



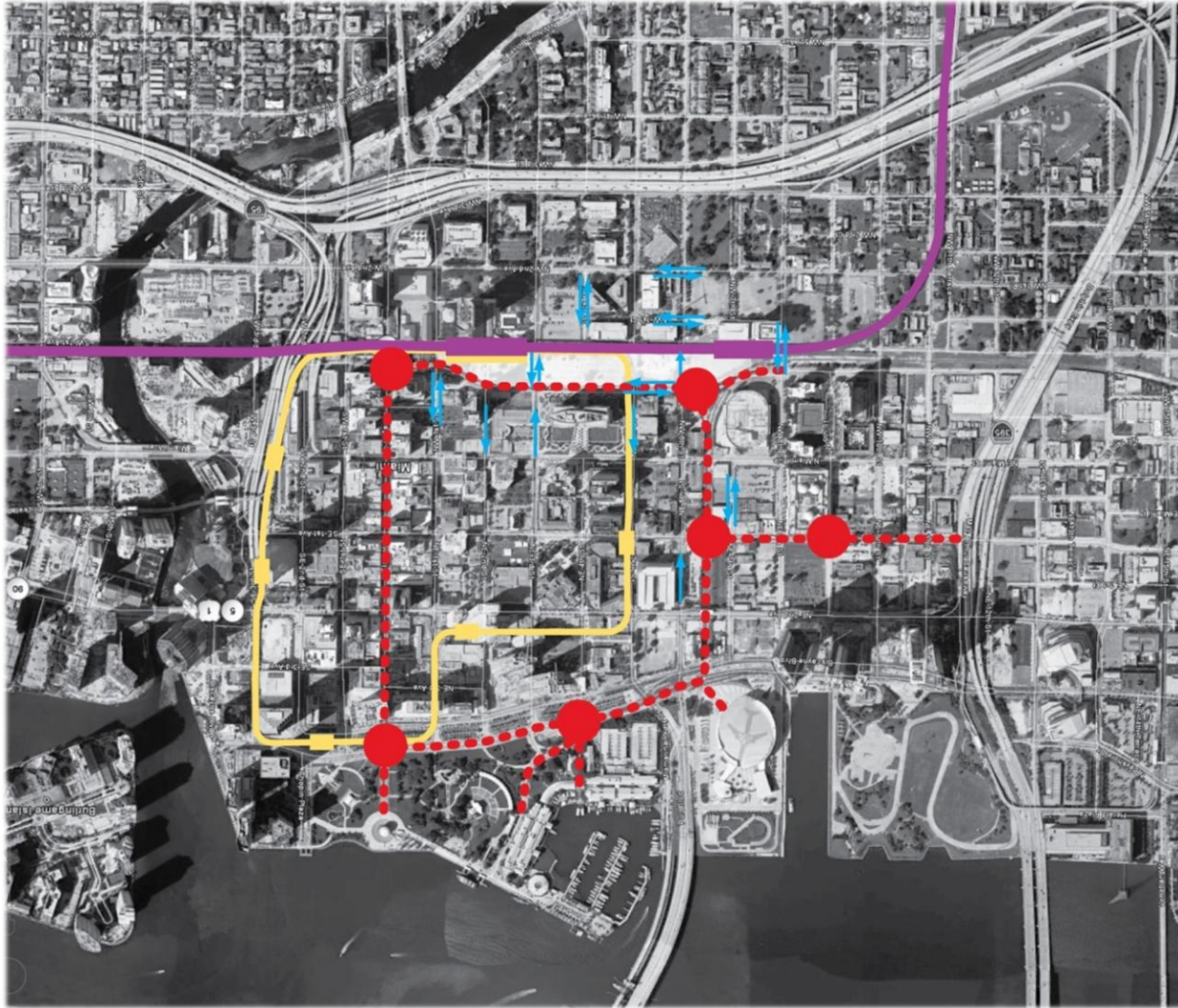
# **FGC** FLAGLER CITY CENTER

# Vision



ILLUSTRATIVE MASTERPLAN

# Accessibility & Circulation



# Neighborhood & Social Context

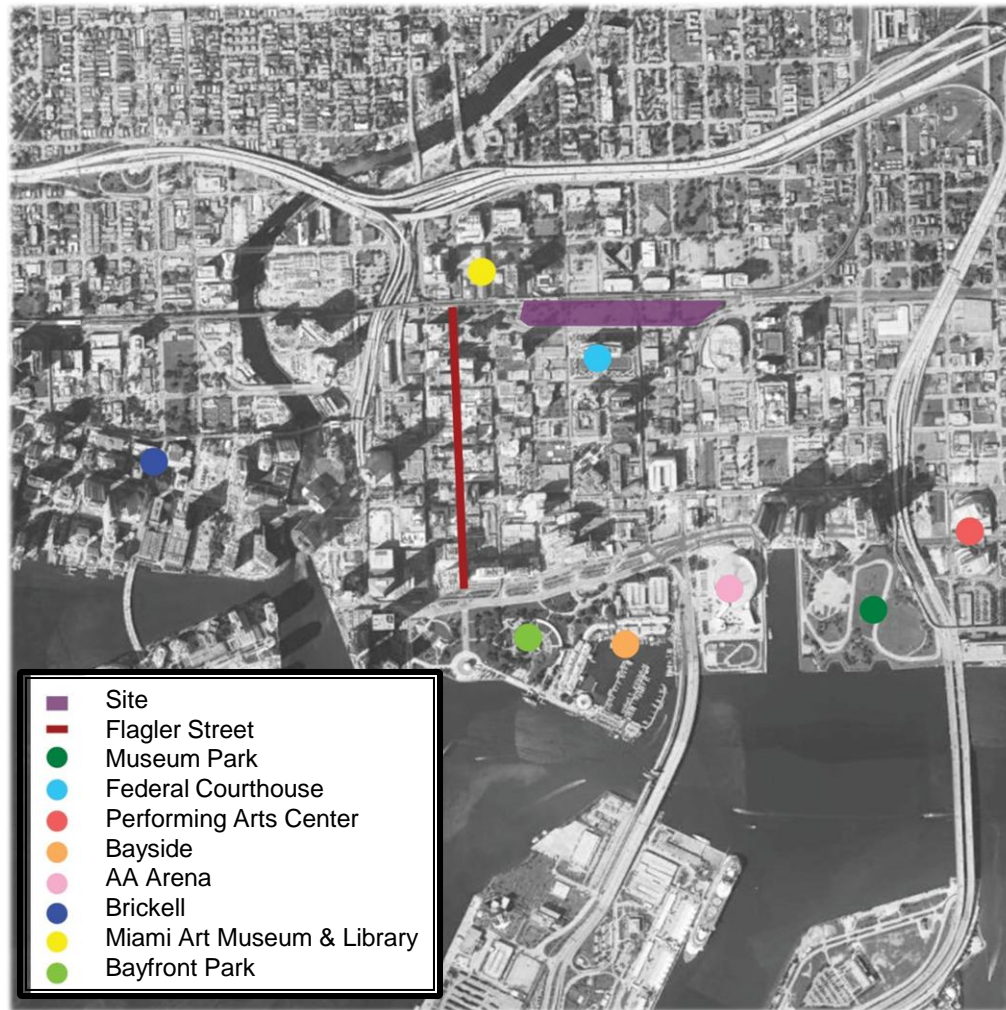
- National Trend: Back to Downtown
- Downtown's Transformation:
- Condo Boom

## Downtown Destinations

- AA Arena
- Performing Arts Center
- Mary Brickell Village
- Bayside

## Projects Proposed/Underdevelopment

- Metrorail Link to MIA
- Miami World Center
- Museum Park
- Watson Island
- DDA's Vision



# International Status

- Strategic location
- Bilingual culture
- Multinational business presence
- Multicultural workforce
- Accessibility to international financial and legal services
- The Port
- Miami International Airport
- Nexus of Sea, Land, and Air



# Miami Merchant Exchange

## Highlights

- Consolidation of Wholesale Tenants in One Convenient Location
- Key Exposure to Latin America and Caribbean buyers
- Opportunity to Showcase High-Tech and High-Value Goods as well as apparel & accessories.
- Flexible Spaces for Retail
- Office Component
- Wholesaler, Manufacturers, and Distributors



# Local Comparables

## The Miami International Merchandise Mart

- 286,000 sf
- In foreclosure
- MME Competitive Advantage
  - Inverse trade flows
  - Modern facility
  - Urban Setting
  - Size



## DCOTA: Design Center

- 775,000 sf
- Home, yacht and office decor



