereto by personal service or in

accordance with the order of the Court, Escrow Agent shall be fully released and discharged from all further obligations hereunder with respect to the funds so deposited. Tenant agrees to pay to Escrow Agent, on demand, any and all costs and reasonable attorneys' fees incurred by Escrow Agent in connection with such interpleader or other action and to indemnify and hold and save Escrow Agent harmless from any and all loss, costs, damage or liability hereunder not arising from willful misconduct or gross negligence of the Escrow Agent.

5. In connection with any litigation arising out of this Agreement, the prevailing parties in such litigation shall be entitled to recover from the defeated parties all costs incurred, including reasonable attorneys' fees, and all costs and attorneys' fees on appeal including costs and attorneys' fees it is required to pay the Escrow Agent pursuant to this Agreement.

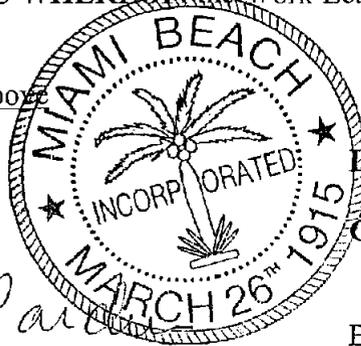
6. In the event of any dispute or litigation between Landlord and Tenant, the parties agree to waive any conflict of interest claim and allow Escrow Agent to represent Tenant in any such dispute and/or litigation.

IN WITNESS WHEREOF the Work Letter has been made and executed as of the date set forth below.

Dated: As set forth above

Attest:

Roland Parcher



LANDLORD:

CITY OF MIAMI BEACH, FLORIDA

By: Matti H. Bower
Name: Matti H. Bower
Title: Mayor

Attest:

Roland Parcher

MIAMI BEACH REDEVELOPMENT AGENCY

By: Matti H. Bower
Name: Matti H. Bower
Title: Chairperson

APPROVED AS TO FORM & LANGUAGE & FOR EXECUTION

[Signature] 8/30/11
City Attorney Date

Bertha J. de la Torre
Print Name BERTHA J. DE LA TORRE

Gladys V. Hoop
Print Name Gladys V. Hoop

TENANT:

PENN 17 LLC, a Florida limited liability company

By: [Signature]
Name: ANIA Ben-zion
Title: managing member

ESCROW AGENT:

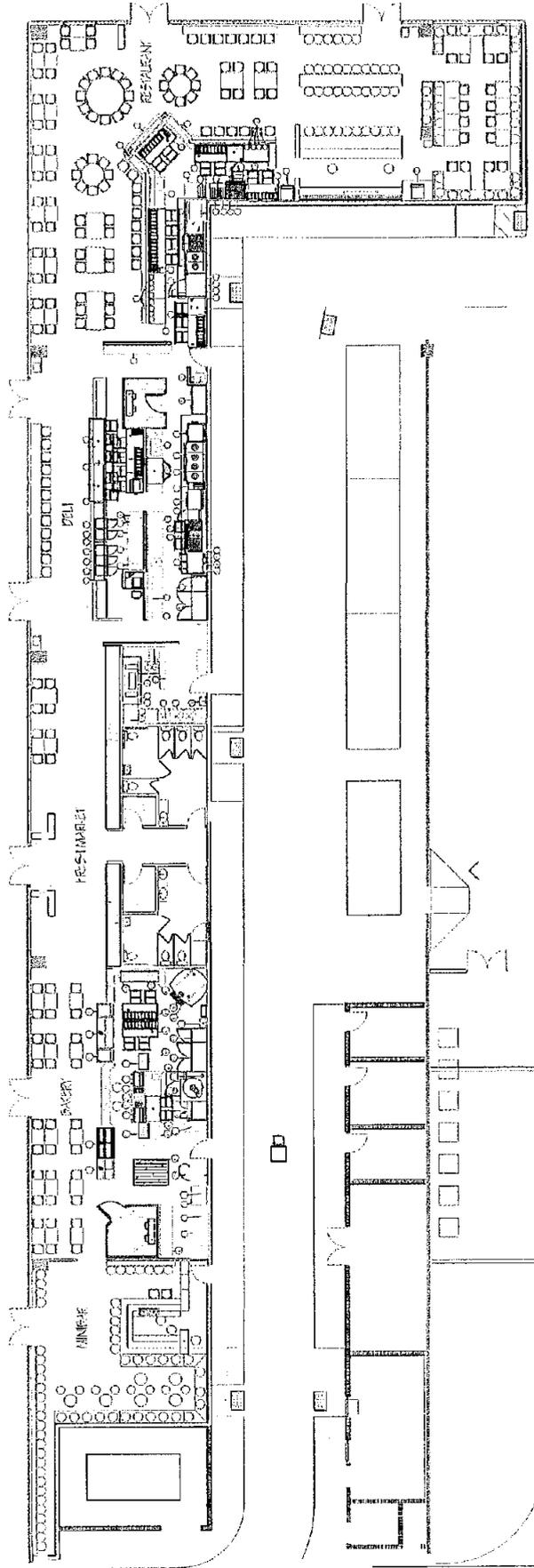
MITRANI, RYNOR ADAMSKY & TOLAND, P.A.

Bertha J. de la Torre
Print Name BERTHA J. DE LA TORRE

Gladys V. Hoop
Print Name Gladys V. Hoop

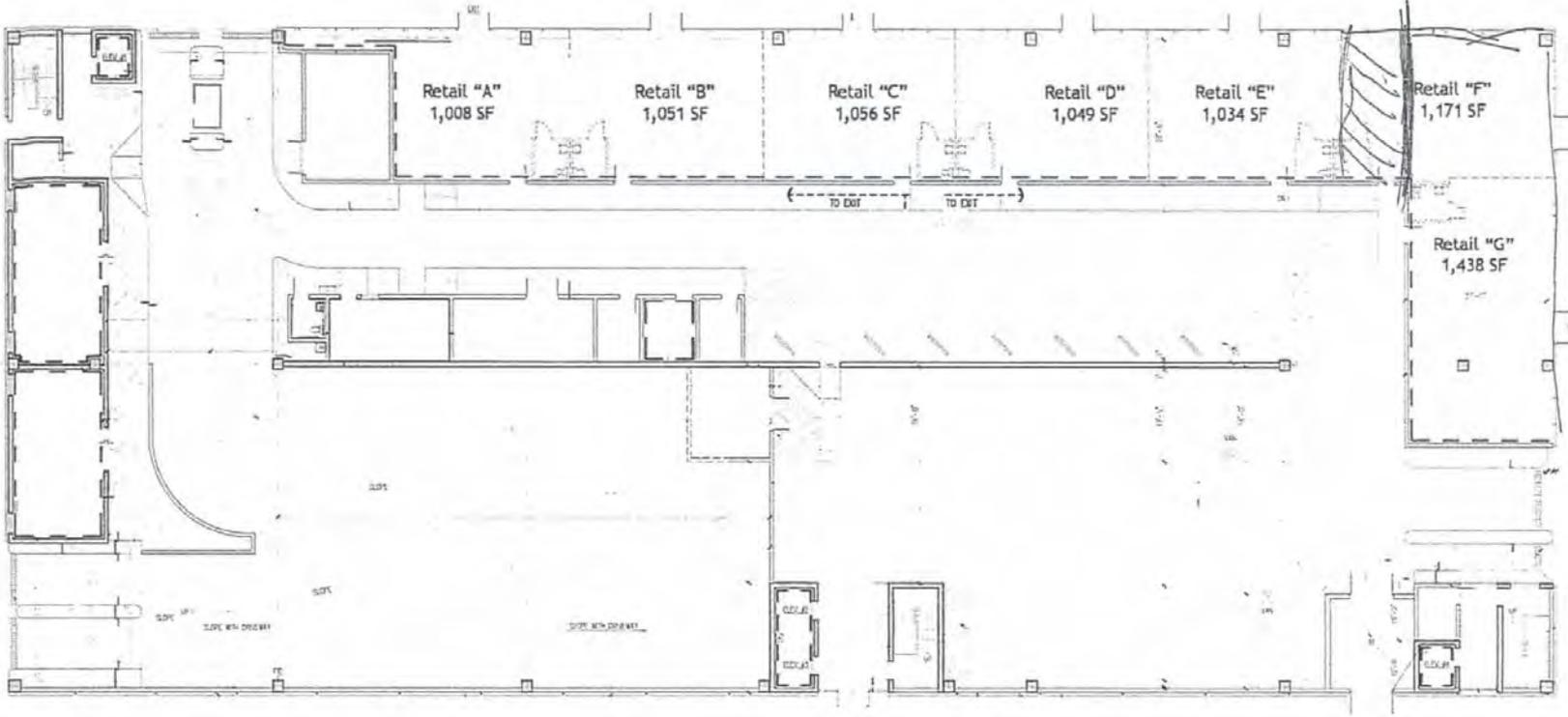
By: [Signature]
Name: _____
Title: Shareholder

ECONOMIC DEVELOPMENT AGENCY
ASSET MANAGEMENT
2011 AUG 29 AM 3:37



Pennsylvania Avenue

SE
LITERA



2022

17th Street

FLOORPLAN

1 Ground Level Plan
SCALE: 1/32" = 1'-0"



Exhibit D

Engagement Letter

BLAZEJACK & COMPANY
REAL ESTATE COUNSELORS

March 24, 2015

Mark Milisits
Asset Manager
Tourism, Culture and Economic Development Department
Office of Real Estate
City of Miami Beach
1755 Meridian Ave – Suite 300
Miami Beach, FL 33139
Office: 305-673-7193
Email: markmilisits@miamibeachfl.gov

REF: Market Rent for two properties located at:
1661 Pennsylvania Avenue and 1701 Meridian Unit 3, Miami Beach, FL 33139

Dear Mr. Milisits:

This letter will serve to confirm our proposal for a Market Rent analysis in the above referenced real property. We will prepare a PDF copy of a market rent in a complete summary format setting forth our findings and conclusions.

The purpose of the report is for management decision in the negotiation of a new lease. Our analysis will consider the physical aspects of the property and assess its competitive position in the market. We will employ the traditional valuation techniques considered appropriate to this valuation problem. Our analyses and report will conform to the Uniform Standards of Professional Appraisal Practice (USPAP), the Supplemental Standards issued by the Appraisal Institute. We request that the following items (more may be required later) be made available for our review:

1. Copy of any existing or past leases;
2. The name and phone number of the contact for inspection.

We anticipate completion of the assignment within 5 business days assuming prompt receipt of the requested materials. The total fee will be **\$3,000** upon delivery of the report. Our fee for court testimony is based on \$250 per hour. This proposal is submitted based on our current schedule of commitments. It may be necessary to alter the completion date unless the assignment is authorized in the near future. You may authorize this assignment by signing and returning a copy of this letter. We thank you for calling on us and we look forward to working with you.

Sincerely,

BLAZEJACK & COMPANY



John A. Blazejack, MAI, CRE
Partner
State Certified Gen. R.E. Appraiser No. RZ 093

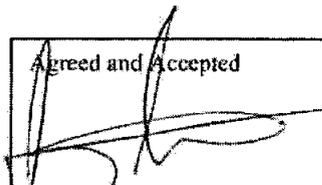
Agreed and Accepted  Jimmy L. Morales City Manager Date: 4/23/15
--

Exhibit E

Qualifications of the Appraiser

QUALIFICATIONS

THOMAS J. BLAZEJACK, MAI, AI-GRS, CCIM

President

Blazejack & Company

Academic

Northwestern University, B.A., 1978

Experience

Mr. Blazejack has been active as a real estate appraiser/analyst on a full time basis since 1979. During this period, his real estate experience included highest and best use analyses, market studies and evaluation of offices, hotels/motels, apartments, condominiums, warehouses, vacant land, single-family homes, shopping center, mobile home parks, recreational property and special purpose property. These assignments were conducted in eight states and Puerto Rico with extensive work throughout Florida.

Prior to joining Blazejack & Company (formerly affiliated with Slack, Slack, Roe & Blazejack), Mr. Blazejack was a Senior Appraiser with Cushman & Wakefield of Florida, a Senior Appraiser with Southeast Mortgage Company and an Appraiser with Real Estate Research Corporation. He was also a Staff Appraiser with E. Roger Budny and Associates.

Mr. Blazejack has extensive experience using a variety of software programs from Office Suites, to mapping programs to financial analysis programs including Project plus+ and Argus.

