

MEMORANDUM

November 18, 2015

TO: The Honorable Chair and Members of The School Board of Miami-Dade County, Florida

FROM: Alberto M. Carvalho, Superintendent of Schools 

SUBJECT: 20-1500 DEVELOPMENT PLAN UPDATE

As recently shared at the Facilities Committee meeting on Monday, November 18, 2015, the first phase of the 20-1500 Action Plan has been completed and next steps for Phase 2 have been identified. Attached please find the full presentation recently shared. This presentation outlines the work that has been completed thus far and the two scenarios that will be worked on in the coming weeks.

The 20-1500 Blue Ribbon Taskforce, a group of advisors to the Superintendent, have provided feedback and insights regarding staff's research and work on this important project. The members of this group of well-respected experts in their fields include:

- Mr. Stephen Bittel
- Mr. Armando Codina
- Mr. Adolfo Henriques
- Mr. Jack Lowell
- Mr. Craig Robbins

This Taskforce met twice during the month of October. The first meeting took place on October 5, 2015, via conference call and the second meeting took place on October 16, 2015. Topics covered included:

1. Property Value Desirability
2. Procurement Methods
3. Sale vs. Ground Lease
4. Financing Considerations
5. Engagement of Broker
6. Appraisal
7. Minimum Criteria for Proposers
8. Configuration and Location of School Board Uses
9. Phasing

If you need additional information, please contact Ms. Lisa M. Martinez, Chief Strategy Officer, Office of the Superintendent, at 305 995-1918, or Mr. Jaime Torrens, Chief Facilities Officer, Office of School Facilities, at 305 995-1401.

AMC:sm
M497

Attachment

cc: School Board Attorney
Superintendent's Cabinet

PUBLIC/PRIVATE PROJECT UPDATES

Facilities Committee
November 16, 2015



#20-1500

DEVELOPMENT PLAN

Phase I

20-1500 Development Plan

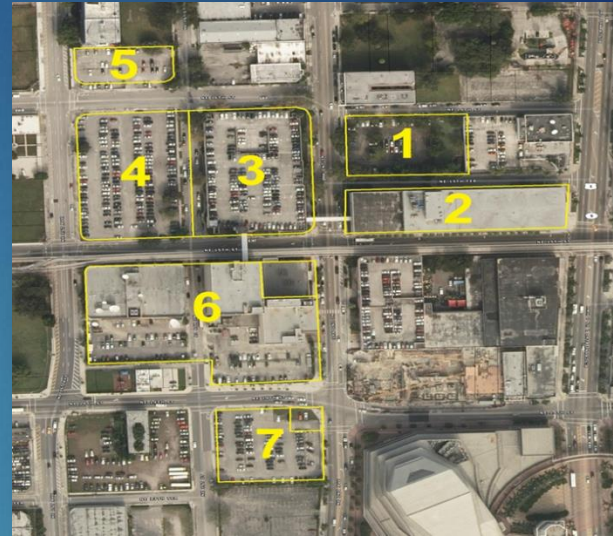
- ▶ Explore and pursue monetization of opportunities related to the School Board Administration Complex (SBAB).
- ▶ Establish the 20-1500 Blue Ribbon Taskforce (Taskforce) to advise the development and implementation of an action plan for the leasing, sale and/or (re)development of the SBAB.
- ▶ Bring back specific recommendations for action.

Explore and pursue monetization opportunities – Update

- ▶ Thorough research was done on the property, its potential development, and pending city policies that may impact our work.
- ▶ Similar projects were considered and researched to determine how best to accomplish the project's guiding principles:
 - ▶ Maintaining a comprehensive educational presence in the area;
 - ▶ Maintaining a District administrative presence in this area inclusive of WLRN or considering other no cost alternatives ;
 - ▶ Maximizing the financial benefit/return to the Board of transactions achieved under this initiative, both short and long term;
 - ▶ Complementing current community infrastructure .
- ▶ Assessment of M-DCPS facility and parking needs were made in preparation for our work with the Taskforce and the development of a procurement tool.
- ▶ After the Adrienne Arsht Center proposed a potential joint venture to address mutual needs, preliminary conversations were conducted with the Adrienne Arsht Center and Miami-Dade County.

