



COMMISSION MEMORANDUM

TO: Honorable Mayor and Members of the City Commission

FROM: Eric Carpenter, City Manager

DATE: May 21, 2025 9:25 a.m. Second Reading Public Hearing

TITLE: OCEAN TERRACE DEVELOPMENT AGREEMENT - AMENDMENT
A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, APPROVING, FOLLOWING SECOND READING/PUBLIC HEARING, A FIRST AMENDMENT TO THE DEVELOPMENT AGREEMENT, DATED JULY 31, 2019, CURRENTLY AMONG THE CITY OF MIAMI BEACH ("CITY"), 7450 OCEAN TERRACE LLC, OCEAN TERRACE TRUSTEE LLC, OCEAN TERRACE RESIDENTIAL LLC, OCEAN TERRACE SHARED FACILITIES LLC, AND OCEAN TERRACE RETAIL LLC (COLLECTIVELY, "PROJECT DEVELOPER"), AND OTH STREETSCAPE, LLC ("PARK DEVELOPER"), FOR THE DEVELOPMENT OF THE OCEAN TERRACE PROPERTY, GENERALLY LOCATED AT 7409, 7421, 7433, 7435, 7437, 7439, 7441, AND 7449 COLLINS AVENUE, AND 7400, 7410, 7420, 7430, 7436, AND 7450 OCEAN TERRACE ("DEVELOPMENT SITE"), AS AUTHORIZED UNDER SECTION 2.11.1 OF THE MIAMI BEACH RESILIENCY CODE (FORMERLY SECTION 118-4 OF THE CITY CODE), AND SECTIONS 163.3220 — 163.3243, FLORIDA STATUTES, WHICH FIRST AMENDMENT ELIMINATES THE REQUIREMENT THAT THE PROJECT INCLUDE AT LEAST 75 HOTEL UNITS.

RECOMMENDATION

The Administration recommends that the Mayor and City Commission (City Commission) approve the attached Resolution, approving the proposed amendments to the Ocean Terrace development agreement at Second Reading Public Hearing.

BACKGROUND/HISTORY

On July 31, 2019, pursuant to Resolution No. 2019-30927, a Development Agreement was entered into by and among the City of Miami Beach and the developer of the Ocean Terrace parcel, generally bounded by 74th Street on the south, Collins Avenue on the west, 75th Street on the north and Ocean Terrace on the east. The terms of the Development Agreement apply to both the Ocean Terrace parcel (private land) and a proposed park along and directly to the east of the Ocean Terrace parcel (public land).

The Development Agreement also authorized the vacation of portions of the Ocean Terrace, 74th Street and 75th Street rights-of-way (totaling approximately 45,920 square feet) to the developer and requiring the developer to grant a perpetual easement to the City for the vacated rights-of-way. In addition to the proposed project on the Ocean Terrace parcel, the developer agreed, and is required to develop, design, and construct, at the developer's sole cost and expense, certain public park and streetscape improvements along and to the east of Ocean Terrace shall be complete by June 2025.

ANALYSIS

Ocean Terrace Project

In 2021, the HPB approved a Certificate of Appropriateness for the redevelopment of the Ocean Terrace parcel. This included the renovation of existing, contributing structures within the parcel, as well as the construction of a new 235' residential tower building (Tower Building) located at the southeast corner of the development site and a new 7-story hotel building at the northwest corner of the site. The project also includes accessory commercial uses along Collins Avenue and Ocean Terrace, as well as a parking podium.

On September 13, 2021, the HPB approved a Certificate of Appropriateness for the proposed park and streetscape improvements along and to the east of Ocean Terrace. In accordance with the Development Agreement, the developer is in process of completing the Ocean Terrace park and streetscape Improvements. The developer has also indicated that the development of the private parcel is moving forward.

Proposed Amendments to the Development Agreement

The Development Agreement specifies that the project on the Ocean Terrace parcel must include at least 75 hotel units. In response to market conditions that currently favor residential uses over hotel uses, the developer has proposed to amend the Development Agreement to eliminate the requirement that the project includes a minimum number of hotel units.

The Administration is supportive of this proposed amendment, as the developer has agreed to execute and record a Declaration of Restrictive Covenants, substantially in the form attached to the First Amendment to Development Agreement, against title to the Tower Building, providing that none of the residential units within the Tower Building shall be leased or rented for a period of less than six (6) months and one (1) day. The Administration and the developer have negotiated the First Amendment to the Development Agreement, a copy of which is attached, which includes all agreed upon provisions related to the number of hotel units and the proffer to forgo the short-term rental of the residential units.

UPDATE

The proposed amendments to the Development Agreement were approved by the City Commission at First Reading on April 23, 2025, with no changes.

FISCAL IMPACT STATEMENT

No Fiscal Impact

Does this Ordinance require a Business Impact Estimate?

(FOR ORDINANCES ONLY)

If applicable, the Business Impact Estimate (BIE) was published on:

See BIE at: <https://www.miamibeachfl.gov/city-hall/city-clerk/meeting-notices/>

FINANCIAL INFORMATION

Not Applicable

CONCLUSION

The Administration recommends that the City Commission approve the attached Resolution, approving the proposed amendments to the Ocean Terrace development agreement at Second Reading Public Hearing.

Applicable Area

North Beach

**Is this a “Residents Right to Know” item,
pursuant to City Code Section 2-17?**

Yes

**Is this item related to a G.O. Bond
Project?**

No

**Was this Agenda Item initially requested by a lobbyist which, as defined in Code Sec. 2-481,
includes a principal engaged in lobbying?** Yes

If so, specify the name of lobbyist(s) and principal(s): Neisen Kasdin

Department

Planning

Sponsor(s)

City Manager

Co-sponsor(s)

Condensed Title

9:25 a.m. 2nd Rdg PH, Ocean Terrace Development Agreement - Amendment. (CM) PL

Previous Action (For City Clerk Use Only)

First Reading Public Hearing on 4/23/2025 – R7 A