Designations and Licenses

MAI Member, Appraisal Institute, Certificate No. 7115, currently certified
AI-GRS General Review Specialty
CCIM Member, CCIM Institute No. 8766
Florida - Registered Florida Real Estate Broker Associate
Florida - State-Certified General Real Estate Appraiser, License Number 0001015
North Carolina - Certified General Real Estate Appraiser, Certificate No. A7629

QUALIFICATIONS

JOSE WONG
Blazejack & Co.
e-mail: jose@blazejack.com

Academic

- Appraisal Institute
 - Course 110: Appraisal Principles
 - Course 120: Appraisal Procedures
 - Course ACE 2150: Attacking and Defending an Appraisal.
 - Course 310: Basic Income Capitalization
 - Course 320: General Applications.
 - Course 410: Standards of Professional Practice. Part A (USPAP)
 - Course 420: Business Practice and Ethics.
 - Course 510: Advance Income Capitalization
 - Course 520: Highest & Best Use
 - Course 530: Advance Sales Comparison & Cost Approaches.
 - Course 540: Report Writing.
 - Course 550: Advanced Applications.
 - Course 610: Alternative Uses & Cost Valuation of Small Mixed-Use Properties.
 - Course 620: Sales Comparison Valuation of Small Mixed-Use Properties.
 - Seminar: Argus Training.
 - Seminar: Effective Appraisal Writing.
 - Seminar: Report Writing and Valuation Analysis
 - Seminar: DEMO General Demonstration Appraisal Report Writing
 - Seminar: A Comprehensive Guide to Valuing Improved Subdivisions.
 - Seminar: Introduction to Land Valuation
 - Seminar: Advanced Spreadsheet Modeling for Valuation Applications
 - Seminar: Regression Analysis.
 - Seminar: Critical Thinking.
 - Training: 2013 Value Adjustment Board Training for Real property Appraiser Special Magistrates.
 - Seminar: Developing a Supportable Workfile.

He has given seminars in Cuerpo Tecnico de Tasaciones del Peru in Lima, Peru in 2012, 2013 and 2014 teaching appraisal techniques and appraisal cases.

- Various appraisal seminars.
- He's pursuing the Appraisal Institute MAI designation. He's taken all the courses required for the MAI designation.
- Ricardo Palma University (Lima, Peru). Degree in Civil Engineering.

Experience as Appraiser

Commercial Appraiser at Blazejack & Co. September 2007 – present. He's worked 14 years on a full time basis in this company. Commercial appraisals on many property types in Florida and USA. His professional experience includes Highest and best use analysis, commercial appraisals on numerous property types such as warehouses, apartment complexes, condominium buildings, office buildings, shopping centers, retail, special purpose properties, marinas, subterranean rights, air rights, and vacant lands.

He worked as a Real Property Appraiser Special Magistrate in 2014 for the Value Adjustment Board in Miami Dade, Florida.

Commercial Review Appraiser at Bayview Lending Group LLC, May 2007 – August 2007. Review Appraisals on different property types in Florida.

He worked as head of the Commercial Appraisal Review Department at Greenpoint Mortgage. He covered the South West, Central and Northeast area of Florida. April 2006 – February 2007.

His professional experience in the state of Florida and the Caribbean include highest and best use analysis, commercial appraisals on numerous property types such as warehouses, apartment complexes, condominium buildings, office buildings, shopping centers, retail, restaurants, special purpose properties, and vacant lands. He worked as a commercial appraiser at Blazejack & Company March 1999-Apr. 2006.

Between 1987 and 1998 (11 years), prior to conducting work in Florida, he conducted commercial and residential appraisals on houses, retail outlets, hotels, apartments, condominiums, offices, warehouses, factories, and hospital in Peru.

Mr. Wong has experience using a variety of software programs like Microsoft Word, Excel, database IRIS, Data Comp 3.5, Street Atlas USA 6.0 (mapping), Marshall & Swift (Cost program), Argus (Cash Flow Analysis), Co Star, Loopnet, and MLS.
He is fluent in Spanish.

Experience as Civil Engineer

He has worked both in the private and public sector as a Civil Engineer for approximately 20 years. He worked as Supervisor Engineer and Superintendent Engineer in different civil engineering jobs in Peru. Responsibilities included subdivisions, installation of water, sewer, lighting, roads, and massive construction of houses, apartment buildings, condominium buildings, retails, warehouses, and factories. He constructed and managed the financial arrangements for the construction of condominium buildings in Peru. He made studies of costs and budgeting for the construction of these jobs.

He is fluent in Spanish.

Designations and Licenses

Real State Certified General Appraiser, License Number RZ2797
General Associate Member, Appraisal Institute
Member, Engineer Association of Peru.

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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 1, 2015

SUBJECT: **A DISCUSSION OF A RESOLUTION OF THE CHAIRPERSON AND MEMBERS OF THE MIAMI BEACH REDEVELOPMENT AGENCY (RDA), ACCEPTING THE RECOMMENDATION OF THE FINANCE AND CITYWIDE PROJECTS COMMITTEE, PURSUANT TO INVITATION TO NEGOTIATE (ITN) NO. 2015-060-LR (THE ITN), FOR THE LEASING OF CITY-OWNED BUILDINGS AND ROOFTOPS FOR THE PLACEMENT OF TELECOMMUNICATIONS EQUIPMENT, AND AUTHORIZE THE EXECUTIVE DIRECTOR TO EXECUTE A NINE YEAR AND 364 DAY LEASE AGREEMENT WITH CROWN CASTLE NG EAST, LLC ("TENANT"), ATTACHED AND INCORPORATED HEREIN AS EXHIBIT A, FOR TENANT TO OPERATE AND MAINTAIN ITS EXISTING TELECOMMUNICATIONS HUB ON THE ROOF OF THE RDA'S PARKING GARAGE LOCATED AT 1550 COLLINS AVENUE, WITH A MONTHLY RENT OF \$4,000.00.**

ADMINISTRATION RECOMMENDATION

Adopt the Resolution.

FUNDING

Revenue to the City.

BACKGROUND

The Administration issued ITN 2015-060-LR to seek the proposals from qualified parties interested in submitting proposals to the City to lease City-owned buildings and rooftops for the installation and operation of telecommunications antennas and related equipment. The purpose of the ITN was to provide the opportunity for communication services providers to lease authorized City-owned properties, as well as provide a means of potential revenue to the City for the use of said properties.

The ITN was approved for issuance by the City Commission on January 14, 2015. The ITN was released on January 27, 2015. A pre-proposal conference to provide information to the proposers submitting a response was held on February 5, 2015. On April 9, 2015, the City received one proposal from Crown Castle.

On May 6, 2015, the Mayor and the City Commission approved Resolution No. 2015-29023 accepting the recommendation of the City Manager, pursuant to Invitation to Negotiate (ITN) No. 2015-060-LR, for the Lease of City-Owned Buildings and Rooftops for the Placement of Telecommunications Equipment.

ANALYSIS

The Anchor Shops is located at 1560 Collins Avenue, Miami Beach, Florida (the "Property") and is owned by the City of Miami Beach (the "City"). The Property contains six (6) floors, including retail and restaurant users on the ground floor, and serves as a parking garage on the upper floors.

The Administration has negotiated a Rooftop Lease Agreement (the "Lease"), a draft of which is attached hereto as Exhibit A, containing the following basic terms and conditions:

- Commencement: First day of the month following Lease execution
- Lease Term: Nine (9) years and 364 days
- Leased Premises: A portion of the garage rooftop located at Anchor Shops
- Rent: \$48,000 annually, payable in monthly installments of \$4,000
- Increases: Fixed three percent (3%) annually
- Security Deposit: Six (6) month's rent in the amount of \$24,000
- Miscellaneous: Tenant currently allows three (3) customers to occupy space at the Leased Premises. For each additional customer, Tenant shall pay a pro-rata increase in the rent.

RECOMMENDATION

The Administration recommends that the Finance and Citywide Projects Committee (FCWPC), approve and authorize the RDA to enter into a lease agreement between the Miami Beach Redevelopment Agency (Landlord) and pursuant to Invitation To Negotiate (ITN) No. 2015-060-LR, for the leasing of city-owned buildings and rooftops for the placement of telecommunications equipment, and authorize the Executive Director to execute a nine year and 364 day lease agreement with Crown Castle NG East, LLC , attached and incorporated herein as Exhibit A, for tenant to operate and maintain its existing telecommunications hub on the roof of the RDA's parking garage located at 1550 Collins Avenue, with a monthly rent of \$4,000.00.

It should further be noted that since Anchor Garage and Shops is owned by the RDA, it is not subject to the public hearing requirements set forth under Section 82-39 of the City Code that would normally apply to the lease of City property. Proposed retail leases involving the Anchor Shops may be approved during and as part of the RDA Board's regular agenda.

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MIAMIBEACH

OFFICE OF THE CITY MANAGER

COMMITTEE MEMORANDUM

TO: Finance and Citywide Projects Committee

FROM: Jimmy L. Morales, City Manager

DATE: July 1, 2015

SUBJECT: **DISCUSSION REGARDING A POTENTIAL PUBLIC-PRIVATE PARTNERSHIP WITH 1234 PARTNERS, LTD. FOR A PARKING GARAGE ON THE 1200 BLOCK OF WASHINGTON AVENUE**

BACKGROUND

The Administration was approached by 1234 Partners, LTD. regarding a potential public-private partnership for the development of a parking garage on the 1200 block of Washington Avenue (west side). This site was identified by the Washington Avenue Blue Ribbon Panel as a potential site for a parking garage development.

On June 10, 2015, the Mayor and Commission approved Item No. C4B, entitled, "Discussion regarding a potential public-private partnership with 1234 partners, ltd. for a parking garage on the 1200 block of Washington Avenue", a referral to the Finance and Citywide Projects Committee.

ANALYSIS

A meeting is scheduled to take place with the developer in early July to commence discussions for this potential public/private partnership.

It is important to note that the Administration is placing an item on the July 8, 2015, City Commission Agenda, with a recommendation to issue a Request for Letters of Interest (RFLI) seeking qualified development teams to submit letters of interest to develop a multi-level parking facility or facilities involving the use of any publicly and/or privately owned property, including air rights, in various areas of the city.

CONCLUSION

The Administration will provide an update to the Committee at their next regularly scheduled meeting regarding a potential public-private partnership with 1234 Partners, LTD., for a garage on the 1200 block of Washington Avenue.



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Discussion Item

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MIAMI BEACH

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

COMMITTEE MEMORANDUM

TO: Members of the Finance and Citywide Projects Committee
FROM: Jimmy L. Morales, City Manager
DATE: July 1, 2015
SUBJECT: **Discussion Regarding a Competition Swimming Pool**

In response to the Parks and Recreational Facilities Advisory Board's motion passed at its June 3, 2015 meeting recommending the funding of a capital project for Fiscal Year 2015/16 to build a competition size swimming pool, and Commissioner Malakoff's referral of such to the Neighborhood/Community Affairs Committee and Finance and Citywide Projects Committee, the Parks and Recreation Department would like to recommend contracting with a firm with experience in the planning, building and operation of public competitive pools to complete an in-depth feasibility and cost study.

The study will assist the City in taking a thorough look at site locations, amenities, cost of construction, ongoing operational costs and a 10 year renewal and replacement plan. The recommended study may also include management scenarios such as partnerships and contracted services as well as potential funding sources.

If accepted by the FCWPC, Administration recommends allocating \$50,000 to fund the study in the FY15/16 Budget.

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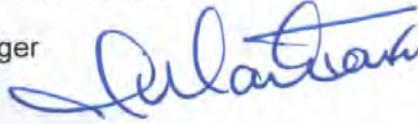
OFFICE OF THE CITY MANAGER

COMMITTEE MEMORANDUM

TO: Finance and Citywide Projects Committee

FROM: Jimmy L. Morales, City Manager

DATE: July 1, 2015



SUBJECT: **INVITATION TO NEGOTIATE (ITN) NO. 2014-170-SW GATED REVENUE CONTROL FOR GARAGES - REFERRAL**

BACKGROUND

On June 10, 2015, the Mayor and Commission referred Item No. R7M, Invitation to Negotiate (ITN) No. 2014-170-SW Gated Revenue Control for Garages to the Finance and Citywide Projects Committee (FCWPC) for discussion. The item was referred to the FCWPC to discuss whether to operate municipal garages with either a gated revenue control system or as metered parking.

ANALYSIS

An analysis comparing both operational models was included in Agenda Item No. R7M (June 10, 2015). The agenda item is attached for ease of reference (see Exhibit B, page 15 of the agenda item). Additionally, a survey of municipalities, locally and nationally is underway, providing their model for garage operations. This will be distributed by supplemental agenda prior to the meeting.

CONCLUSION

The Administration is seeking direction from the Finance and Citywide Projects Committee regarding this item.



JLM/KGB/SF

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**City Commission Meeting
SUPPLEMENTAL MATERIAL 2**

City Hall, Commission Chambers, 3rd Floor, 1700 Convention Center Drive
June 10, 2015

Mayor Philip Levine
Vice-Mayor Jonah Wolfson
Commissioner Michael Grieco
Commissioner Joy Malakoff
Commissioner Micky Steinberg
Commissioner Edward L. Tobin
Commissioner Deede Weithorn

City Manager Jimmy L. Morales
City Attorney Raul J. Aguila
City Clerk Rafael E. Granado

Visit us at www.miamibeachfl.gov for agendas and video "streaming" of City Commission Meetings.