The Assets

- ▶ Approximately 10 acres in the heart of Miami's Arts and Entertainment District (Parcels numbered 1 through 7 for ease of reference);
- ▶ Privileged location;
- ▶ High density zoning in place with additional density allowances possible;
- ▶ City Ordinance pending proposing to allow additional square footage.



The Development Capacity

	<u>Address</u>	<u>Lot Size</u> (Sq. Ft.)	<u>Zoning</u>	<u>FLR</u> (Sq. Ft.)	<u>FLR w/ Bonus</u> (Sq. Ft.)	<u>Proposed Zoning</u>	<u>FLR</u> (Sq. Ft.)	<u>FLR w/ Bonus</u> (Sq. Ft.)	<u>Density</u> (DU)	<u>Open Space</u> (Sq. Ft.)
1	1535 NE 2 AVE	40,680	T6-36B-O	894,960	1,252,944	Same	894,960	1,252,944	466	4,068
2	1500 BISCAYNE BLVD	58,822	T6-36B-O	1,294,084	1,811,717	Same	1,294,084	1,811,717	675	5,882
3	155 NE 15 ST	82,867	T6-36B-O	1,823,074	2,552,303	Same	1,823,074	2,552,303	951	8,287
4	(None Listed) 01-3136-088- 0010	78,604	T6-24A-O	550,228	715,296	T6-24B-O	1,257,664	1,760,729	902	7,860
5	1610 NE 1 CT	22,711	T6-24A-O	158,977	206,670	T6-24B-O	363,376	508,726	260	2,271
6	1498 NE 2 AVE 1410 NE 2 AVE	142,537	T6-36B-O	3,135,814	4,390,139	Same	3,135,814	4,390,139	1635	14,253
7	1367 NE 1 CT 1370 NE 2 AVE	49,075	T6-24A-O	343,525	446,582	T6-24B-O	785,200	1,099,280	563	4,908
Totals:		475,296		8,200,662	11,375,651		9,554,172	13,375,838	5,452	47,529
			Totals Under Existing Zoning			Totals Under Proposed Zoning				

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The 20-1500 Blue Ribbon Taskforce

The experts met with the Superintendent and staff to discuss different options and isolate the best course(s) of action for optimization of the Board's SBAB asset. The discussion focused on:

- ▶ Current market conditions particularly in terms of timing and development type (e.g. residential, commercial, mixed use, etc.) for all M-DCPS parcels.
- ▶ Consideration of options that would augment parking for shared use by the District and the Arsht Center for the Performing Arts, and how that particular element would interface with the Board's eventual plans and maximize the use of the overall portfolio.
- ▶ The non-negotiables embodied in the guiding principles and the associated timing, phasing and financial viability elements.

Conclusions

- ▶ To maximize monetization opportunities it is important to unencumber our land.
- ▶ Phasing of development will ensure that our current operations can transition smoothly.
- ▶ Parcel 7, the 1-acre parcel at the southwest corner of N.E. 2 Avenue and N.E. 14 Street across the street from the Adrienne Arsht Center is most marketable and can also be used as the first phase to unencumber the SBAB/WLRN parcels.
- ▶ Market interest should be gauged for development or purchase scenarios for Parcel 7.
 - ▶ Development would include some of the non-negotiables (administrative offices, WLRN and parking) built on site at no cost to the District.
 - ▶ Sale of the Site yielding sufficient revenue for the Board to construct referenced non-negotiables at location(s) to be determined.
- ▶ Explore the viability of a joint venture with Miami-Dade County and other partners to maximize Parcel 7's value.

Phase II

20-1500 Development Plan

- ▶ Prioritize steps that will lead to unencumbering the SBAB complex.
- ▶ Monetize Parcel 7 to either:
 - ▶ Develop administrative offices, WLRN and parking on site or ;
 - ▶ Sell the parcel and utilize revenue to develop administrative space off site.

