

Parking Garages 1 & 4 Redevelopment RFP

CITY COMMISSION
DEVELOPER'S PROPOSAL

MARCH 26, 2019

CORAL
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SUBJECT PROPERTIES



Garage 4
348 spaces
2450 Salzedo



Garage 1
282 spaces
245 Andalusia



CITY OBJECTIVES

- ❑ Replace two parking garages that have many operational deficiencies with a **new parking garage** (above and beyond recent cosmetic improvements).
- ❑ Provide public parking to meet the **future parking needs** of Downtown businesses.
- ❑ Introduce appropriately scaled **mixed uses**, especially ground floor retail and residential, onto Andalusia Avenue to support the City's goals for a vibrant, walkable Downtown.
- ❑ Pursue a holistic approach to these objectives that **balances** parking, planning, design, economic development, community and financial considerations.

PURPOSE OF PRESENTATION



A RESOLUTION APPROVING THE GENERAL BUSINESS TERMS AND AUTHORIZING THE CITY MANAGER AND CITY ATTORNEY TO NEGOTIATE A DEVELOPMENT AGREEMENT WITH CORAL GABLES CITY CENTER, LLC (CGCC) FOR THE REDEVELOPMENT OF MUNICIPAL PARKING GARAGES 1 AND 4 (G1 AND G4) IN WHICH CGCC PROPOSES A PUBLIC PRIVATE-PARTNERSHIP TO PROVIDE AN IMPROVED PARKING STRUCTURE WHERE THE CITY WILL RETAIN OWNERSHIP OF THE PUBLIC PARKING COMPONENT IN G1 AND ALLOW CGCC TO BUILD A RESIDENTIAL MIXED-USE PROJECT IN G4 COMPATIBLE WITH THE SURROUNDING NEIGHBORHOOD. *(This resolution requires a 4/5 vote because of the value; if an agreement is reached with CGCC an ordinance will come back to City Commission for two readings)*

SUMMARY OF CGCC'S CURRENT PROPOSAL

		G1	G4	CGCC Current Proposal
Public Spaces	Total Full Time Parking Spaces	750	-	750
	FAR (Total between both sites)	0.572	6.382	4.12
Massing	G1 (owned by City)			
	Retail	20,000 SF	-	20,000 SF
	G4 (owned by CGCC)	-	333,300 SF	333,300 SF
	Residential	-	245 Units	245 Units
	Retail	-	18,000 SF	18,000 SF
	Building Area (total both sites)	20,000	351,300	371,300
	Height	97'	141'	97' / 141'
	# Total Parking Floors	8	3	8 / 3
	# Total Floors	9	13	9 / 13
	Encroachment (Alley)	10'	10'	10 / 10
Ownership	Fee Simple Owner	City	CGCC	City/CGCC
	Paseo	N/A	N/A	N/A
Finance	City's Annual Payment	(\$480,000)	-	(\$480,000)
	Cost of Retail	(\$6,100,000)	-	(\$6,100,000)
	Permit Waiver/Impact Fee Reimb.	-	(\$3,360,000)	(\$3,360,000)

PARKING REQUIREMENTS VS. SUPPLY



	G1		G4		Total		Surplus/(Deficit) Spaces
	Required	Provided	Required	Provided	Required	Provided	
Residential	-	-	411	400	411	400	(11) ¹
Retail Spaces	67	-	60	-	127	-	(127)
Total Private	67	-	471	400	538	400	(138)
Public Parking	-	750	-	-	-	750	750
							CGCC's Retail absorbed in Public System (60)
							City Retail absorbed in Public System (67)
							Net public parking 623

¹ Per discussion with the City's Parking and Planning Director, the number of parking spaces provided for the Residential is not enough per the City Code, but due to the parking demand of luxury brand products the provided parking is sufficient to meet the private use.