ATTENTION ALL LOBBYISTS

Chapter 2, Article VII, Division 3 of the City Code of Miami Beach entitled "Lobbyists" requires the registration of all lobbyists with the City Clerk prior to engaging in any lobbying activity with the City Commission, any City Board or Committee, or any personnel as defined in the subject Code sections. Copies of the City Code sections on lobbyists laws are available in the City Clerk's office. Questions regarding the provisions of the Ordinance should be directed to the Office of the City Attorney.

SUPPLEMENTAL AGENDA

R7 - Resolutions

- R7M A Resolution Accepting The Recommendation Of The City Manager, Pursuant To Invitation To Negotiate (ITN) 2014-170-SW For A Gated Revenue Control System For The City's Parking Garages; Approving The Material Terms Of An Agreement Between The City And Skidata, Inc., As Set Forth In The Term Sheet Attached As Exhibit "A" Hereto; Authorizing The City Manager And The City Attorney's Office To Finalize The Agreement Based Upon The Material Terms Approved Herein; Provided That They May Make Any Non-Substantive And Non-Material Revisions And/Or Additions To The Agreement, As They Deem Necessary; Authorizing The Mayor And City Clerk To Execute The Final Agreement; And, In The Event That The City Is Unable To Finalize Successful Negotiations With Skidata, Inc., Authorizing The City Manager And The City Attorney's Office To Negotiate An Agreement With Amano McGann, Inc. Based Upon The Material Terms Approved In Exhibit "A" Herein (Provided That They May Make Any Non-Substantive And Non-Material Revisions And/Or Additions To The Agreement).

(Procurement/Parking)

(Memorandum & Resolution)

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Condensed Title:

A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH FLORIDA, ACCEPTING THE RECOMMENDATION OF THE CITY MANAGER PURSUANT TO INVITATION TO NEGOTIATE (ITN) 2014-170-SW FOR A GATED REVENUE CONTROL SYSTEM FOR THE CITY'S PARKING GARAGES.

Key Intended Outcome Supported:

Ensure expenditure trends are sustainable over the long term.

Supporting Data (Surveys, Environmental Scan, etc): N/A

Item Summary/Recommendation:

The City's Parking Department is seeking a state of the art gated parking revenue control system, including centralized processing of data for all of the City's parking garages, a central monitoring station for: intercoms, CCTV at all entrance and exit lanes, and access control for all garage equipment. This will allow for operational savings as well as enhanced audit controls. In order to achieve this service level, all garages must have compatible hardware, software, firmware, and equipment, meaning that one system (vendor) must equip and service all garages.

The City's municipal parking garages are currently operated with on-site cashiers/parking attendants and a gated revenue control system, provided by 3M (manufacturer). The equipment runs along several model lines ranging from several years to over a decade old. Additionally, 3M notified its customers, including the City, of its intent to discontinue its gated parking revenue control subdivision and related equipment and services.

At the September 10, 2014 City Commission meeting, the Mayor and City Commission adopted Resolution No. 2014-28720 accepting the recommendation of the City Manager pertaining to the ranking of proposers pursuant to Invitation To Negotiate (ITN) 2014-170-SW for a Parking Garage Gated Revenue Control System. Further, the Resolution authorized the Administration to enter into negotiations with all the proposers. The Administration was requested to present the final contract for the Commission's review prior to entering into an agreement with the parking equipment companies. The details of the contract negotiation phase and comparative analysis of final replies is attached.

The City Manager, after carefully considering the results of the negotiation process and staff recommendation, recommends that the Mayor and City Commission of the City of Miami Beach, Florida, accept the recommendation of the City Manager, pursuant to Invitation To Negotiate (ITN) 2014-170-SW for a gated revenue control system for the City's parking garages; approving the material terms of an agreement between the City and Skidata, Inc., as set forth in the term sheet attached as Exhibit "A" hereto; authorizing the City Manager and the City Attorney's Office to finalize the Agreement based upon the material terms approved herein; provided that they may make any non-substantive and non-material revisions and/or additions to the Agreement, as they deem necessary; authorizing the Mayor and City Clerk to execute the final Agreement; and, in the event that the City is unable to finalize successful negotiations with Skidata, Inc., authorizing the City Manager and the City Attorney's Office to negotiate an Agreement with Amano McGann, Inc. based upon the material terms approved in Exhibit "A" herein (provided that they may make any non-substantive and non-material revisions and/or additions to the Agreement).

RECOMMENDATION

Approve the Resolution.

Advisory Board Recommendation:

Financial Information:

Source of Funds:	Amount	Account
1	\$ 303,000	142-6176-000674
2	362,000	463-6176-000674
3	471,000	467-6176-000674
4	2,696,000	480-6176-000674
5	400,000	480-0463-000349
Total	\$4,232,000	

Financial Impact Summary:

City Clerk's Office Legislative Tracking:

Alex Denis, Extension 6641

Sign-Offs:

Department Director AD <i>[Signature]</i> SF <i>[Signature]</i>	Assistant City Manager MT <i>[Signature]</i> KGB <i>[Signature]</i>	City Manager JLM <i>[Signature]</i>
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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: June 10, 2015

SUBJECT: **A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, ACCEPTING THE RECOMMENDATION OF THE CITY MANAGER, PURSUANT TO INVITATION TO NEGOTIATE (ITN) 2014-170-SW FOR A GATED REVENUE CONTROL SYSTEM FOR THE CITY'S PARKING GARAGES; APPROVING THE MATERIAL TERMS OF AN AGREEMENT BETWEEN THE CITY AND SKIDATA, INC., AS SET FORTH IN THE TERM SHEET ATTACHED AS EXHIBIT "A" HERETO; AUTHORIZING THE CITY MANAGER AND THE CITY ATTORNEY'S OFFICE TO FINALIZE THE AGREEMENT BASED UPON THE MATERIAL TERMS APPROVED HEREIN; PROVIDED THAT THEY MAY MAKE ANY NON-SUBSTANTIVE AND NON-MATERIAL REVISIONS AND/OR ADDITIONS TO THE AGREEMENT, AS THEY DEEM NECESSARY; AUTHORIZING THE MAYOR AND CITY CLERK TO EXECUTE THE FINAL AGREEMENT; AND, IN THE EVENT THAT THE CITY IS UNABLE TO FINALIZE SUCCESSFUL NEGOTIATIONS WITH SKIDATA, INC., AUTHORIZING THE CITY MANAGER AND THE CITY ATTORNEY'S OFFICE TO NEGOTIATE AN AGREEMENT WITH AMANO MCGANN, INC. BASED UPON THE MATERIAL TERMS APPROVED IN EXHIBIT "A" HEREIN (PROVIDED THAT THEY MAY MAKE ANY NON-SUBSTANTIVE AND NON-MATERIAL REVISIONS AND/OR ADDITIONS TO THE AGREEMENT).**

ADMINISTRATION RECOMMENDATION

Adopt the resolution.

KEY INTENDED OUTCOME SUPPORTED

Ensure expenditure trends are sustainable over the long term.

FUNDING

Funding for the one-time capital cost is available as follows:

	Amount	Account
1	\$ 303,000	142-6176-000674
2	362,000	463-6176-000674
3	471,000	467-6176-000674
4	2,696,000	480-6176-000674
5	400,000	480-0463-000349
Total	\$4,232,000	

Funding for the annual maintenance costs will be subject to appropriation in the annual budget process.

BACKGROUND

The City's Parking System currently has ten (10) municipal parking garages, totaling 6,106 parking spaces. An 11th facility, Collins Avenue Garage is funded and currently in design with an estimated 470 parking spaces, for a grand total of 6,576 parking spaces. The City's Parking Department is seeking a state of the art gated parking revenue control system, including centralized processing of data for all of the City's parking garages, a central monitoring station for: intercoms, CCTV at all entrance and exit lanes, and access control for all garage equipment. This would allow for operational savings as well as enhanced audit controls. In order to achieve this service level, all garages must have compatible hardware, software, firmware, and equipment, meaning that one system (vendor) must equip and service all garages.

The City's municipal parking garages are currently operated with on-site cashiers/parking attendants and a gated revenue control system, provided by 3M (manufacturer). The equipment runs along several model lines ranging from several years to over a decade old. Additionally, 3M notified its customers, including the City, of its intent to discontinue its gated parking revenue control subdivision and related equipment and services.

On May 21, 2014, the Mayor and City Commission approved the issuance of Invitation to Negotiate (ITN) No. 2014-170 for a Parking Garage Gated Revenue Control System. In response to the ITN, the City received proposals from the following five (5) firms:

- Amano McGann, Inc.
- Consolidated Parking Equipment
- Scheidt & Bachmann USA, Inc.
- Skidata Inc.
- WPS USA Corp.

At the September 10, 2014 City Commission meeting, the Mayor and City Commission adopted Resolution No. 2014-28720 accepting the recommendation of the City Manager pertaining to the ranking of proposers pursuant to Invitation To Negotiate (ITN) 2014-170-SW for a Parking Garage Gated Revenue Control System. Further, the Resolution authorized the Administration to enter into negotiations with all the proposers. The Administration was requested to present the final contract for the Commission's review prior to entering into an agreement with the parking equipment companies.

CONTRACT NEGOTIATIONS

On December 10, 2014, the Parking and Procurement Departments convened negotiation session No. 1 with all proposers and attended the meeting with Skidata, Inc., Amano MCGann, Inc., LCN, Inc. D/B/A Consolidated Parking Equipment, WPS USA Corp., and Scheidt & Bachmann USA, Inc. The intent of negotiation session No. 1 was to: 1) provide an overview of the ITN negotiation process and clarify any questions proposers may have; 2) discuss and review with proposers the Term Sheet and Cost Proposal Sheets which would form the basis of negotiation discussions; and, 3) schedule site visits with all proposers for December 22 and 23, 2014, to evaluate equipment and inspect all parking garages.

On December 17, 2014, the City was notified by Consolidated Parking Equipment that it had withdrawn its proposal pursuant to the ITN because it had been informed by 3M, the manufacturer of the equipment proposed, that 3M would no longer be producing the proposed equipment. Following this notification from Consolidated, the City ceased *further negotiations* with Consolidated.

On December 22, and December 23, 2014, site visits were held and attended by the remaining four (4) Proposers: Amano McGann, Inc., Scheidt & Bachmann USA, Inc., Skidata, Inc., and WPS USA Corp. Proposers were given until December 30, 2014, to submit their questions relating to the cost proposal. As a result of questions arising from evaluating the equipment, the Procurement Department issued Response 1, 2, and 3, on January 15, January 28, and January 30, 2015, respectively. On January 30, the City requested cost proposals, for which a due date of February 6, 2015, was established.

On February 6, 2015, cost proposals from Amano McGann, Inc., Skidata, Inc., and WPS USA Corp. were received. At this time, Scheidt & Bachmann USA, Inc., notified the City that, due to schedule conflicts, it had withdrawn its proposal pursuant to the ITN. The following is a brief summary, from the information provided in each firm' proposals, of the final three (3) proposers:

- Amano McGann, Inc. is headquartered in Roseville, Minnesota, with approximately 290 employees across the United States. With over 290 employees, 20 branch offices and over 40 distribution partners throughout the U.S., according to Amano McGann, it has performed over 6,000 installations worldwide along with its parent company Amano Corporation. Amano provides parking, time and access solutions to universities, hotel chains, airports, sports complex and municipalities. Recent clients include the City of West Palm Beach, City of Portland Smart Park Garages, and the City of Detroit.
- SKIDATA, Inc., a wholly-owned subsidiary of SKIDATA, AG (founded in Austria in 1977), was established in North America in January 2000 to serve the off-street parking and revenue control system market segment. According to SKIDATA, it has built over 750 systems in Canada, USA and Mexico. Their products and services are found in airports, municipalities, shopping centers, universities and medical centers across North America. Recent clients include the City of Oklahoma City, City of Beverly Hills, City of St. Louis and Downtown Salt Lake City. Their services include consulting, integration, direct support, documentation and training.
- WPS USA Corp. has over twenty (20) years of experience using bar code technology in their parking access systems. According to WPS, it introduced the first "Credit Car In/Credit Card Out" solution back in the early 1990's. Recent clients have been the City of Norfolk, the Los Angeles Department of Transportation, Rockville Town Square and the Union Station Parking Garage in Washington, D.C.

Several negotiation sessions with all three (3) proposers were scheduled, as well as a request for best and final cost proposals offers. The Administration received final replies to the referenced negotiations on May 19, 2015.

ANALYSIS

Parking gated revenue control system is necessary for the operation of the City's parking facility, as well as the management of over \$16 million in annual revenue at these facilities. A system with robust functionality and reporting/audit capabilities, as well as a partnership with a qualified service provider is critical for the effective management of a system that serves over 3.3M customers annually and through which significant revenue is yielded. For these reasons, the Administration believes that, in the best interest of the City, functionality, prior performance record and cost of the system are critically important considerations. With that in mind, a comparative analysis follows with the purpose of illustrating major differences among the three finalist with whom the City has negotiated.