# National Comparables

## Dallas Market Center

- 5 million gross sf
- Home furnishings, gifts, lighting, textiles, fashion accessories, apparel

## Chicago Merchandise Mart

- 4.2 million gross sf
- Home furniture, decor, gifts, apparel
- 94% occupancy; \$30 rents

## Washington Design Center

- 94% occupancy; \$38 rents

## Boston Design Center

- 98% occupancy; \$30 rents





# Flagler City Station

## Transit Oriented Development

- Enhances accessibility
- Public Transportation
  - Metrorail
    - Connections to 21 Stations in Miami-Dade
  - Metromover
  - Metrobus
- Provides alternative modes of transportation
  - Bus depots
  - Taxi Stands
  - Shuttle Services
  - Bicycle Storage
- Direct access to service retail and dining options



# Flagler City Suites

## Mixed-Use Flagship Hotel

- Completion: 2014
- Full service 380-room Hotel
- Ground floor retail, 50,000 sf of meeting space and 100,000 sf of office space

## Assumptions

- ADR: \$170 plus 25% other revenue
- Occupancy: 70%
- Expenses: 75%

## Miami Hotel Market

- Miami-Dade County -approximately 12 million annual visitors and 350 hotels, representing 42,018 rooms
  - Downtown Miami currently has 5,135 hotel rooms; 48% in the CBD



# Flagler City Shops

## Retail

- 120,000 gross sf
- Serves existing daytime population
- Provides retail CBD professionals, hotel guests, MME patrons, intermodal users, and local residents