FAR ANALYSIS



	Garage 1			Garage 4			Total		
	Land SF	Bldg SF	FAR	Land SF	Bldg SF	FAR	Land SF	Bldg SF	FAR
Garages	34,941	20,000	0.57	55,000	351,000	6.38	89,941	371,000	4.12

The City Attorney has issued an opinion that allows the mixed use project to blend the FAR of these two non-adjoining sites as part of this public private partnership

TDR'S NEEDED



		FAR		
	Site Area	Including	City	Total
	Square Feet	Med Bonus	TDR's	
		3.5	up to .875	4.12
G1	34,941	122,294	8,381	130,675
G4	55,000	192,500	48,125	240,625
City Site Area	89,941	314,794	56,506	371,300
		G1 Retail City-Owned		(20,000)
		CGCC-Owned Total SF		351,300

PARKING/BUILDING FLOORS/HEIGHTS



	750 Spaces	
	G1 (Garage)	G4 (Residential)
Retail Floors	1	1
Parking Floors	8	3
Residential Floors	0	9
Total	9	13
Height	97.4'	141'

G1 – GARAGE

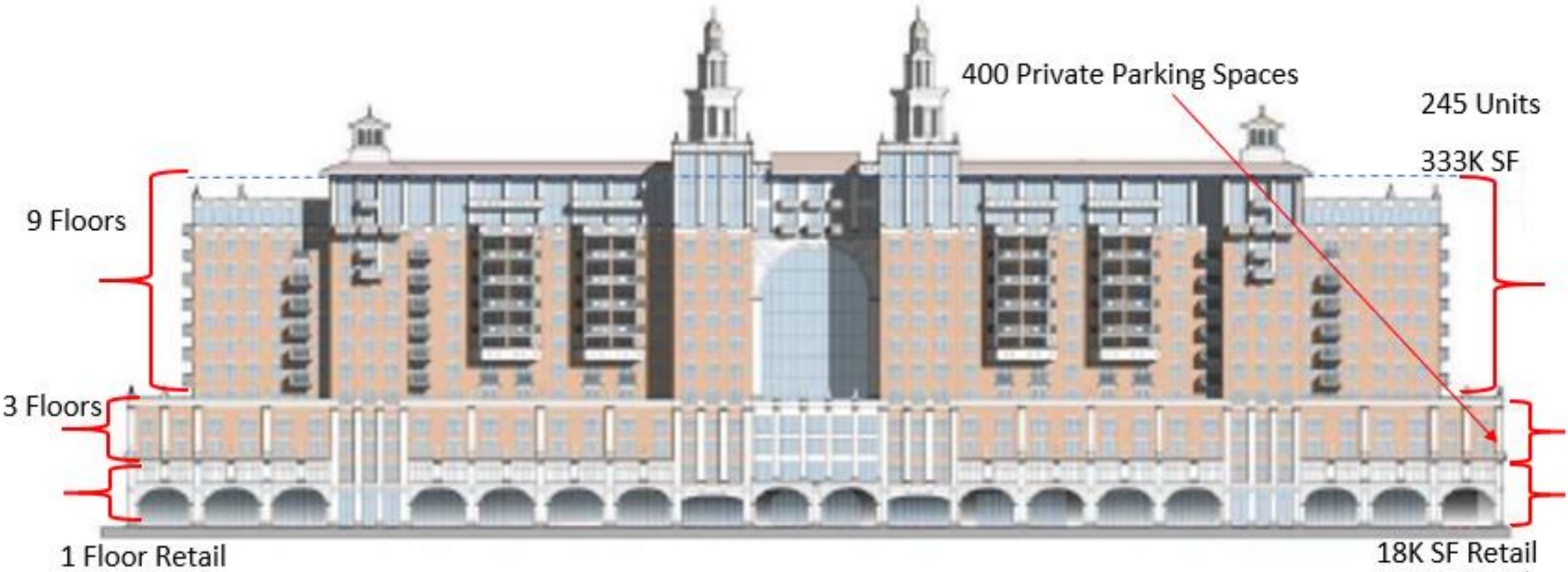
VIEW FROM ANDALUSIA



G4 – RESIDENTIAL TOWER



VIEW FROM ANDALUSIA



LAND USE MAP - COMPATIBILITY



OWNERSHIP STRUCTURE



- City will own G1 in fee simple form including the ground floor retail
- CGCC will own G4 in fee simple form
- The ownership will also include the recording of a Declaration of restrictive covenant in lieu of Unity of Title to allow both sites to be considered a mixed use project, as opined by the City Attorney under CAO 2019-004. In order to comply with all requirements of a Declaration of restrictive covenant in lieu of Unity of Title, the Development Agreement will need to detail how the owners will maintain and operate the property as a single building site.