1. **System Functionality.** The three (3) proposed systems offer basic access and revenue control functionality. The major differences among the three (3) firms are in the areas of ticket technology (barcode vs. magnetic stripe), and validation of disabled permits.

a. **Ticket Technology.** The major difference in the area of functionality is the technology utilized for ticket transactions (vs card access), which is typically either a barcode ticket or magnetic stripe ticket. Historically, each type has been lauded by the industry as the preferred methodology over years. Currently, barcode tickets are the most widely accepted and enjoys a substantial portion of the market share. While all indications seem to point towards continued use and growth of barcode tickets, there is no clear indication of either taking the full market share. The following are the options available for each of the three (3) proposers in the barcode vs. magnetic stripe technologies:

- *Amano McGann, Inc. offers both barcode and magnetic stripe ticket systems; however, both systems cannot be deployed simultaneously in each garage.*
- *Skidata offers both barcode and magnetic stripe ticket systems which may be deployed simultaneously.*
- *WPS offers bar code system only.*

While staff believes that either barcode or magnetic stripe methodologies are acceptable, it is important to note that once a decision on bar code or magnetic stripe is made, future changes in technology will require major system upgrades.

b. **EMV (Europay Mastercard & Visa) – Chip embedded credit card technology,** which provides users added protection against fraud, is quickly approaching, if not already here.

- *Both Skidata and Amano have solutions for EMV and committed to providing their solution at no additional cost to the City. WPS has advised the City that they are developing an EMV solution; however, its availability and cost is contingent upon various factors. The following is an excerpt from an email sent by Mr. Garrett Coleman, Manufacturer's Representative, on March 17, 2015.*

"Please understand that there are a number of requirements that companies like WPS are not responsible for completing. These need to be resolved by the credit card industry. Until these are resolved, it is not possible to state for sure there will not be any added costs when the regulations are released and enforced."

c. **Validation of Disabled Permits.** The process to confirm legitimate disabled parking transactions, typically processed as exception validations, requires human interaction. Disabled parking permits are issued and directly linked to an individual. A disabled parking permit with matching user information on a government issued identification, such as a driver's license or state identification card must be presented to an attendant (at a remote location) for confirmation. Once confirmed, a validation may be processed for a parking fee waiver (the exception), as required by Code. The following are the exception validation solution provided by each proposer:

- *Amano's solution provides individual components; however, the solution is not currently integrated resulting in a very labor intensive process to audit and reconcile validations. Amano offered to further develop their solution, if requested to do so at no additional cost to the City.*
- *Skidata provides an automated audit feature to specifically confirm, track, and retrieve at any point in the future, all validations through a single source, the transient ticket transaction number. The following is a brief description of the Skidata automated solution for validations (exceptions).*

A customer provides their credentials (disabled parking permit and identification) for viewing by an attendant at a remote centralized monitoring location. The attendant can view the credentials and an image of the credentials is stored as an attachment (electronic file) to the specific transaction number for that customer. At a later date, any or all validations, including disabled parking validations, may be easily retrieved by referencing a single source (ticket transaction number) for auditing purposes. The images of the disabled parking permit and identification are easily retrieved, viewed, and confirmed.

- *WPS proffered to develop (and preliminarily tested) a similar functionality through their license plate recognition (LPR) system. However, their proposed solution is in the developmental stage.*

In FY 2013/14, there were a total of 26,968 disabled parking permit exception validation transactions, at all ten municipal parking garages, with a value of \$254,766. Without an effective exception validation system, the validation process for these transactions is vulnerable to manipulation/fraud. The Skidata solution closes this loophole with a proven, efficient, and user-friendly auditable feature for validated exception transactions. Amano and WPS proposed to enhance their current functionality; however, the proposed solutions are, to date, either unbuilt or untested.

It is important to note gated revenue control systems may also be used in municipal parking lots with high demand providing greater audit controls and preserving the integrity of disabled parking.

2. **References.** The City contacted references provided by each proposer and conducted a survey/questionnaire. All references for Skidata were deemed satisfactory; however, there were issues brought to the City's attention with regard to the past performance of Amano and WPS. The following are excerpts from responses received to the survey/questionnaire:

Amano Reference – City of West Palm Beach:

- System does not work off-line. Monthly access cards do not work off-line due to different facility codes at garages. Previous equipment from Federal APD would batch credit card. This equipment does not batch. Unable to process credit card transactions when there is a power outage, as evidenced in a recent lightning strike.

- Credit card jams on insertion. Recommends swipe.
- No capability to send information to spitter or exit gates. Example: when a ticket jams and the machine is turned off, the device does not reset itself and requires on-site reprogramming (cannot be reprogrammed remotely from central station).
- Intercoms go on and off-line. Currently, four are off-line (system is only two years old). Amano is quick to respond but intercoms are still down.

WPS Reference – City of Norfolk

Q. Are you satisfied with the audit/accounting capabilities of the software? Please explain system capabilities.

A. Not satisfied. Cash does not match shift report. Cash received via Pay-In-Lane (PIL) devices are not tallying correctly.

- PIL cash refunds are inaccurate due to issuance of same amount of change due to customer in both bills and coins resulting in a duplicate refund.
- WPS was not aware of this issue until advised by Reference.
- Reference has been thorough in providing WPS documentation regarding these malfunctions.
- This is particularly of concern in remote centralized motoring, since there is no cashier present to witness this occurrence. Reference personally witnessed this malfunction.
- This was discovered at their third busiest garage.
- Reference attempted unsuccessfully to have WPS provide replacement equipment; consulted with their legal department; and was advised to allow WPS to address the issue.
- New software update is required. Update was scheduled last year. There have been issues resulting in delays. Update is now scheduled for Spring/Summer 2015.
- Reference stated that it is prepared to pursue legal action.

3. **COST PROPOSALS.** The final cost proposals are itemized into three major areas: (1) cost of installed equipment; (2) rebate and removal of existing equipment; and (3) ten (10) year maintenance/support.

	Amano	Skidata	WPS
Equipment and Installation	\$3,418,950.00	\$3,667,412.00	\$2,769,205.00
Rebate on Existing Equipment	\$(273,100.00)	\$(32,500.00)	\$11,470.00
Maintenance and Support (10 Year)	\$3,823,237.52	\$3,158,266.60	\$2,478,461.00
Total 10 Year Costs	\$6,969,087.52*	\$6,793,178.60	\$5,259,136.00*

*These figures represent the final costs negotiated with and confirmed by each Proposer. As noted in Exhibit C, the City and the Proposers engaged in several rounds of cost negotiations to assure best pricing, address certain errors and omissions in Proposer's cost proposals and create a functional system baseline so that all proposals could be compared equitably. For example, Amano's original cost proposals inadvertently omitted the required dedicated employees (at a cost of \$821,197.52 over the ten year term) and Skidata's omitted the required training (at a cost of \$12,000.00 as an initial cost). Additionally, all proposers offered extra goods and services (above and beyond what is required for a fully functional system) that could enhance system operation and is available to the City for future consideration.

CITY MANAGER'S DUE DILIGENCE

The City's ten parking garages are currently operated with on-site cashiers/parking attendants and a gated revenue control system, provided by 3M (manufacturer). Collectively, all garages generate over \$16M in revenues with a labor expense for cashiers/attendants of \$3M, annually.

As you know, a Request for Proposals (RFP) for Parking Attendants was issued and an award is anticipated by the July 2015 City Commission meeting. A critical component required to manage and operate our municipal garages is a state-of-the-art revenue control system with remote monitoring. Remote monitoring will automate cashier operations at all parking garages reducing cashier labor expenses from \$3M to \$1.8M, a savings of \$1.2M (40%), annually. Therefore, a robust and reliable gated revenue control system is essential to process, collect, and audit transactions and their related revenues. While the City has considered a metered operations approach (see Exhibit B) to a gated system, the Administration has concluded that such approach is not cost effective.

Skidata's PARCS solution is composed of gated entrance and exit control systems with the ability to accept credit card payment in-lane and access credentials such as access cards, pay by mobile phone applications, or validations; automated pay stations with the ability of accepting credit card and cash payments; garage offices and central monitoring work stations composed of desktop computers, monitors and audio/video (intercoms); and software system that integrates with all revenue control devices at all garages and interfaces with the City's permit and financial management systems. More importantly, the system allows for Remote Monitoring reducing the need for cashier (labor) functions. This is anticipated to reduce parking attendant/cashier labor cost by 40%. In addition, remote monitoring allows for a variety of technology enhancements, including real time utilization, ability to change rates based on utilization, grant gate access, diagnose, troubleshoot, and potentially resolve a variety of alarms related to in-lane or peripheral equipment.

The City Manager, after carefully considering the results of the negotiation process and staff recommendations, recommends that the Mayor and City Commission authorize the Administration to finalize negotiations on final contract terms with Skidata, Inc.; and, upon successful conclusion of the negotiation terms by the Administration, authorize the Mayor and City Clerk to execute an Agreement for a gated revenue control system for the City's parking garages with Skidata. In support of this recommendation, the City Manager finds as follows:

Functionality

While Amano, Skidata, and WPS are very competitively matched in terms of general system functionality, the review and analysis conducted by staff indicate some significant differences in a few areas. Of greatest concern is the need to efficiently and effectively process transactions through remote monitoring while maintaining a user-friendly and reliable auditable trail, of validated transactions, most notable are disabled parking permit exemptions with an annual value exceeding \$250,000.

References

Section 2-369 of the City Code requires that, in the award of contracts, the following be considered:

- (1) The ability, capacity and skill of the bidder to perform the contract.
- (2) Whether the bidder can perform the contract within the time specified, without delay or interference.
- (3) The character, integrity, reputation, judgment, experience and efficiency of the bidder.
- (4) The quality of performance of previous contracts.
- (5) The previous and existing compliance by the bidder with laws and ordinances relating to the contract.

Skidata client references indicate that it has a satisfactory history of past performance. Past clients of both Amano and WPS expressed some concerns of each firm’s respective systems and response to system issues. Especially concerning is the experience shared by a past client of WPS in which it stated that the system was unable to accurately record and reconcile cash balances. This is a very dangerous scenario when one considers the amount of revenue (\$16M annually) flowing through the City’s gated revenue control system.

Cost

While system costs for all proposed systems are significant, the current estimated annual revenue yielded through the parking operations at which the reference equipment will be utilized is approximately \$16M. The following tables indicate costs as a percentage of revenue over the contract term for the new proposed systems, both in terms of overall project cost as well as yearly maintenance costs.

Equipment & Installation	Amano	Skidata	WPS
Equipment and Installation	\$3,418,950.00	\$3,667,412.00	\$2,769,205.00
Rebate for Existing Equipment and/or Cost of Removing Existing Equipment	(\$273,100.00)	(\$32,500.00)	\$11,470.00
Total Initial Costs	\$3,145,850.00	\$3,634,912.00	\$2,780,675.00

Recurring Annual Maintenance	Amano	Skidata	WPS
Total Maintenance Costs Over 10 Years	\$3,823,237.52	\$3,158,266.60	\$2,478,461.00
Estimated Revenue (10 Years)	\$160,000,000.00	\$160,000,000.00	\$160,000,000.00
Maintenance Only Cost as a Percentage of Revenue	2.39%	1.97%	1.55%

While cost is clearly an important consideration, the gated parking revenue control system is a major system for the City through which nearly \$16M is processed each year. System functionality and prior performance of the contractor is as critical as is the cost of the system.

Remote Monitoring Savings and Resulting Net Cost

The following is a comparison of current staffing cost versus proposed (reduced) staffing levels; new equipment/remote monitoring, including maintenance costs, over a ten year period.

The proposed reduction in attendant labor hours may be achieved as follows:

- Elimination of the second and third Parking Attendant I (cashier), if applicable, from all locations, Monday through Friday, dayshifts; and
- Elimination of all Parking Attendant I during off-peak (overnight) hours.
- Reduction of Parking Attendant II during off-peak hours.

Remote monitoring is anticipated to reduce cashier labor hours by 40%. This is attributed to a centralized remote monitoring consolidating cashier functions and tasks at one centralized location. Each workstation is equipped with data access control to process parking transactions; intercoms and video monitors for audio/video interactions with the customers; and will interface with the security camera system to be deployed in all garages under a separate formal competitive procurement process for security system. Additionally, annual maintenance costs over the next ten (10) years are less than current annual maintenance costs.