## Assumptions

- Rent : \$30.00 sf
- Occupancy: 75%
- Expenses: \$13.00 sf

## Retail Market

- Vacancy between 5-8%
- 49 new businesses opened in 2009 in CBD



# Flagler City Tower

## Office

- Completion: 2017
- 300,000 sf

## Assumptions

- Rent : \$36.00 sf
- Occupancy: 80%
- Expenses: \$12.00 sf

## Downtown Office Market

- CBD has currently has 6,530,683 SF of office
- CBD additional 752,000 SF coming online soon
- Net absorption in the CBD during 2009 was 178,999 SF



# Flagler City Place

## Workforce Housing

- Completion: 2017
- 500 residential units in 2 towers
- Towers at opposite ends of project to create pedestrian traffic
- Demand for more affordable Downtown sub-markets for young professionals
- Miami urban lifestyle at workforce prices

## Residential Market

- Downtown condo occupancy is 75% of inventory



# Flagler City Parking

## Parking

- 3,000 additional spaces
- Spaces surpass code requirements
- Additional revenue through hourly and monthly fees

## Existing Parking: ¼ mile

- 1,353 spaces

## Existing Parking: ½ mile

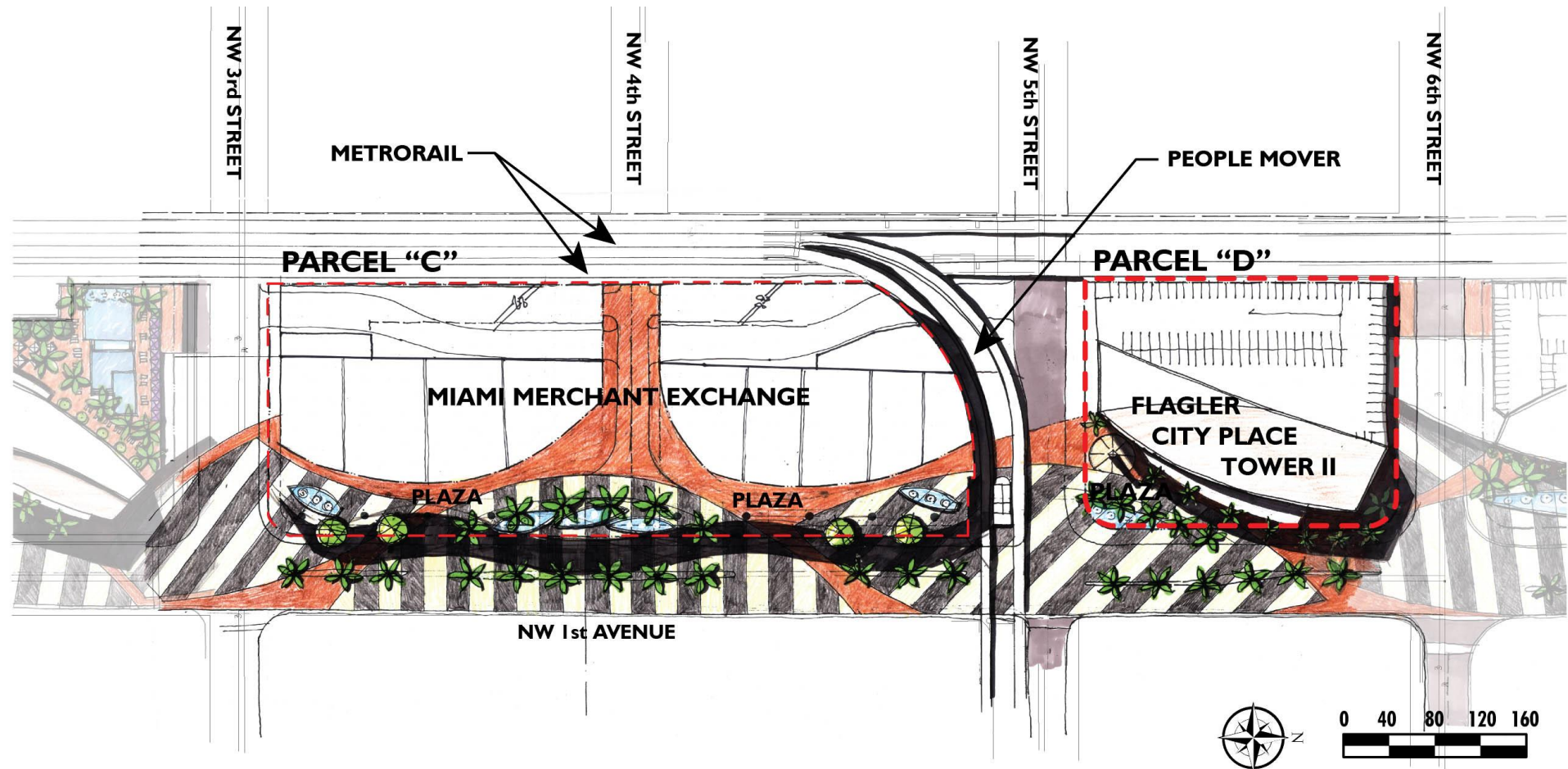
- 2,250 spaces



# Master Plan

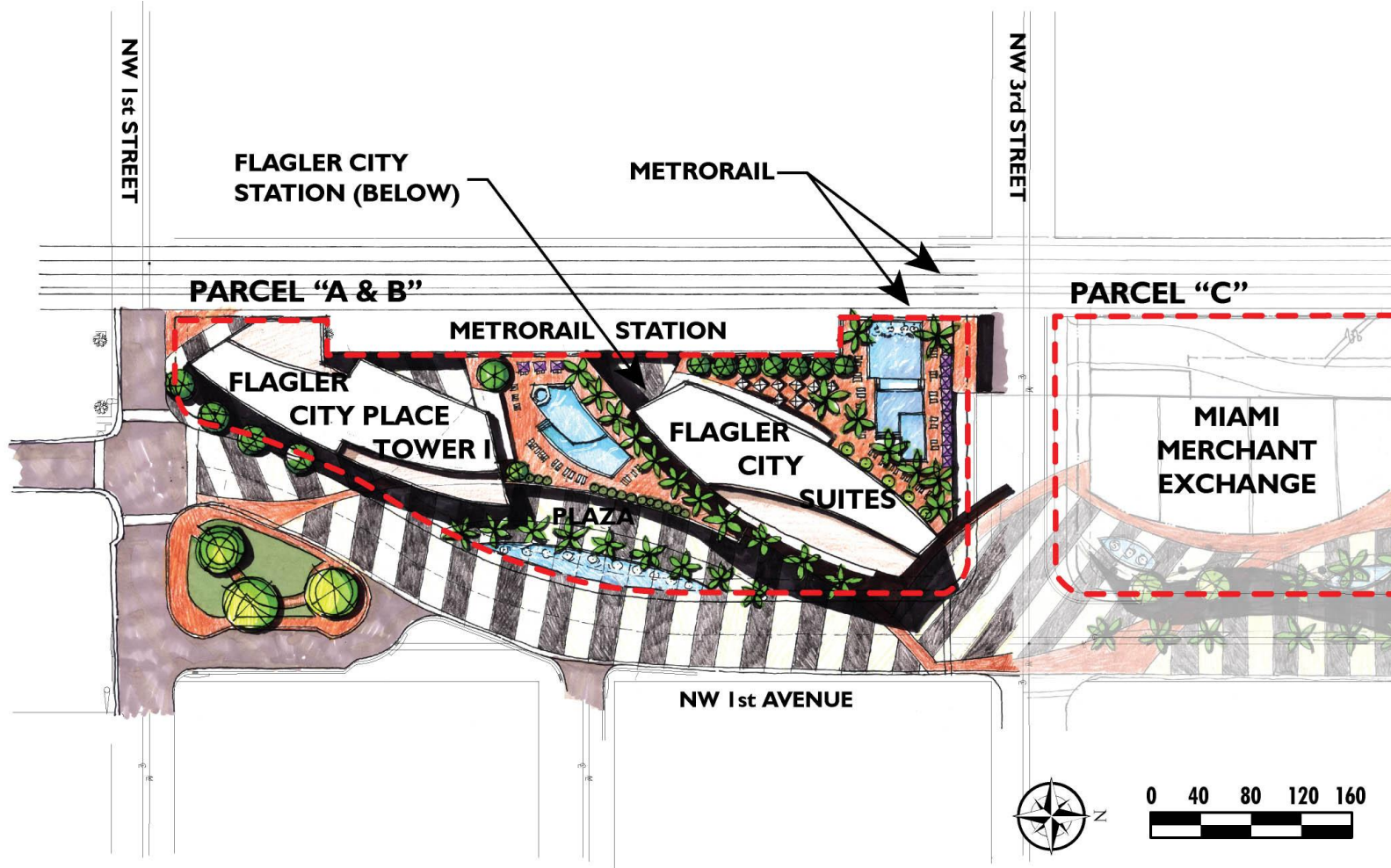


# Parcel C & D

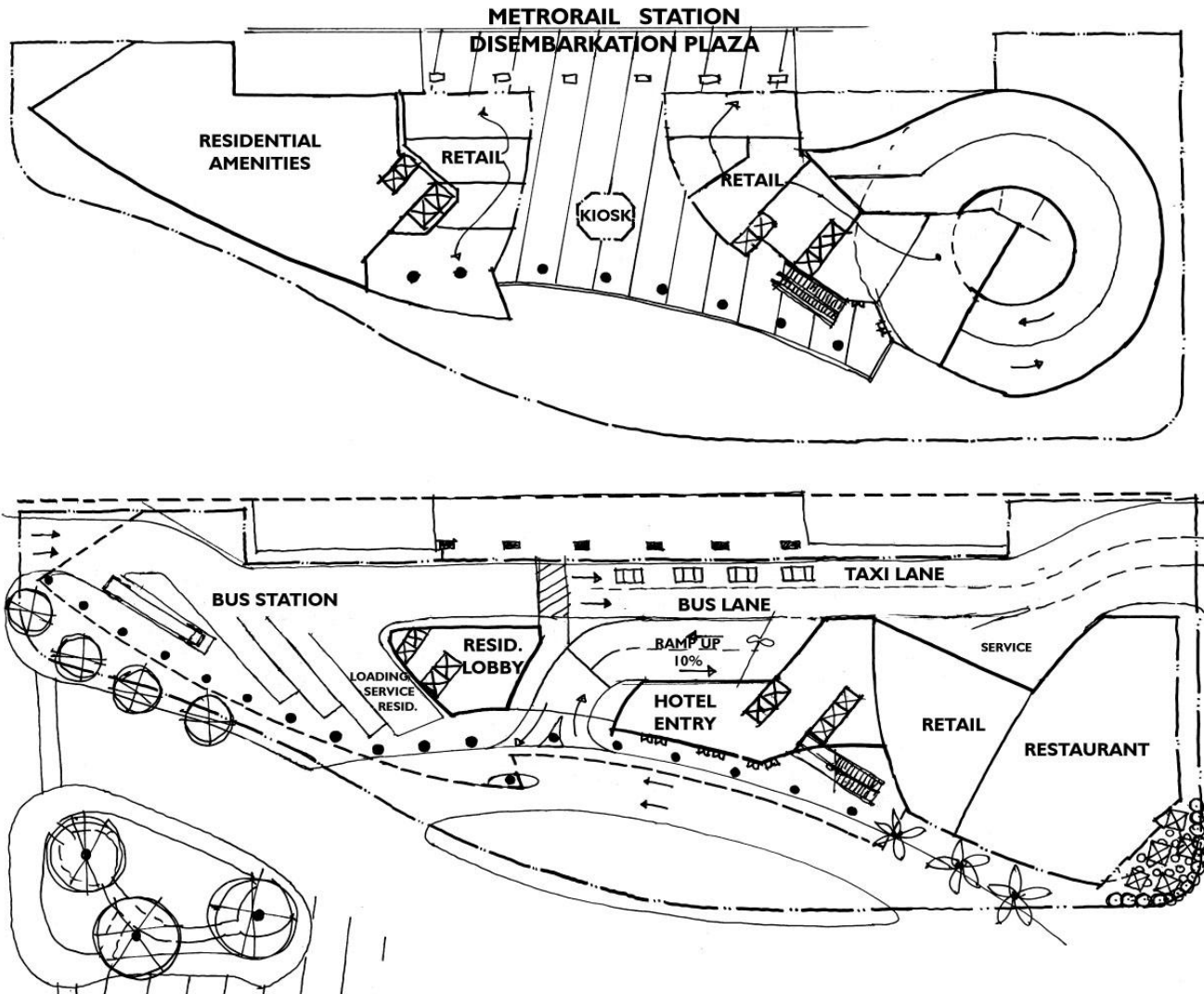




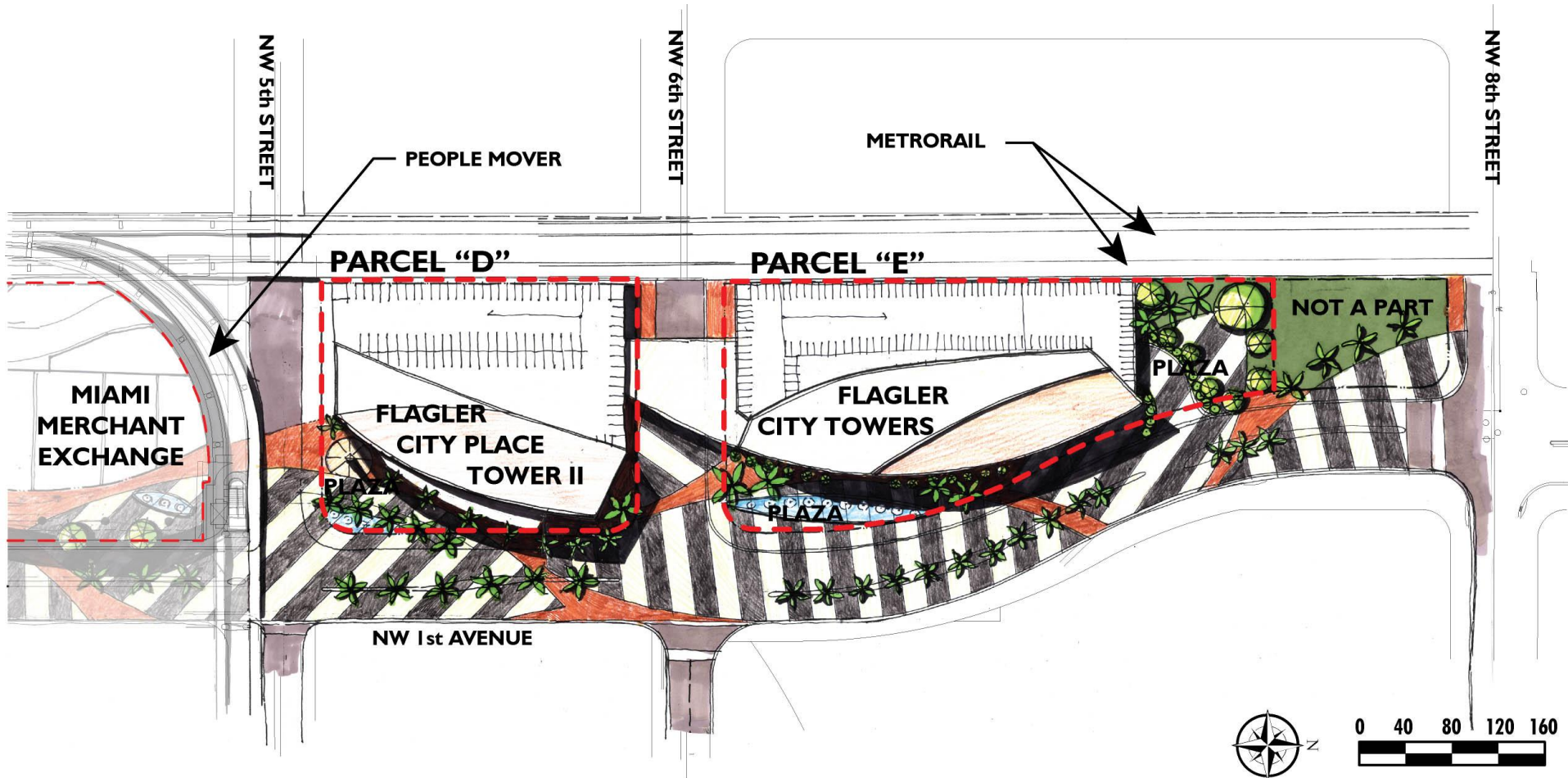
# Parcel A & B



# Platform & Ground Level



# Parcel D & E



# Unlevered Return

## BEFORE DEBT ANALYSIS

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
<b>Net Operating Income</b>										
Land Lease	\$ 223,860	\$ 230,576	\$ 237,493	\$ 244,618	\$ 251,956	\$ 259,515	\$ 267,301	\$ 275,320	\$ 283,579	\$ 292,087
Office	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,313,913	\$ 5,580,898	\$ 5,859,119
MME Office	\$ -	\$ -	\$ -	\$ -	\$ 1,903,760	\$ 1,997,411	\$ 2,094,967	\$ 2,196,579	\$ 2,302,403	\$ 2,412,599
Ground-Level Retail	\$ -	\$ -	\$ -	\$ 603,359	\$ 1,268,927	\$ 1,778,270	\$ 2,335,237	\$ 2,452,242	\$ 2,574,025	\$ 2,700,765
MME Retail	\$ -	\$ -	\$ -	\$ -	\$ 10,669,453	\$ 11,625,978	\$ 12,628,390	\$ 13,678,538	\$ 14,778,339	\$ 15,223,709
Hotel	\$ -	\$ -	\$ -	\$ 2,837,162	\$ 5,552,325	\$ 5,718,895	\$ 5,890,462	\$ 6,067,176	\$ 6,249,191	\$ 6,436,667