CITY BUILT VS. CGCC PARKING COST

	CGCC Cost 750 Spaces	City Built 750 Spaces
Hard Cost Per Space	\$27,500 Per Space	\$26,000 Per Space
City-owned Parking (Hard & Soft Cost)	\$21,251,000	22,485,000
Demo	253,000	253,000
Smart Parking	150,000	150,000
City-owned Parking Cost	\$21,654,000	22,888,000
Direct Cost Per Space	\$28,872	\$30,517
Financing Cost (<i>Garage Only</i>)	1,273,000	2,289,000
Total City-owned Parking Cost w/o Retail	\$22,927,000	25,177,000
Retail Darkshell Build out	3,000,000	2,400,000
Parking to be delivered to City w/ Retail shell	25,927,000	27,577,000
Total Cost w/ Retail Darkshell Per Space	\$34,569	\$36,769
Retail Build out cost (<i>TI, Soft Cost, Financing</i>)	3,336,000	3,672,000
Total Parking Cost	29,263,000	31,249,000
Total Cost w/ Retail Per Space	\$39,017	\$41,665

PUBLIC PARKING VALUE



	G1	G4	Average Total
Value of Development Rights Conveyed by City			
Land Base @ 3.5 FAR	\$5,197,500	\$16,363,000	\$21,561,000
Land TDR's .875 TDRs to achieve 4.128 from Land base	-	3,906,130	3,906,000
Value of sites being Conveyed	\$5,197,500	\$20,269,130	\$25,467,000
Demo Cost	-	(\$758,000)	(\$758,000)
Value of sites being Conveyed after Demo	\$5,197,500	\$19,511,130	\$24,709,000
City Impact Fee Reimb. & Permit Waiver	181,000	3,179,000	3,360,000
Total Value after Impact/Permit fees	\$5,378,500	\$22,690,130	28,069,000

NET BENEFIT

	G4 Sale @ 351,300 SF
Lot Valued provided to CGCC	24,709,000
Impact Fees provided to CGCC	3,360,000
Total Value to CGCC	28,069,000
Cost of construction	25,177,000
Benefit provided to CGCC	2,892,000

Net Present Value Review - 50 Years

Cashflow over time from CGCC Scenario	\$45,637,000
Cashflow over time - City selling G4 at 351,300 SF	51,958,000
Total Benefit to City from Cashflow over time	\$6,321,000

Cashflow over time from CGCC Scenario	\$45,637,000
Cashflow over time - City selling G4 at 227,000 SF	43,096,000
Total Lost Benefit to City from Cashflow over time	\$ (2,541,000)

PROS & CONS OF CGCC PROPOSAL



PROS

- Development on G4 controlled by a Development Agreement
- 2 Year early delivery of G1 Municipal Garage
- No RFP for Construction of G1 needed
- Increment payment is lower than City's debt service payment would be
- No Garage bond financing required
- Not subject to market fluctuations and risk

CONS

- Majority of density goes to the G4 site
- No significant future development allowed on G1
- City required to pay \$3 million upfront for retail
- City required to pay \$480K per year with 2% escalation for 30 years
- 10 ft Alley Encroachment vs 4 ft if City Built
- Providing retail parking requirement for G4 at G1 site (60 spaces provided)

CUMULATIVE FINANCIAL EFFECT CGCC vs. CITY BUILT



750 Spaces
NPV 50 Years

CGCC Built Scenario w/o G1 Retail Control	\$45,637,000
City Built at Garage 1 & sale of Garage 4 @ 351K SF	\$51,958,000
City Built at Garage 1 & sale of Garage 4 @ 227K SF	\$43,096,000
City Built at Garage 1 & G4 as Park	\$16,979,000

SUMMARY OF PROPOSAL



Parking	Massing	Ownership	Economics
750 City-owned public spaces	4.12 FAR	City owns G1 (with limited development rights)	\$3 Mil upfront payment; \$480k annual payment @2% increase Added Tax Base
New Garage	141' & 97.4' below City allowed height of 190'	CGCC owns G4	Increased residents

Thank you



QUESTIONS?

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