YEAR 1	CURRENT	PROPOSED	DIFFERENCE
Staffing	\$2,943,000*	\$1,800,000*	\$ (1,143,000)
Equipment Cost		\$3,635,000	\$3,635,000
Equipment Maintenance	\$225,000*	\$132,000	\$(93,000)
TOTAL	\$3,168,000	\$5,567,000	\$2,399,000
YEAR 2			
Staffing	\$2,943,000*	\$1,800,000*	\$ (1,143,000)
Equipment Maintenance	\$225,000*	\$173,000	\$ (52,000)
TOTAL	\$3,168,000	\$1,973,000	\$ (1,195,000)
YEAR 3			
Staffing	\$2,943,000*	\$1,800,000*	\$ (1,143,000)
Equipment Maintenance	\$225,000*	\$331,000	\$106,000
TOTAL	\$3,168,000	\$2,131,000	\$ (1,037,000)
YEAR 4			
Staffing	\$2,943,000*	\$1,800,000*	\$(1,143,000)
Equipment Maintenance	\$225,000*	\$342,000	\$117,000
TOTAL	\$3,168,000	\$2,142,000	\$(1,026,000)
YEAR 5			
Staffing	\$2,943,000*	\$1,800,000*	\$(1,143,000)
Equipment Maintenance	\$225,000*	\$353,000	\$128,000
TOTAL	\$3,168,000	\$2,153,000	\$(1,015,000)
YEAR 6			
Staffing	\$2,943,000*	\$1,800,000*	\$ (1,143,000)
Equipment Maintenance	\$225,000*	\$364,000	\$139,000
TOTAL	\$3,168,000	\$2,164,000	\$ (1,004,000)
YEAR 7			
Staffing	\$2,943,000*	\$1,800,000*	\$(1,143,000)
Equipment Maintenance	\$225,000*	\$376,000	\$151,000
TOTAL	\$3,168,000	\$2,176,000	\$(992,000)
YEAR 8			
Staffing	\$2,943,000*	\$1,800,000*	\$(1,143,000)
Equipment Maintenance	\$225,000*	\$388,000	\$163,000
TOTAL	\$3,168,000	\$2,188,000	\$(980,000)
YEAR 9			

Staffing	\$2,943,000*	\$1,800,000*	\$(1,143,000)
Equipment Maintenance	\$225,000*	\$400,000	\$175,000
TOTAL	\$3,168,000	\$2,200,000	\$(968,000)
YEAR 10			
Staffing	\$2,943,000*	\$1,800,000*	\$(1,143,000)
Equipment Maintenance	\$225,000*	\$413,000	\$188,000
TOTAL	\$3,168,000	\$2,213,000	\$(955,000)
TOTAL 10 YRS	\$31,680,000	\$24,907,000	\$(6,773,000)

* Assumes No Increase

The proposed solution results in an estimated total cost savings of \$6,773,000, over a ten year period.

Therefore, based on a combination of factors that includes equipment and comparable installations, past performance on previous public sector contracts and cost savings (especially when compared to the current system), the City Manager recommends that the Mayor and City Commission authorize the Administration to finalize negotiations on final contract terms with Skidata, Inc.

The City Manager further recommends that in the event that the City is unable to finalize successful negotiations with Skidata, Inc., to finalize negotiations on final contract terms with Amano McGann, Inc.

As a side note, the City Manager notes that during phase 1 evaluation of proposals, Skidata was recommended as the first-ranked Proposer by every Evaluation Committee member. Amano McGann followed Skidata with one second-place rank, one third-place rank and one fourth-place rank as scored by the Evaluation Committee.

CONCLUSION

The Administration recommends that the Mayor and City Commission of the City of Miami Beach, Florida, accept the recommendation of the City Manager, pursuant to Invitation To Negotiate (ITN) 2014-170-SW for a gated revenue control system for the City's parking garages; approving the material terms of an agreement between the City and Skidata, Inc., as set forth in the term sheet attached as Exhibit "A" hereto; authorizing the City Manager and the City Attorney's Office to finalize the Agreement based upon the material terms approved herein; provided that they may make any non-substantive and non-material revisions and/or additions to the Agreement, as they deem necessary; authorizing the Mayor and City Clerk to execute the final Agreement; and, in the event that the City is unable to finalize successful negotiations with Skidata, Inc., authorizing the City Manager and the City Attorney's Office to negotiate an Agreement with Amano McGann, Inc. based upon the material terms approved in Exhibit "A" herein (provided that they may make any non-substantive and non-material revisions and/or additions to the Agreement).

JLM/KGB/MT/SF/AD

T:\AGENDA\2015\June\PROCUREMENT\ITN 2014-170-SW Parking Garage Gated Revenue Control System for the City of Miami Beach MEMO (20150526 KGB).doc

TERM SHEET (EXHIBIT A)

BRIEF SCOPE OF WORK	AMANO	SKIDATA	WPS
	Removal/buy back of existing equipment, new equipment at all garages, installation, hardware/software, 10 years maintenance/support.		
PROPOSED EQUIPMENT	AMANO	SKIDATA	WPS
	Submitted Electronically	Submitted Electronically	Submitted Electronically
NEW EQUIPMENT COST - INSTALLED	AMANO	SKIDATA	WPS
Equipment	2,885,500.00	2,830,004.00	2,332,315.00
Installation	-	143,750.00	76,630.00
Software Installation	227,975.00	331,579.00	29,800.00
Other	305,475.00	362,079.00	330,460.00
TOTAL	\$3,418,950.00	\$3,667,412.00	\$2,769,205.00

Skidata is \$248,462 (7%) higher than Amano and \$898,207 (32%) higher than WPS.

REBATE/BUYBACK OF EXISTING EQUIPMENT

EXISTING EQUIPMENT	AMANO	SKIDATA	WPS
Rebate/Buy back for existing equipment	(288,100.00)	(50,000.00)	-
Cost to remove existing equipment	15,000.00	17,500.00	11,470.00
TOTAL	\$(273,100.00)	\$(32,500.00)	\$11,470.00

MAINTENANCE/SUPPORT TEN (10) YEARS

10 YEAR MAINTENANCE	AMANO	SKIDATA	WPS
Maintenance - Year 1	206,462.00	122,192.10	138,420.00
Maintenance - Year 2	299,881.00	163,241.70	205,900.00
Maintenance - Year 3	325,159.75	320,446.30	218,254.00
Maintenance - Year 4	350,527.25	330,844.20	229,985.00
Maintenance - Year 5	375,986.61	341,553.70	248,384.00
Maintenance - Year 6	401,543.04	352,583.40	270,698.00
Maintenance - Year 7	427,142.87	363,944.50	276,107.00
Maintenance - Year 8	452,948.55	375,646.40	284,391.00
Maintenance - Year 9	478,808.63	387,699.70	295,767.00
Maintenance - Year 10	504,777.81	400,114.60	310,555.00
TOTAL	\$3,823,237.52	\$3,158,266.60	\$2,478,461.00

Skidata is \$664,970.92 (17%) lower than Amano and \$679,805.60 (27%) higher than WPS.

SUMMARY/GRANDTOTAL OF ALL COSTS – TEN (10) YEARS:

	AMANO	SKIDATA	WPS
Equipment Cost	2,885,500.00	2,830,004.00	2,332,315.00
Additional Installation Cost	-	143,750.00	76,630.00
Software Cost	227,975.00	331,579.00	29,800.00
Existing Equipment	(273,100.00)	(32,500.00)	11,470.00
Maintenance Cost - 10 YEARS	3,823,237.52	3,158,266.60	2,478,461.00
Other	305,475.00	362,079.00	330,460.00
TOTAL	\$6,969,087.52	\$6,793,178.60	\$5,259,136.00

Over a ten (10) year period, including all maintenance and support, the grand total cost of Skidata is \$175,908.92 (3%) lower than Amano and \$1,534,042.60 (29%) higher than WPS.

**GATED REVENUE CONTROL SYSTEMS v. METERED OPERATIONS
ALTERNATIVE OPTION ANALYSIS
(EXHIBIT B)**

Recently, the concept of operating municipal garages as metered operations in lieu of gated revenue control systems was suggested. The Parking Department evaluated these two alternative methods of operating the City's parking garages and the following are the results.

Metered (pay station) parking is the standard in the industry for operating on-street parking and surface parking lots. This is predominantly due to parking spaces being dispersed over large geographic areas in these settings. Based on the concept presented, staff evaluated the potential impacts of converting garage operations in the City to metered operations. The following are high level impacts of operating garages with meters:

- Parking gated revenue control systems garners 100% of parking revenues as users must pay for their parking session prior to exit. Metered operations are based on enforcement levels and would require more intensive staffing levels.
 - The City's metered system has a compliance ratio of 85%, meaning 8.5 of 10 users pay for their parking. Therefore, 15% (\$2.4M of \$16M) in garage revenues would stand to be lost, if operated with meters.
 - In order to achieve the 85% compliance level 24/7 for all 10 garages, an estimated 50 additional enforcement officers would be needed, at an estimated cost of \$2,818,400, including salaries, health and pension benefits.
 - For the remaining 15% who do not pay, the City's citation capture rate is 10%, which could generate approximately \$972,000 in citation revenue (assuming a 90% collection rate), but the County retains \$611,820 of this, which represents the County's portion of 1/3 of citation revenue, as well as contributions to school crossing guards and technology (Autocite) fund.
- Citations and related fines derived from parking enforcement often have negative implications with the public. The City's portion of revenue generated from an \$18 overtime parking citation equates to \$6.67 per citation, after the County's fees are assessed.
- Diminished revenues related to potential disabled placard abuse. Identity of placard owner is not verified in metered facilities but is verified in staffed/gated garages.

In closing, the current cost of operating the gated revenue control systems in the City's 10 garages is \$2,985,500. With technology enhancements and remote monitoring, labor hours/costs are estimated to decrease by 40% to \$1,800,000. Even taking the capital costs of new equipment for all garages into account, the gated revenue control system would appear more cost/revenue effective.

Additional detail is provided in the analysis below, including increased capital expenses and other recurring operational expenses incurred with metered operations as compared to gated revenue control systems.

GATED REVENUE CONTROL SYSTEMS - METER COMPARISON

Equipment	\$3,635,000	\$ 0	\$ 0	\$3,635,000
Staffing	\$1,800,000	\$1,800,000	\$1,800,000	\$5,400,000
Maintenance	\$123,000	\$164,000	\$321,000	\$608,000
TOTAL:	\$5,558,000	\$1,964,000	\$2,121,000	\$9,643,000

137 METERS	\$1,027,500	\$ 0	\$ 0	\$1,027,500
Staffing	\$2,818,400	\$2,874,768	\$2,932,263	\$8,625,431
License Plate Recognition Vehicles	\$767,350	\$0	\$0	\$767,350
Maintenance	\$43,200	\$43,200	\$43,200	\$129,600
Meter Collections	\$220,000	\$220,000	\$220,000	\$660,000
TOTAL:	\$4,876,450	\$3,137,968	\$3,195,463	\$11,209,881

CONCLUSION:

Even taking the capital costs of new equipment for all garages into account, the gated revenue control system would appear more cost/revenue effective. Technology enhancements and remote monitoring available with the new gated revenue control system result in a reduction of labor hours/costs of approximately 40% to \$1,800,000 (currently at \$2,985,500). Furthermore, the cost of contracted labor at living wage rates is significantly lower than City employee labor expense (salary/benefit/pension).

**EXHIBIT C
 SUMMARY OF COST NEGOTIATIONS**

Below please find original cost proposal submittal from each proposer due by February 6, 2015. The chart below provides a chronology of negotiations and their respective results. Please note the FINAL offer for each firm was confirmed as follows: Amano: April 23, 2015; Skidata: May 19, 2015; and WPS: March 19, 2015.

Original Cost Proposal After Site Visits – Received February 6, 2015	AMANO	SKIDATA	WPS
Equipment Cost	\$2,883,500.00	\$2,906,329.00	\$2,370,745.00
Additional Installation Cost	\$0.00	\$143,750.00	\$76,630.00
Software Cost	\$227,975.00	\$331,579.00	\$29,800.00
Equipment Removal and Rebate	-\$213,100.00	\$17,500.00	\$11,470.00
Maintenance Cost	\$3,252,260.00	\$3,518,161.00	\$2,390,041.00
Other	\$655,500.00	\$257,102.00	\$476,704.00
PRELIMINARY TOTAL	\$6,806,135.00*	\$7,174,421.00*	\$5,355,390.00*

* After negotiation discussions with each Proposer to understand the cost proposals, staff requested revised Cost Proposals which were received on March 12, 2015.

Revised Cost Proposal – Received March 12, 2015	AMANO	SKIDATA	WPS
Equipment Cost	\$2,883,500.00	\$2,906,329.00	\$2,332,315.00
Additional Installation Cost	\$0.00	\$143,750.00	\$76,630.00
Software Cost	\$227,975.00	\$331,579.00	\$29,800.00
Equipment Removal and Rebate	-\$273,100.00	-\$32,500.00	\$11,470.00
Maintenance Cost	\$3,002,040.00	\$3,280,512.00	\$2,478,461.00
Other	\$699,900.00	\$217,102.00	\$444,070.00
TOTAL	\$6,540,315.00	\$6,846,772.00	\$5,372,746.00

* Staff determined that the revised cost proposals contained errors and omissions or additional equipment not requested by the City as follows.

