Vision
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
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

ILLUSTRATIVE MASTER PLAN

FLAGLER CITY CENTER

WORLD CENTER

116 Albemarle Circle, Suite J
Coral Gables, Florida 33134
PH: 305-444-2100
FAX: 305-444-5803
www.bapdesign.com
Copyright 2010 Beame Architectural Partnership
Parcel D & E

Parcel "D"

 Parcel "E"

Flagler City Place Tower II

Flagler City Towers

People Mover

MetroRail

Miami Merchant Exchange

NW 1st Avenue

NW 5th Street

NW 6th Street

NW 8th Street

Flagler City Center

NOT A PART

Plaza
## Unlevered Return

### BEFORE DEBT ANALYSIS

<table>
<thead>
<tr>
<th>Year</th>
<th>Land Lease</th>
<th>Office</th>
<th>MME Office</th>
<th>Ground-Level Retail</th>
<th>MME Retail</th>
<th>Hotel</th>
<th>Structured Parking</th>
<th>Total Net Operating Income</th>
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<td>$244,618</td>
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<td>$237,493</td>
<td>$244,618</td>
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<td>$259,515</td>
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### Total Costs, Incl. Infrastructure

<table>
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<tr>
<th>Developer Fee</th>
<th>Office</th>
<th>MME Office</th>
<th>Ground-Level Retail</th>
<th>MME Retail</th>
<th>Hotel</th>
<th>Structured Parking</th>
<th>Total Development Costs</th>
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<td>$1,253,508</td>
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<tr>
<td>$5,222,951</td>
<td>$40,449,063</td>
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<td>$5,718,895</td>
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<td>$99,493,417</td>
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<td>$26,653,043</td>
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### Annual Cash Flow

<table>
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<tr>
<th>Land Lease / Developer Fee</th>
<th>Office</th>
<th>MME Office</th>
<th>Ground-Level Retail</th>
<th>MME Retail</th>
<th>Hotel</th>
<th>Structured Parking</th>
<th>Total Annual CF</th>
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<td>$31,549,318</td>
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### NPV@10% $39,116,333

### Unlevered IRR 13.65%

---

**FCC**

**FLAGLER CITY CENTER**
## Levered Return

<table>
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<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
<th>9</th>
<th>10</th>
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<tbody>
<tr>
<td>Rental Housing</td>
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<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
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<tr>
<td>Office</td>
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<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>MME Office</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>(7,816,495.88)</td>
<td>$</td>
<td>$</td>
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<tr>
<td>Ground-Level Retail</td>
<td>$</td>
<td>$</td>
<td>(2,092,306.52)</td>
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<td>(1,600,701.81)</td>
<td>(319,441.41)</td>
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<td>MME Retail</td>
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<td>(19,059,640.28)</td>
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<tr>
<td>Hotel</td>
<td>$</td>
<td>$</td>
<td>(13,008,603.99)</td>
<td>$</td>
<td>(8,338,409.82)</td>
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<td>$</td>
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<tr>
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<td>$ 363,000</td>
<td>$ 10,351,523</td>
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<td>$ 9,046,848</td>
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<td>$ 1,699,756</td>
<td>$ 1,835,836</td>
<td>$ 1,975,999</td>
<td>$ 18,750,511</td>
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</table>

NPV @10% $65,762,119.01  
IRR 24.55%
## Development Program & Phasing

### Year-by Year Cumulative Buildout

<table>
<thead>
<tr>
<th>Project Buildout (Units)</th>
<th>Buildout</th>
<th>Year 0</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
<th>Year 5</th>
<th>Year 6</th>
<th>Year 7</th>
<th>Year 8</th>
<th>Year 9</th>
<th>Year 10</th>
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<tbody>
<tr>
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<td>500 units</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>250</td>
<td>250</td>
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</tr>
<tr>
<td>Office</td>
<td>300,000 sf</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>300,000</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>MME Office</td>
<td>100,000 sf</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>100,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Ground-Level Retail</td>
<td>120,000 sf</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>30,000</td>
<td>30,000</td>
<td>20,000</td>
<td>20,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>MME Retail</td>
<td>500,000 sf</td>
<td>-</td>
<td>-</td>
<td>250,000</td>
<td>250,000</td>
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<td>-</td>
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</tr>
<tr>
<td>Hotel</td>
<td>380 rooms</td>
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<td>-</td>
<td>200</td>
<td>180</td>
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</tr>
<tr>
<td>Structured Parking</td>
<td>3,000 spaces</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,500</td>
<td>-</td>
<td>1,500</td>
<td>-</td>
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### Project Buildout (SF, GBA)

<table>
<thead>
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<th>Project Buildout (SF, GBA)</th>
<th>Buildout</th>
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<th>Year 1</th>
<th>Year 2</th>
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<th>Year 5</th>
<th>Year 6</th>
<th>Year 7</th>
<th>Year 8</th>
<th>Year 9</th>
<th>Year 10</th>
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<td>300,000</td>
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</tr>
<tr>
<td>MME Office</td>
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<tr>
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<td>30,000</td>
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</tr>
<tr>
<td>MME Retail</td>
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<tr>
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<td>190,000</td>
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<td>-</td>
<td>123,500</td>
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<td>-</td>
</tr>
<tr>
<td>Structured Parking</td>
<td>1,200,000</td>
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2,830,000
### Development Costs

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

<table>
<thead>
<tr>
<th>Total SF</th>
<th>Inf. Cost per SF $</th>
<th>Total</th>
<th>Open Space/Landscaping SF $</th>
<th>Total</th>
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<td>360,511</td>
<td>80.00</td>
<td>$28,840,880</td>
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### Infrastructure Allocation by Product

<table>
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<th>SF</th>
<th>% of Total</th>
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<tr>
<td>Rental Housing</td>
<td>420,000</td>
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<tr>
<td>Office</td>
<td>300,000</td>
</tr>
<tr>
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<td>100,000</td>
</tr>
<tr>
<td>Ground-Level Retail</td>
<td>120,000</td>
</tr>
<tr>
<td>MME Retail</td>
<td>500,000</td>
</tr>
<tr>
<td>Hotel</td>
<td>190,000</td>
</tr>
<tr>
<td>Structured Parking</td>
<td>1,200,000</td>
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<tr>
<td><strong>Project Total</strong></td>
<td>2,830,000</td>
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</table>
JV Partner

- Vorando 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 Entity

Equity Breakout

Flagler Equity

- DEBT 65%
- EQUITY 35%

- VORNADO 43%
- FLAGLER 57%

- LAND 41%
- CASH 59%
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