Structured Parking	\$363,000	\$363,000	\$363,000	\$363,000	\$2,075,551	\$3,593,221	\$4,403,904	\$4,536,021	\$4,672,101	\$4,812,264
<b>Total Net Operating Income</b>	\$ 586,860	\$ 593,576	\$ 600,493	\$ 4,048,139	\$ 21,721,972	\$ 24,973,289	\$ 27,620,260	\$ 34,519,788	\$ 36,440,536	\$ 37,737,209

## Total Costs, Incl. Infrastructure

<b>Developer Fee</b>							-\$4,018,338	-\$4,118,796		
Office	\$3,133,771	\$0	\$0	\$0	\$0	\$0	\$0	\$60,878,756	\$0	\$0
MME Office	\$1,044,590	\$0	\$0	\$18,570,895	\$0	\$0	\$0	\$0	\$0	\$0
Ground-Level Retail	\$1,253,508	\$0	\$5,064,078	\$5,190,680	\$3,546,965	\$3,635,639	\$0	\$0	\$0	\$0
MME Retail	\$5,222,951	\$40,449,063	\$41,460,289	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Hotel	\$1,984,721	\$0	\$26,333,206	\$14,533,904	\$0	\$0	\$0	\$0	\$0	\$0
Structured Parking	\$12,535,082	\$0	\$26,653,043	\$0	\$28,002,353	\$0	\$0	\$0	\$0	\$0
<b>Total Development Costs</b>	\$25,174,623	\$40,449,063	\$99,510,617	\$38,295,480	\$31,549,318	-\$382,699	\$56,759,960	\$0	\$0	\$0