Errors and Omissions	AMANO	SKIDATA	WPS
Corrections for Mathematical Errors on Cost Proposal	-\$346,975.00		
Reduction for Supplemental Items (Table 1)	-\$45,450.00		
Add Cost of Dedicated Employee Omitted from Amano's Cost Proposal	\$821,197.52		
Corrections for Mathematical Errors on Cost Proposal		\$72,743.56	
Reduction for Supplemental Items (Table 1)		-\$126,337.00	
Corrections for Mathematical Errors on Cost Proposal			\$28,200.00
Reduction for Supplemental Items (Table 1)			-\$141,810.00
TOTAL	\$428,772.52	-\$53,590.44	-\$113,610.00

Final Adjustments Confirmed by Proposers	AMANO	SKIDATA	WPS
Date Confirmed by Proposer	4/23/2015	5/19/2015	3/19/2015
Equipment Cost	\$2,885,500.00	\$2,830,004.00	\$2,332,315.00
Additional Installation Cost	\$0.00	\$143,750.00	\$76,630.00
Software Cost	\$227,975.00	\$331,579.00	\$29,800.00
Equipment Removal and Rebate	-\$273,100.00	-\$32,500.00	\$11,470.00
Maintenance Cost	\$3,823,237.52	\$3,158,266.60	\$2,478,461.00
*Other	\$305,475.00	\$362,079.00	\$330,460.00
FINAL TOTAL	\$6,969,087.52	\$6,793,178.60	\$5,259,136.00

TABLE 1: SUPPLEMENTAL ITEMS

Items not necessary for implementation/operation of system but available to the City in the future on an as needed basis.

AMANO	
G7 Bollards (\$150 x 8 = \$1,200)	\$1,200.00
G8 Bollards (\$150 x 1 = \$150)	\$150.00
G10 Bollards (\$150 x 2 = \$300)	\$300.00
Booth Removal (per booth)	\$2,000.00
Online Validation Software (eParcVal)	\$4,000.00
Daily pass online software (eFlexPass)	\$10,000.00
Bulk Validation Software (eFlexPrint)	\$6,000.00
Pedestrian Warning System (per system)(\$500 x 10 garages)	\$5,000.00
Basic signage package (per lane)(\$400 x 42 lanes)	\$16,800.00
TOTAL	\$45,450.00

SKIDATA	
WEBKey Managed System (annual fee year 1)	\$9,500.00
WEBKey Managed System (annual fee maintenance years 2-10)	\$98,617.00
Pedestrian Alert signage (Per Garage)(\$1,349 x 10 garages)	\$13,490.00
Lot Full Signage (\$473ea x 10 garages)	\$4,730.00
TOTAL	\$126,337.00

WPS	
Pedestrian warning light & buzzer at each exit	\$8,160.00
Printed graphic static signage: Budget	\$20,000.00
Additional protective bollard if required: (Each)	\$450.00
Electronic locks for accessing equipment housings (Lump sum)	\$85,000.00
Booth Removal: Not to exceed \$3,000.00 per booth Budget	\$3,000.00
Level Counting, Exterior Monument Sign: (Budget Each)	\$9,500.00
Floor Space Available Sign: (Budget Each)	\$2,800.00
Ramp counter for level counting using camera detection: (Each)	\$4,500.00
LPR Cameras, housing, and installation: (Each)	\$3,400.00
LPR site infrastructure where possible per lane: (Budget Each)	\$5,000.00
TOTAL	\$141,810.00

RESOLUTION NO. _____

A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, ACCEPTING THE RECOMMENDATION OF THE CITY MANAGER, PURSUANT TO INVITATION TO NEGOTIATE (ITN) 2014-170-SW FOR A GATED REVENUE CONTROL SYSTEM FOR THE CITY'S PARKING GARAGES; APPROVING THE MATERIAL TERMS OF AN AGREEMENT BETWEEN THE CITY AND SKIDATA, INC., AS SET FORTH IN THE TERM SHEET ATTACHED AS EXHIBIT "A" HERETO; AUTHORIZING THE CITY MANAGER AND THE CITY ATTORNEY'S OFFICE TO FINALIZE THE AGREEMENT BASED UPON THE MATERIAL TERMS APPROVED HEREIN; PROVIDED THAT THEY MAY MAKE ANY NON-SUBSTANTIVE AND NON-MATERIAL REVISIONS AND/OR ADDITIONS TO THE AGREEMENT, AS THEY DEEM NECESSARY; AUTHORIZING THE MAYOR AND CITY CLERK TO EXECUTE THE FINAL AGREEMENT; AND, IN THE EVENT THAT THE CITY IS UNABLE TO FINALIZE SUCCESSFUL NEGOTIATIONS WITH SKIDATA, INC., AUTHORIZING THE CITY MANAGER AND THE CITY ATTORNEY'S OFFICE TO NEGOTIATE AN AGREEMENT WITH AMANO MCGANN, INC. BASED UPON THE MATERIAL TERMS APPROVED IN EXHIBIT "A" HEREIN (PROVIDED THAT THEY MAY MAKE ANY NON-SUBSTANTIVE AND NON-MATERIAL REVISIONS AND/OR ADDITIONS TO THE AGREEMENT).

WHEREAS, on May 21, 2014, the Mayor and City Commission authorized the issuance of Invitation to Negotiate (ITN) 2014-170-SW for a Gated Revenue Control System for the City's parking garages, including centralized processing of data for all of the City's parking garages; a central monitoring station for intercoms and CCTV at all entrance and exit lanes; and centralized access control for all garage equipment; and

WHEREAS, on May 22, 2014, ITN 2014-170-SW was issued with an opening date of July 10, 2014; and

WHEREAS, on September 10, 2014, the Mayor and City Commission approved Resolution 2014-28720, accepting the recommendation of the City Manager and authorizing the Administration to enter into negotiations with all the proposers; to wit: Skidata Inc.; Amano McGann, Inc.; LCN, Inc. d/b/a Consolidated Parking Equipment; WPS USA Corp.; and Scheidt & Bachmann USA, Inc.; and

WHEREAS, on December 17, 2014, the City was notified by Consolidated Parking Equipment that it had withdrawn its proposal pursuant to the ITN; and

WHEREAS, on February 6, 2015, Scheidt & Bachmann USA, Inc. notified the City that it had withdrawn its proposal pursuant to the ITN; and

WHEREAS, staff held several negotiation sessions with all three (3) proposers, as well as a request for best and final cost proposals offers; and the Administration received final replies to the referenced negotiations on May 19, 2015.

NOW, THEREFORE, BE IT DULY RESOLVED BY THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, accept the recommendation of the City Manager, pursuant to Invitation To Negotiate (ITN) 2014-170-SW for a gated revenue control system for the City's parking garages; approving the material terms of an agreement between the City and Skidata, Inc., as set forth in the term sheet attached as Exhibit "A" hereto; authorizing the City Manager and the City Attorney's Office to finalize the Agreement based upon the material terms approved herein; provided that they may make any non-substantive and non-material revisions and/or additions to the Agreement, as they deem necessary; authorizing the Mayor and City Clerk to execute the final Agreement; and, in the event that the City is unable to finalize successful negotiations with Skidata, Inc., authorizing the City Manager and the City Attorney's Office to negotiate an Agreement with Amano McGann, Inc. based upon the material terms approved in Exhibit "A" herein (provided that they may make any non-substantive and non-material revisions and/or additions to the Agreement).

PASSED AND ADOPTED this _____ day of _____ 2015.

ATTEST:

Rafael E. Granado, City Clerk

Philip Levine, Mayor

T:\AGENDA\2015\June\PROCUREMENT\ITN 2014-170-SW Parking Garage Gated Revenue Control System for the City of Miami Beach RESO.doc

APPROVED AS TO
FORM & LANGUAGE
& FOR EXECUTION



City Attorney

6/1/15

Date

TERM SHEET (EXHIBIT A)

BRIEF SCOPE OF WORK	AMANO	SKIDATA	WPS
	Removal/buy back of existing equipment, new equipment at all garages, installation, hardware/software, 10 years maintenance/support.		
PROPOSED EQUIPMENT	AMANO	SKIDATA	WPS
	Submitted Electronically	Submitted Electronically	Submitted Electronically
NEW EQUIPMENT COST - INSTALLED	AMANO	SKIDATA	WPS
Equipment	2,885,500.00	2,830,004.00	2,332,315.00
Installation	-	143,750.00	76,630.00
Software Installation	227,975.00	331,579.00	29,800.00
Other	305,475.00	362,079.00	330,460.00
TOTAL	\$3,418,950.00	\$3,667,412.00	\$2,769,205.00

Skidata is \$248,462 (7%) higher than Amano and \$898,207 (32%) higher than WPS.

REBATE/BUYBACK OF EXISTING EQUIPMENT

EXISTING EQUIPMENT	AMANO	SKIDATA	WPS
Rebate/Buy back for existing equipment	(288,100.00)	(50,000.00)	-
Cost to remove existing equipment	15,000.00	17,500.00	11,470.00
TOTAL	\$(273,100.00)	\$(32,500.00)	\$11,470.00

MAINTENANCE/SUPPORT TEN (10) YEARS

10 YEAR MAINTENANCE	AMANO	SKIDATA	WPS
Maintenance - Year 1	206,462.00	122,192.10	138,420.00
Maintenance - Year 2	299,881.00	163,241.70	205,900.00
Maintenance - Year 3	325,159.75	320,446.30	218,254.00
Maintenance - Year 4	350,527.25	330,844.20	229,985.00
Maintenance - Year 5	375,986.61	341,553.70	248,384.00
Maintenance - Year 6	401,543.04	352,583.40	270,698.00
Maintenance - Year 7	427,142.87	363,944.50	276,107.00
Maintenance - Year 8	452,948.55	375,646.40	284,391.00
Maintenance - Year 9	478,808.63	387,699.70	295,767.00
Maintenance - Year 10	504,777.81	400,114.60	310,555.00
TOTAL	\$3,823,237.52	\$3,158,266.60	\$2,478,461.00

Skidata is \$664,970.92 (17%) lower than Amano and \$679,805.60 (27%) higher than WPS.

SUMMARY/GRANDTOTAL OF ALL COSTS – TEN (10) YEARS:

	AMANO	SKIDATA	WPS
Equipment Cost	2,885,500.00	2,830,004.00	2,332,315.00
Additional Installation Cost	-	143,750.00	76,630.00
Software Cost	227,975.00	331,579.00	29,800.00
Existing Equipment	(273,100.00)	(32,500.00)	11,470.00
Maintenance Cost - 10 YEARS	3,823,237.52	3,158,266.60	2,478,461.00
Other	305,475.00	362,079.00	330,460.00
TOTAL	\$6,969,087.52	\$6,793,178.60	\$5,259,136.00

Over a ten (10) year period, including all maintenance and support, the grand total cost of Skidata is \$175,908.92 (3%) lower than Amano and \$1,534,042.60 (29%) higher than WPS.

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COMMITTEE MEMORANDUM

TO: Finance and Citywide Projects Committee

FROM: Jimmy L. Morales, City Manager

DATE: July 1, 2015

SUBJECT: **DISCUSSION REGARDING THE TRANSFER, VIA QUIT CLAIM DEED, TO THE FLORIDA DEPARTMENT OF TRANSPORTATION (FDOT) THE PROPERTY IDENTIFIED IN EXHIBIT A, AS THE PROPERTY HAS BEEN CONSTRUCTED UPON BY FDOT AND UTILIZED AS A TURNING LANE FROM MICHIGAN AVENUE ONTO ALTON ROAD; CONTAINING APPROXIMATELY 4,014 SQUARE FEET IN TOTAL AREA; WAIVING BY 5/7TH VOTE, THE COMPETITIVE BIDDING REQUIREMENTS AND INDEPENDENT APPRAISAL REQUIREMENTS OF SECTION 82-39 OF THE CITY CODE, FINDING THAT THE PUBLIC INTEREST WOULD BE SERVED BY WAIVING SUCH CONDITIONS.**

The following item was referred to the Finance and Citywide Project Committee (FCWPC) at the June 10, 2015 City Commission, pursuant to Section 82-37(a)(1) of the City Code.

BACKGROUND

The State of Florida Department of Transportation (FDOT) has already improved State Road No. 907, Item No. 429193-1, in Miami-Dade County, Florida, otherwise known as the turning lane and intersection of Michigan and Alton Road, Miami Beach, Florida. It is necessary that certain property identified in Exhibit A (hereinafter "Property") now owned by the City of Miami Beach, be acquired by FDOT, as it appears that the turn lane from Michigan Avenue onto Alton Road was constructed by FDOT on the Property and has been utilized and maintained for years by FDOT.

The property is not needed for City purposes, is already being used and maintained by FDOT, and does facilitate transportation in the City. FDOT has applied to the City to execute and deliver to the FDOT a deed, or deeds, in favor of the FDOT, conveying all rights, title and interest to the Property, as this area is required for transportation purposes. It is necessary that this Property now owned by the City of Miami Beach, Florida, be acquired by FDOT. Pursuant to Section 82-37(a), of the City Code, the City Commission on June 10, 2015 scheduled the second reading, public hearing on this item for July 8, 2015. Pursuant to Section 82-37, the sale or transfer of City property was referred by the City Manager to the Finance and Citywide Projects Committee and was heard on July 1, 2015, at which time the Committee recommended in favor of the transfer. Pursuant to Section 82-38, of the City Code, the Planning Department prepared a written planning analysis, which is attached hereto. Although the City's procedures for the lease of sale or sale of public property also require an advertised public bidding process and an independent appraisal, these requirements may be waived by 5/7th vote. As FDOT needs the Property as a turning lane, and has already utilized the area as a turning lane and has maintained the area for some time, it is in the City's best interest, for transportation purposes, to transfer title to the Property to FDOT. The City Administration recommends that

the Mayor and City Commission waive the competitive bidding requirement and independent appraisal requirement, finding that the public interest is served by waiving such conditions.