ACTION PLAN RECOMMENDATION

▶ Scenario 1

- ▶ Both Miami-Dade County and the Adrienne Arsht Center have shared their interest in entering the development of a joint venture with M-DCPS on Parcel 7.
- ▶ The Adrienne Arsht Center leadership has also conveyed that the adjacent property owner has shared interest in a public private partnership to jointly develop both parcels.
- ▶ If all parties are vested in contributing to a joint venture, combined resources can maximize what can be accomplished on Parcel 7 inclusive of M-DCPS's administrative space and parking needs.
- ▶ If Miami-Dade County legislatively demonstrates commitment to this project at their December 2015 Commission meeting and the Adrienne Arsht Center leadership can demonstrate support for this partnership from their Board and the referenced land owner, the District would begin negotiations with Miami-Dade County on an Interlocal Agreement.

ACTION PLAN RECOMMENDATION (cont.)

- ▶ Scenario 2
 - ▶ Staff is finalizing an RFP for Parcel 7 that will gauge market interest. Qualified entities can submit a proposal for purchase or development.
 - ▶ Should Scenario 1 not materialize, the District will advertise the RFP.

**Possible Partnership with
Miami Beckham United, LLC &
City of Miami
*Status Update***

Parcels Under Consideration





Purpose and Priorities

15

M-DCPS's participation ensures the students of Miami-Dade receive the value of the pro-rata equivalent tax benefit that would otherwise go unrecognized if we were not participating.

Our Priorities

- ▶ M-DCPS will not expend any public dollars on:
 - ▶ the acquisition of any part of the land for the project;
 - ▶ any part of the construction of the stadium; or
 - ▶ the maintenance of the stadium.
- ▶ M-DCPS will not take on any risk related to financing, guarantees, operations or capital improvements/maintenance.
- ▶ Creating a community asset (stadium) that is also a point of destination for education. Both sides agree that meaningful educational space will be an integral part of the stadium venue and site plan.
- ▶ Establishing and sustaining music programs across the District (after school programs, instruments, uniforms)
- ▶ Expanding and sustaining after school elementary soccer and tutorial programs.
- ▶ Allowing utilization of facility for annual opening of season tournaments and State/National Championships for senior high school soccer and football.
- ▶ Allowing utilization of stadium for students to participate in District-wide events.
- ▶ Providing students discounted or free admission to professional and/or collegiate events held at the stadium.

Process and Timelines

16

- ▶ By December 5th, Miami Beckham United, LLC (MBU), is required to demonstrate site control to Major League Soccer (MLS). Site control means:
 - ▶ Contracts established with private land owners;
 - ▶ Land Conveyance Agreement between City and M-DCPS approved;
 - ▶ Operating and Management Agreement with M-DCPS approved.
- ▶ By December 22nd, voter referendum language will have to be approved by M-DCPS and the City and submitted to the County's Elections Department.
- ▶ A Construction and Development Agreement will be considered/approved by the Board for the construction of the facility.
- ▶ In March 2016, voters will determine if they want the project to proceed. If approved, the land conveyance process will begin.

Update on DASH Development Opportunity

Progress Update

- Escalating real estate values within the Design District where DASH is located have created potential opportunities for significant monetization of the current DASH site.
- Recognizing this, Staff presented an item to the Board on April 15, 2015 which authorized the exploration of the sale or long term ground lease of a portion of the DASH campus and redevelopment of the balance of the site with an expanded facility for DASH.

Progress Update (cont.)

19

- Staff is finalizing due diligence including possible configurations for a new facility. The goal of this effort is three-fold:
 - to secure sufficient funding from development of the DASH site that would enable the construction of an expanded state of the art DASH facility;
 - to, within the expanded facility, explore options to bring in a post-secondary facility that would provide additional educational opportunities for our DASH students in a seamless way; and
 - to generate additional proceeds from the partial sale of the DASH site to fund other district priorities.
- It is important that DASH remains at its current iconic location in the Design District, as that is an integral part of school's vision and allure.
- An agenda item will be presented to the Board at an upcoming with recommended next steps.

Discussion