## Annual Cash Flow

<b>Land Lease / Developer Fee</b>							\$4,277,853	\$4,386,097	\$275,320	\$283,579	\$3,147,891
Office	-\$3,133,771	\$0	\$0	\$0	\$0	\$0	\$0	-\$62,025,895	\$4,124,581	\$4,347,980	\$63,611,686
MME Office	-\$1,044,590	\$0	\$0	-\$18,921,891	\$1,539,806	\$1,620,070	\$1,703,797	\$1,791,125	\$1,882,195	\$26,239,561	
Ground-Level Retail	-\$1,253,508	\$0	-\$5,120,625	-\$4,704,729	-\$2,440,526	-\$2,068,159	\$2,116,509	\$2,225,312	\$2,338,620	\$29,649,994	
MME Retail	-\$5,222,951	-\$40,584,803	-\$41,749,542	\$10,361,710	\$11,299,001	\$12,281,410	\$13,310,758	\$14,388,937	\$14,824,572	\$170,362,202	
Hotel	-\$1,984,721	\$0	-\$26,333,206	-\$11,696,743	\$5,552,325	\$5,718,895	\$5,890,462	\$6,067,176	\$6,249,191	\$70,082,425	
Structured Parking	-\$12,172,082	\$363,000	-\$26,290,043	\$2,075,551	-\$24,409,133	\$4,403,904	\$4,536,021	\$4,672,101	\$4,812,264	\$53,967,813	
<b>Total Annual CF</b>	-\$24,811,623	-\$40,221,803	-\$99,493,417	-\$22,886,102	-\$8,458,527	\$26,233,971	-\$30,082,251	\$33,544,552	\$34,738,400	\$417,061,572	