CONCLUSION

The following is provided to the members of the FCWPC for discussion and further direction.

Attachment

A - Sketch and Legal

B – Commission Memorandum Analysis of proposed Right of Way (ROW) transfer to the Florida Department of Transportation (FDOT) – Michigan and Alton



MT/ETC/JJF/FRS

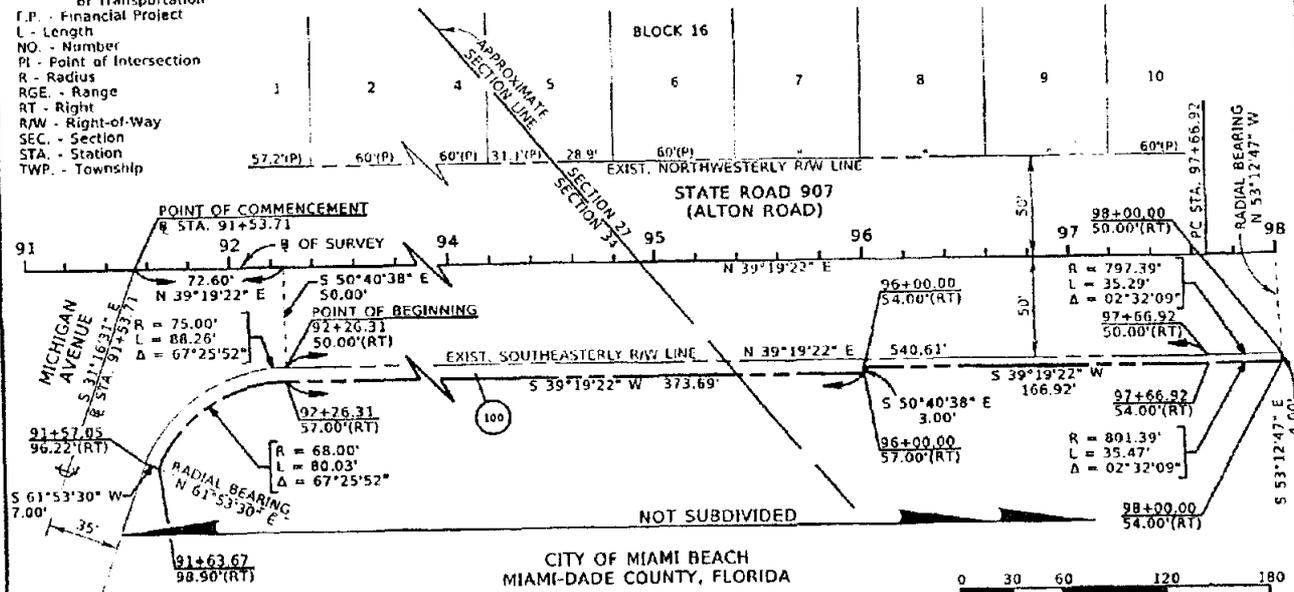
PARCEL NO.	OWNER'S NAME	PARCEL AREA	REMAINDER	COMMENTS
100	CITY OF MIAMI BEACH	4.014 SQ. FT.	UNDETERMINED	

EXHIBIT "A"

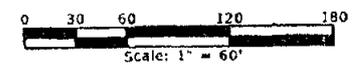
SEC. 27, 34, TWP. 55S, RGE. 2E

- LEGEND:**
- B - Baseline
 - C - Center Line
 - 100 - Parcel Identification Number
 - A - Curve Central Angle
 - EXIST. - Existing
 - FDOT - Florida Department of Transportation
 - F.P. - Financial Project
 - L - Length
 - NO. - Number
 - PI - Point of Intersection
 - R - Radius
 - RGE. - Range
 - RT - Right
 - R/W - Right-of-Way
 - SEC. - Section
 - STA. - Station
 - TWP. - Township

**AMENDED PLAT OF
SUNSET LAKE SUBDIVISION**
P.B. 8, PG. 52



CITY OF MIAMI BEACH
MIAMI-DADE COUNTY, FLORIDA



This document consists of two (2) sheets and shall not be considered full, valid, and complete unless each sheet is attached to the other.

THIS IS NOT A SURVEY

FLORIDA DEPARTMENT OF TRANSPORTATION SPECIFIC PURPOSE SURVEY			STATE ROAD NO. 907			MIAMI-DADE COUNTY		
APPROVED:	DATE:	BY:	DRAWN:	DATE:	CHECKED:	DATE:	F.P. NO. 429193-1	SECTION 87037
								SHEET 2 OF 2

Attachment - A

MIAMI BEACH

PLANNING DEPARTMENT

COMMISSION MEMORANDUM

TO: Jimmy L. Morales, City Manager

FROM: Thomas R. Mooney, AICP
Planning Director



DATE: May 26, 2015

SUBJECT: **Analysis of Proposed Right of Way (ROW) Transfer to the Florida Department of Transportation (FDOT) – Michigan and Alton**

BACKGROUND

Section 82-38 of the Code of the City of Miami Beach requires that any proposed sale or lease of City-owned land be analyzed from a planning perspective so that the City Commission and the public are fully apprised of all conditions relating to the proposed sale or lease.

The proposal is to transfer property that runs parallel to the north side of Michigan Avenue and the east side of Alton Road, as depicted in Exhibit A. The right of way contains approximately 4,014 square feet in total lot area. The property was built on by FDOT and used as a turning lane from Michigan Avenue onto Alton Road. The following is an analysis based on the criteria delineated in the Code.

ANALYSIS

1. **Whether or not the proposed use is in keeping with city goals and objectives and conforms to the city comprehensive plan.**

Consistent – The property proposed to be transferred to FDOT is being used to allow for a turning lane from Michigan Avenue to Alton Road. This is the result of coordination between the City of Miami Beach and FDOT in order to improve the flow of traffic, which is consistent with the Comprehensive Plan Transportation Element Objective 10, which states the following:

Objective 10: TRANSPORTATION COORDINATION WITH OTHER JURISDICTIONS

Transportation efforts in the City will be coordinated with the plans and programs of other state and local jurisdictions including; the Miami-Dade Metropolitan Planning Organization (MPO), the Florida Department of Transportation (FDOT), Miami-Dade County Public Works (MDCPW), and Miami-Dade Transit (MDT), and other local jurisdictions.

2. **The impact on adjacent property, including the potential positive or negative impacts such as diminution of open space, increased traffic, noise level or enhanced property values, improved development patterns and provision of necessary services. Based on the proposed use of the property, the city shall determine the potential impact of the project on city utilities and other infrastructure needs and the magnitude of costs associated with needed infrastructure improvements. Should it become apparent that further evaluation of traffic impact is needed, the proponent shall be responsible for obtaining a traffic impact analysis from a reputable traffic engineer.**

Consistent – No negative impacts are anticipated by the proposal, as the use of the property will not change, since it is currently being used as a right turn lane.

3. **A determination as to whether or not the proposed use is in keeping with a public purpose and community needs, such as expanding the city's revenue base, creating jobs, creating a significant revenue stream, and improving the community's overall quality of life.**

Consistent – This proposal allows for the maintenance of traffic flow at the intersection of Michigan Avenue and Alton Road by FDOT. The property will be maintained in the public realm, so the public purpose of maintaining traffic flow will be maintained.

4. **A determination as to whether or not the development is in keeping with the surrounding neighborhood, will block views or create environmental intrusions, and evaluation of the design and aesthetic considerations of the project.**

Consistent – The surrounding neighborhood will not be negatively affected, as the use of the property will not change. The property is currently being used as a right turn lane, and will not block views or create environmental impacts.

5. **The impact on adjacent properties, whether or not there is adequate parking, street and infrastructure needs.**

Consistent – Transfer of this property to FDOT will not affect the parking or infrastructure needs of adjacent properties, as there is currently no parking on the property, and it allows for the appropriate maintenance of the infrastructure.

6. **Such other issues as the city manager or his authorized designee, who shall be the city's planning director, may deem appropriate in analysis of the proposed disposition.**

Not applicable – The Planning Department has no other issues it deems appropriate to analyze for this proposal.

RESOLUTION NO. _____

A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, PURSUANT TO SECTION 82-37(a)(2) OF THE CITY CODE, SETTING A PUBLIC HEARING TO CONSIDER APPROVING, ON SECOND READING, THE TRANSFER, VIA QUIT CLAIM DEED, TO THE FLORIDA DEPARTMENT OF TRANSPORTATION (FDOT) THE PROPERTY IDENTIFIED IN EXHIBIT "A," AS THE PROPERTY HAS BEEN CONSTRUCTED UPON BY FDOT AND UTILIZED AS A TURNING LANE FROM MICHIGAN AVENUE ONTO ALTON ROAD; CONTAINING APPROXIMATELY 4,014 SQUARE FEET IN TOTAL AREA; FURTHER WAIVING, BY 5/7THS VOTE, THE COMPETITIVE BIDDING REQUIREMENTS AND INDEPENDENT APPRAISAL REQUIREMENTS OF SECTION 82-39(b) OF THE CITY CODE, FINDING THAT THE PUBLIC INTEREST WOULD BE SERVED BY WAIVING SUCH CONDITIONS; DIRECTING THE ITEM BE SENT TO THE NEXT FINANCE AND CITYWIDE PROJECTS COMMITTEE MEETING; AND DIRECTING THE CITY'S PLANNING DEPARTMENT TO PREPARE A PLANNING ANALYSIS PURSUANT TO SECTION 82-38 OF THE CITY CODE.

WHEREAS, the State of Florida Department of Transportation (FDOT) has already improved State Road No. 907, Item No. 429193-1, in Miami-Dade County, Florida, otherwise known as the turning lane and intersection of Michigan and Alton Road, Miami Beach, Florida; and

WHEREAS, it is necessary that certain property identified in Exhibit "A" (hereinafter "Property"), currently owned by the City of Miami Beach, be acquired by FDOT, as it appears that the turn lane from Michigan Avenue onto Alton Road was constructed by FDOT on the Property and has been utilized and maintained for years by FDOT; and

WHEREAS, the Property is not needed for City purposes, is already being used and maintained by FDOT, and does facilitate transportation in the City; and

WHEREAS, FDOT has applied to the City to execute and deliver to the FDOT a deed, or deeds, in favor of the FDOT, conveying all rights, title and interest to the Property, as this area is required for transportation purposes; and

WHEREAS, it is necessary that this Property now owned by The City of Miami Beach, Florida, be acquired by FDOT; and

WHEREAS, pursuant to Sections 82-37, the sale or transfer of City property is to be referred by the City Manager to the Finance and Citywide Projects Committee; and

WHEREAS, pursuant to Section 82-38, of the City Code, the Planning Department is to prepare a written planning analysis, to be submitted to the City Commission concurrent with its consideration of the proposed conveyance; and,

WHEREAS, although the City's procedures for the lease of sale or sale of public property also require an advertised public bidding process and an independent appraisal, these requirements may be waived by 5/7th vote; and

WHEREAS, as FDOT needs the Property as a turning lane, and has already utilized the area as a turning lane and has maintained the area for some time, it is in the City's best interest, for transportation purposes, to transfer title to the Property to FDOT; and

WHEREAS, the City Administration recommends that the Mayor and City Commission waive the competitive bidding requirement and independent appraisal requirement, as permitted pursuant to 82-39(b) finding that the public interest is served by waiving such conditions.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, pursuant to Section 82-37(a)(2) of the City Code, setting a public hearing to consider approving, on second reading, the transfer, via quit claim deed, to the Florida Department of Transportation (FDOT) the property identified in Exhibit "A," as the property has been constructed upon by FDOT and utilized as a turning lane from Michigan Avenue onto Alton Road; containing approximately 4,014 square feet in total area; further waiving, by 5/7th vote, the competitive bidding requirements and independent appraisal requirements of Section 82-39(b) of the City Code, finding that the public interest would be served by waiving such conditions; directing the item be sent to the next Finance and Citywide Projects Committee meeting; and directing the City's Planning Department to prepare a Planning Analysis pursuant to Section 82-38 of the City Code.

PASSED and ADOPTED this _____ day of June, 2015.

Philip Levine, Mayor

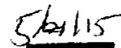
ATTEST:

Rafael E. Granado, City Clerk

**APPROVED AS TO
FORM & LANGUAGE
& FOR EXECUTION**



City Attorney



Date

This instrument prepared by, or under the supervision of
(and after recording, return to):

Raul Aguila
City Attorney
City of Miami Beach
1700 Convention Center Drive
Miami Beach, Florida 33139

(Reserved for Clerk of Court)

QUIT-CLAIM DEED

THIS QUIT-CLAIM DEED, made as of this ____ day of _____, 2015 (the Effective Date), by the City of Miami Beach, Florida, a municipal corporation whose address is 1700 Convention Center Drive, Miami Beach, Florida, 33139, first party, to the Florida Department of Transportation, second party:

(Wherever used herein the terms first party and second party shall include singular and plural, heirs, legal representatives, and assigns of individuals, and the successors and assigns of corporations, wherever the context so admits or requires).