NPV@10% \$39,116,333

Unlevered IRR 13.65%

**FCC**  
**FLAGLER CITY CENTER**

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# Levered Return

Leveraged Return	1	2	3	4	5	6	7	8	9	10
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Rental Housing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,277,853	\$ 4,386,097	\$ 275,320	\$ 283,579	\$ 3,147,891
Office	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (25,620,398.26)	\$ 965,363.70	\$ 1,188,762.24	\$ 22,176,456.69
MME Office	\$ -	\$ -	\$ -	\$ (7,816,495.88)	\$ 576,095.15	\$ 656,359.12	\$ 740,086.89	\$ 827,414.78	\$ 918,484.20	\$ 13,906,621.76
Ground-Level Retail	\$ -	\$ -	\$ (2,092,306.52)	\$ (1,600,701.81)	\$ (319,441.41)	\$ 105,952.57	\$ 2,116,508.97	\$ 1,127,041.50	\$ 1,240,349.09	\$ 15,245,450.35
MME Retail	\$ -	\$ (16,396,263.88)	\$ (19,059,640.28)	\$ 6,111,138.97	\$ 7,048,430.56	\$ 8,030,839.07	\$ 9,060,187.47	\$ 10,138,366.61	\$ 10,574,001.24	\$ 117,583,765.43
Hotel	\$ -	\$ -	\$ (13,008,603.99)	\$ (8,338,409.82)	\$ 3,757,851.67	\$ 3,924,421.43	\$ 4,095,988.27	\$ 4,272,702.12	\$ 4,454,717.39	\$ 47,453,753.84
Structured Parking	\$ 363,000	\$ 363,000	\$ (10,351,523)	\$ 692,429	\$ (9,046,848)	\$ 1,567,639	\$ 1,699,756	\$ 1,835,836	\$ 1,975,999	\$ 18,750,511
	\$ 363,000	\$ (16,033,264)	\$ (44,512,074)	\$ (10,952,040)	\$ 2,016,088	\$ 18,563,064	\$ (3,521,774)	\$ 19,442,045	\$ 20,635,893	\$ 238,264,450

NPV @10% \$65,762,119.01  
IRR 24.55%

# Development Program & Phasing

## Year-by-Year Cumulative Buildout

Project Buildout (Units)	Buildout		Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Rental Housing	500	units	-	-	-	-	-	-	250	250	-	-	-
Office	300,000	sf	-	-	-	-	-	-	-	300,000	-	-	-
MME Office	100,000	sf	-	-	-	-	100,000	-	-	-	-	-	-
Ground-Level Retail	120,000	sf	-	-	-	30,000	30,000	20,000	20,000	-	-	-	-
MME Retail	500,000	sf	-	-	250,000	250,000	-	-	-	-	-	-	-
Hotel	380	rooms	-	-	-	200	180	-	-	-	-	-	-
Structured Parking	3,000	spaces	-	-	-	1,500	-	1,500	-	-	-	-	-

## Project Buildout (SF, GBA)

Rental Housing	420,000	-	-	-	-	-	-	-	210,000	210,000	-	-	-
Office	300,000	-	-	-	-	-	-	-	-	300,000	-	-	-
MME Office	100,000	-	-	-	-	100,000	-	-	-	-	-	-	-
Ground-Level Retail	120,000	-	-	-	30,000	30,000	20,000	20,000	-	-	-	-	-
MME Retail	500,000	-	-	-	-	-	-	-	-	-	-	-	-
Hotel	190,000	-	-	-	123,500	66,500	-	-	-	-	-	-	-
Structured Parking	1,200,000	-	-	-	-	-	-	-	-	-	-	-	-
	2,830,000												

# Development Costs

Development Costs	Cost w/o Contingency	Contingency Cost @ 10%	Total Cost
Rental Housing \$	150.00	15 \$	165.00
Office \$	150.00	15 \$	165.00
MME Office \$	150.00	15 \$	165.00
Ground-Level Retail \$	142.50	14.25 \$	156.75
MME Retail \$	140.00	14 \$	154.00
Hotel \$	180.00	18 \$	198.00
Structured Parking \$	15,000.00	1500 \$	16,500.00

## Infrastructure Costs

Total SF	360,511	
Inf. Cost per SF \$	80.00	
<b>Total</b>	<b>\$ 28,840,880</b>	
Open Space/Landscaping SF \$	30	15%
<b>Total</b>	<b>\$ 1,622,300</b>	

Infrastructure Allocation by Product	SF	% of Total
Rental Housing	420,000	14.8%
Office	300,000	10.6%
MME Office	100,000	3.5%
Ground-Level Retail	120,000	4.2%
MME Retail	500,000	17.7%
Hotel	190,000	6.7%
Structured Parking	1,200,000	42.4%
<b>Project Total</b>	<b>2,830,000</b>	<b>100%</b>

# JV Partner

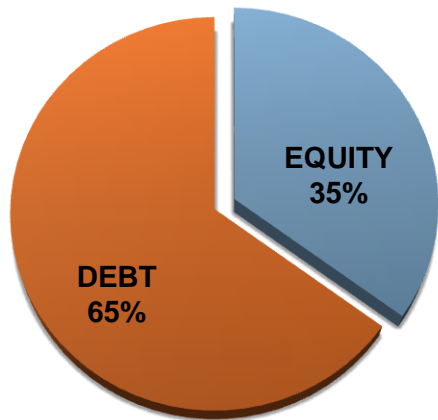


- Vornado Realty Trust is a publicly traded REIT with an approx. \$14B Market Capitalization.
- Manage over \$20B in assets.
- Own Merchandise Mart Properties Incorporated (MMPI): which specializes in ownership and management in Merchandise Mart Properties.
- They own and operate 8.9MM SF of “Mart” properties including the Chicago, L.A. and N.Y.C Merchandise Mart to name a few.

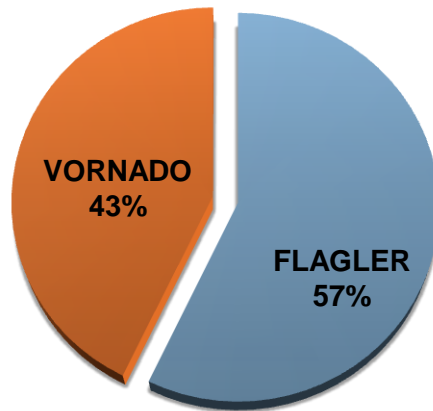


# JV Structure

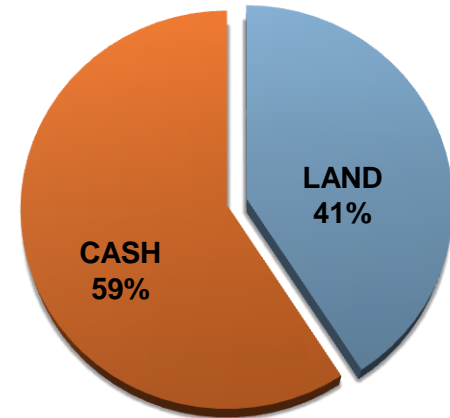
JV Entity



Equity Breakout



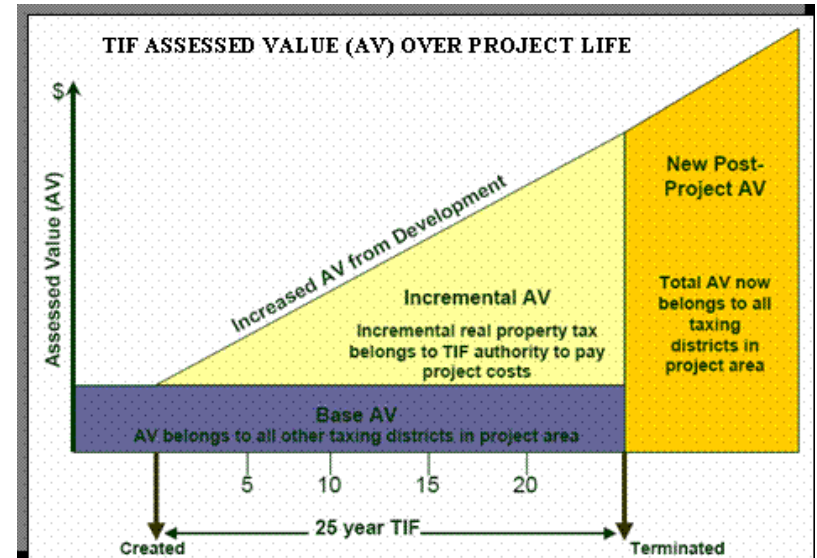
Flagler Equity



# Tax Increment Financing

## Highlights

- Public involvement is crucial to the success of this project
- A Tax Increment Financing mechanism will be used to pay for the new infrastructure required for this development, as well as public sections of the Intermodal Station
- Current Tax Expense is \$437,000 and the projected Tax Expense is \$6.7MM
- Infrastructure costs are estimated at \$80 SF for the entire 8 acre site which works out to be approximately \$30MM



# Community Benefits

## Highlights

- Strengthen economy
- Public support
- Revitalization and rejuvenation of CBD
- Create unique identity for west side of CBD



# Community Benefits

## Tax Revenue (End of Hold Period)

- Hotel Tax: \$1.27 million
- Sales tax: \$2.9 million

## Job Creation

- Hotel: 330
- Retail: 2,540
- Restaurant: 1,148
- Office: 1,600
- Construction: 6,360
- Total: 11,978



# Flagler City Center



**FCG** FLAGLER CITY CENTER

UNIVERSITY OF  
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