WITNESSETH, that the said first party, for and in consideration of the sum of TEN DOLLARS and other good and valuable consideration (\$10.00) in hand paid by the said second party, the receipt whereof is hereby acknowledged, does hereby remise, release and quit-claim unto the said second party forever, all the right, title, interest, claim and demand which the said first party has in and to the following described property being situated in Miami-Dade County, Florida, and legally described as follows:

See attached Exhibit "A"

TO HAVE AND TO HOLD the same together with all the tenements, hereditaments and appurtenances thereunto belonging.

It is the intent of first party, by this instrument, to convey to second party the land described in Exhibit "A" hereto.

IN WITNESS WHEREOF, The said first party has signed and sealed these presents the day and year first above written.

Signed, sealed and delivered
in the presence of:

Witnesses: City of Miami Beach

Print Name: _____ By: _____
Philip Levine, Mayor

Print Name: _____

STATE OF FLORIDA)
COUNTY OF MIAMI-DADE)

The foregoing instrument was acknowledged before me this ____ day of _____, 2015 by Philip Levine, as Mayor of the City of Miami Beach, who is personally known to me or who has produced _____ as identification and did (did not) take an oath.

My Commission Expires: _____
Notary Public, State of Florida

City of Miami Beach

By: _____
Rafael E. Granado, City Clerk

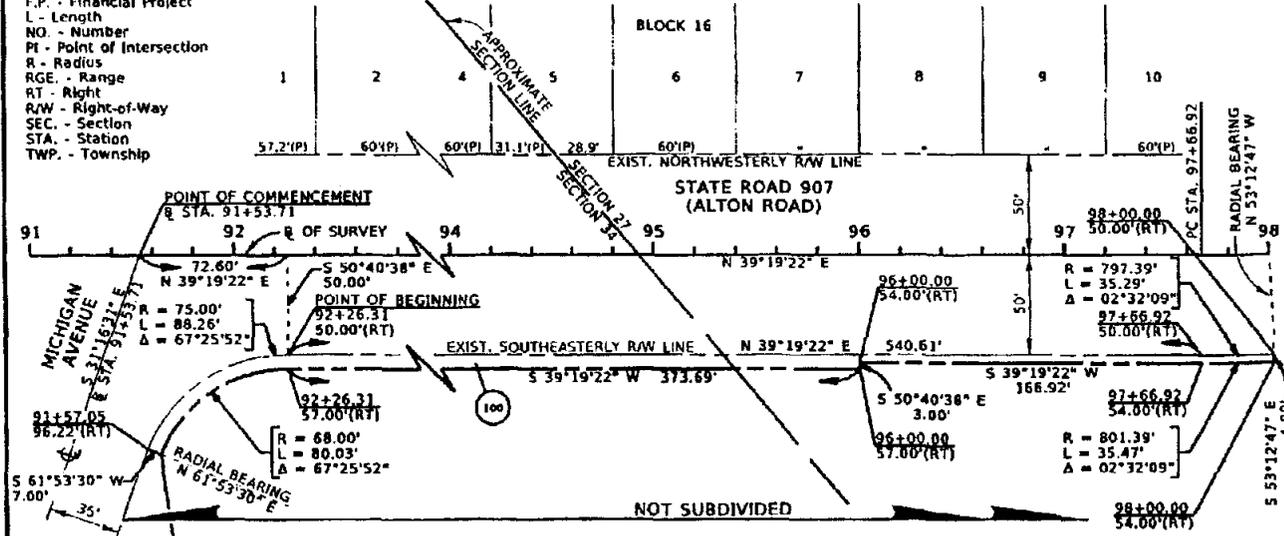
PARCEL NO.	OWNER'S NAME	PARCEL AREA	REMAINDER	COMMENTS
100	CITY OF MIAMI BEACH	4,014 SQ. FT.	UNDETERMINED	

EXHIBIT "A"

SEC. 27, 34, TWP. 53S, RGE. 42E

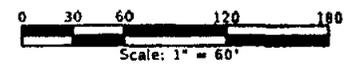
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AMENDED PLAT OF
SUNSET LAKE SUBDIVISION
P.B. 8, PG. 52



This document consists of two (2) sheets and shall not be considered full, valid, and complete unless each sheet is attached to the other.

THIS IS NOT A SURVEY



FLORIDA DEPARTMENT OF
TRANSPORTATION
SPECIFIC PURPOSE
SURVEY

STATE ROAD NO. 907				MIAMI-DADE COUNTY			
DATE	BY	DATE	BY	DATE	BY	DATE	BY
10/01/14	W.A.RATA	05/10/11	D.DENIS	10/01/14	W.A.RATA	05/10/11	D.DENIS
DRAWN		CHECKED		F.P. NO.		SECTION	
D.DENIS		W.A.RATA		429193-1		87037	
SHEET 2 OF 2							

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F&CWP Pending Items - Commission Referrals

Item #	Title	Referred By	Date Referred	Handled By	Date Expiring per Reso # 2013-28147	Note
194	Discussion regarding whether or not to pursue food and beverage concessions for Soundscape Park, Collins Park, and the Miami Beach Botanical Garden	Tourism, Culture and Economic Development	May 21, 2014 Commission Item C4C	Max Sklar	7/7/2015	6/20/14 The Committee recommended pursuing food and beverage concessions through the pop up concept or food trucks for Soundscape Park, Collins Park and the Miami Beach Botanical Garden to begin in October. 1/7/15 The Committee recommended moving forward with the Soundscape Park term sheet presented. The Committee also determined that Collins Park will go out as a Request for Letter of interest for a pop up or a temporary food concession concept and the results are to be brought back to the Finance Committee. In reference to the Botanical Gardens the Committee is waiting for staff to bring back additional concepts.
208	Discussion regarding Parking Demand Analysis/Walker Parking Consultants	Parking	July 23, 2014 Commission Item C4I	Saul Frances	6/12/2015	12/12/14 The Committee took no action, but encouraged the Administration to return when potential solutions are identified.
232	Referral To The December 12, 2014 Finance & Citywide Projects Committee To Amend The Living Wage Ordinance Insurance Provision In Light Of ObamaCare	Deede Weithorn	November 19, 2014 Commission Item C4D	Alex Denis	6/12/2015	12/12/14 Item deferred to February
238	Referral To The December 12, 2014 Finance And Citywide Projects Committee To Discuss A Public Private Partnership For A Two-Story Parking Structure To Be Erected Over Both City Parking Lot P62 And A Private Parking Lot, On 42nd Street, Between Jefferson Street And Meridian Avenue.	Deede Weithorn	November 19, 2014 Commission Item C4K	Saul Frances	10/8/2015	12/12/14 Item deferred to January. 1/7/15 Item deferred to February 2/2/15 Item deferred. 4/8/15 The Committee recommended staff meet with LSM Partners to put together an analysis that would demonstrate if a parking structure should be erected at the Parking Lot P62 and the Private Parking Lot on 42nd Street between Jefferson Street and Meridian.
247	Discussion Regarding Partial Payments Of Annual And Sick Leave For Participants Of The Deferred Retirement Option Plan (DROP)	Deede Weithorn	December 17, 2014 Commission Item C4E	Sylvia Crespo-Tabak Patricia Walker	6/17/2015	1/7/15 Item deferred to February
253	Discussion Regarding The Requirement For City Contractors To Provide Equal Benefits For Domestic Partners	Deede Weithorn	January 14, 2015 Commission Item C4J	Alex Denis	7/14/2015	2/2/15 Item deferred.
263	Discussion Regarding The Construction Of A Parking Garage At The 27th Street And Collins Avenue Parking Lot	Parking	February 11, 2015 Commission Item C4C	Saul Frances	9/2/2015	3/2/15 The Committee recommended staff involve the Walker Parking Consultants that conducted the study to provide the numbers again, check for accuracy of the study and to bring those results back to the Finance Committee. Mr. Max Sklar was asked to further investigate the valet parking in Municipal Parking Lot No. P55.
277	Discussion Regarding A Potential Public-Private Partnership With 1234 Partners, LTD. For A Parking Garage On The 1200 Block Of Washington Avenue	Parking	June 10, 2015 Commission Item C4B	Saul Frances	12/10/2015	
278	Discussion Regarding Land Use & Development Committee And The Planning Board For The Review Of All Planning Fees, Including Fees Associated With Plans Review, Board Applications And Other Ministerial Functions	Joy Malakoff	June 10, 2015 Commission Item C4C	Patricia Walker Thomas Mooney	12/10/2015	
279	Discussion Regarding A Request From The Parks And Recreation Facilities Committee For A Competition Swimming Pool	Joy Malakoff	June 10, 2015 Commission Item C4K	John Rebar	12/10/2015	
280	A Resolution Accepting The Recommendation Of The City Manager, Pursuant To Invitation To Negotiate (ITN) 2014-170-SW For A Gated Revenue Control System For The City's Parking Garages, Approving The Material Terms Of An Agreement Between The City And Skidata, Inc., As Set Forth In The Term Sheet Attached As Exhibit "A" Hereto, Authorizing The City Manager And The City Attorney's Office To Finalize The Agreement Based Upon The Material Terms Approved Herein: Provided That They May Make Any Non-Substantive And Non-Material Revisions And/Or Additions To The Agreement, As They Deem Neccessary ; Authorizing The Mayor and City Clerk To Execute The Final Agreement; And In The Event That The City Is Unable To Finalize Successful Negotiations With Skidata, Inc., Authorizing The City Manager And The City Attorney's Office To Negotiate An Agreement With Amano McGann, Inc. Based Upon The Material Terms Approval in Exhibit "A" Herein (Provided That They May Make Any Non-Substantive And Non-Material Revisions And/Or Additions To The Agreement)	Procurement/Parking	June 10, 2015 Commission Item R7M	Alex Denis Saul Frances	12/10/2015	

Item #	Title	Referred By	Date Referred	Handled By	Date Expiring per Reso # 2013-28147	Note
281	A DISCUSSION REGARDING A NEW LEASE AGREEMENT BETWEEN THE CITY OF MIAMI BEACH (LANDLORD) AND SB WAXING, INC. (TENANT) INVOLVING THE USE OF APPROXIMATELY 1,21 SQUARE FEET OF GROUND FLOOR RETAIL SPACE LOCATED AT 1701 MERIDIAN AVENUE, UNIT 3 (AK/A 771 17TH STREET), MIAMI BEACH, FLORIDA (PREMISES), FOR AN INITIAL TERM OF FIVE (5) YEARS, WITH ONE (1) RENEWAL OPTION FOR AN ADDITIONAL FOUR (4) YEARS AND THREE HUNDRED AND SIXTY FOUR (364) DAYS.			Mark Milisits		
282	A DISCUSSION OF A RESOLUTION OF THE CHAIRPERSON AND MEMBERS OF THE MIAMI BEACH REDEVELOPMENT AGENCY (RDA), ACCEPTING THE RECOMMENDATION OF THE FINANCE AND CITYWIDE PROJECTS COMMITTEE, PURSUANT TO INVITATION TO NEGOTIATE (ITN) NO. 2015-060-LR (THE ITN), FOR THE LEASING OF CITY-OWNED BUILDINGS AND ROOFTOPS FOR THE PLACEMENT OF TELECOMMUNICATIONS EQUIPMENT, AND AUTHORIZE THE EXECUTIVE DIRECTOR TO EXECUTE A NINE YEAR AND 364 DAY LEASE AGREEMENT WITH CROWN CASTLE NG EAST, LLC ("TENANT"). ATTACHED AND INCORPORATED HEREIN AS EXHIBIT A, FOR TENANT TO OPERATE AND MAINTAIN ITS EXISTING TELECOMMUNICATIONS HUB ON THE ROOF OF THE RDA'S PARKING GARAGE LOCATED AT 1550 COLLINS AVENUE. WITH A MONTHLY RENT OF \$4,000.00			Max Sklar		
283	A Resolution Pursuant To Section 82-37(a)(2) Of The City Code, Setting A Public Hearing To Consider Approving, On Second Reading, The Transfer, Via Quit Claim Deed, To The Florida Department Of Transportation (FDOT) The Property Identified In Exhibit "A," As The Property Has Been Constructed Upon By FDOT And Utilized As A Turning Lane From Michigan Avenue Onto Alton Road; Containing Approximately 4,014 Square Feet In Total Area; Further Waiving, By 5/7th Vote, The Competitive Bidding Requirements And Independent Appraisal Requirements Of Section 82-39 Of The City Code, Finding That The Public Interest Would Be Served By Waiving Such Conditions	City Attorney	June 10, 2015 Commission Item R7D	Eve Boutsis	12/10/2015	