



COMMISSION MEMORANDUM

TO: Honorable Mayor and Members of the City Commission

FROM: Eric Carpenter, City Manager

DATE: June 25, 2025 9:22 a.m. Second Reading Public Hearing

TITLE: NORTH BEACH OCEANSIDE DISTRICT - DEAUVILLE DEVELOPMENT AGREEMENT

A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA APPROVING, FOLLOWING A SECOND READING/PUBLIC HEARING, A DEVELOPMENT AGREEMENT, AS AUTHORIZED UNDER SECTION 2.11.1 OF THE MIAMI BEACH RESILIENCY CODE, AND SECTIONS 163.3220 – 163.3243, FLORIDA STATUTES, BETWEEN THE CITY OF MIAMI BEACH (THE “CITY”) AND TMG 67 COMMUNITIES, LLC AND DEAUVILLE ASSOCIATES, LLC (COLLECTIVELY THE “DEVELOPER”), WHICH DEVELOPMENT AGREEMENT DELINEATES THE TERMS AND CONDITIONS FOR THE DEVELOPMENT OF THE PROPERTY LOCATED AT 6701 COLLINS AVENUE (THE “DEAUVILLE PROPERTY”) AND 6625 INDIAN CREEK DRIVE (THE “GARAGE PROPERTY”) LOCATED IN MIAMI BEACH, FLORIDA, CONSISTING OF (1) A MAXIMUM OF 140 HOTEL UNITS, (2) A MAXIMUM OF 200 RESIDENTIAL UNITS, (3) GROUND FLOOR RETAIL, (4) PUBLIC PARKING, AND (5) ACCESSORY USES (THE “PROJECT”); AND MEMORIALIZES CERTAIN ADDITIONAL PUBLIC BENEFIT COMMITMENTS MADE BY THE DEVELOPER, AS WELL AS CERTAIN REQUIREMENTS AND DEADLINES WITH RESPECT TO THE PUBLIC BENEFITS; AND FURTHER AUTHORIZING THE CITY MANAGER TO FINALIZE THE DEVELOPMENT AGREEMENT, IN A FORM ACCEPTABLE TO THE CITY ATTORNEY, AND FURTHER AUTHORIZING THE MAYOR AND CITY CLERK TO EXECUTE AND RECORD THE DEVELOPMENT AGREEMENT.

RECOMMENDATION

The Administration recommends that the Mayor and City Commission (City Commission) provide direction on the remaining matters and adopt the resolution to approve the development agreement.

BACKGROUND/HISTORY

Amendment Application

On August 6, 2024, TMG 67 Communities LLC applied to modify the Land Development Regulations of the City Code (LDRs) and the 2040 Comprehensive Plan, with respect to the property located at 6701 Collins Avenue. This is a private application filed pursuant to Sections 2.4.1 and 7.1.10 of the Resiliency Code and proposes to create the North Beach Oceanfront Overlay within the City’s Future Land Use Map, the text of the City’s 2040 Comprehensive Plan, and the City’s Resiliency Code.

On February 4, 2025, the Planning Board held a public hearing and transmitted the proposed amendments to the LDRs and the Comprehensive Plan to the City Commission with a favorable recommendation (6-0). These proposed amendments were approved by the City Commission at First Reading on March 19, 2025, and Second Reading / Adoption of these amendments was set for April 23, 2025. Additionally, a separate, draft development agreement was referred to the Planning Board by the City Commission for a recommendation. However, the referral of the

development agreement was withdrawn from the Planning Board agenda, and First Reading of the development agreement will now be considered as a companion item to the LDR and Comprehensive Plan amendments.

Background

The Deauville name has a long history dating back to 1926. The original Deauville hotel at 6701 Collins Avenue was constructed in 1926, modified in the early 1930's, and totally demolished in 1956. The former Deauville hotel, which was demolished in 2022, was constructed in 1956 and designed by noted Miami Beach architect Melvin Grossman, in the Post War Modern (MiMo) style. The former hotel was also classified as a contributing building in the Miami Beach Historic Properties Database and the site is located within the North Beach Resort Local Historic District.

One of the most noticeable features of the former building was its dramatic porte-cochere, comprised of sweeping intersecting parabolic curves, created a defining entry point for this once all-inclusive resort. Stepped horizontal planes rose from the street to the 2nd floor lobby entrance along the building's façade, providing shelter and a clear pedestrian procession from Collins Avenue. This lobby entrance was one of the three main differentiated architectural features of the building.

The former 2-story structure on the south side of the property contained ground level retail spaces with a two-story height ballroom space above, made legendary by the 1960s appearance of the Beatles on the "Ed Sullivan Show". An elongated honeycomb pattern of ornamental hollow clay blocks formed a distinctive screening mechanism for the ballroom façade on Collins Avenue. The hotel portion of the former building rose 15 stories at the north end of the property and contained continuous horizontal windows and projecting concrete eyebrows.

After a fire in the former Deauville's electrical room, the building was closed on July 25, 2017. The city took extensive action to attempt to ensure that the former building was not demolished by neglect through enforcement action by the Building department and by filing action in Circuit Court to attempt to force the property owner to meet its obligations with respect to the 40-year building re-certification process and pursuant to a 2018 Unsafe Structures Board Order, among other relief intended to prevent the building's demolition by neglect. One of those obligations was for the owner to provide a Structural Condition Assessment Report from a licensed engineer.

After years of enforcement action and litigation, the owner provided the required Structural Condition Assessment Report. Unfortunately, that report (which the Building Official verified) established that the building was unsafe and could not be saved due to structural defects in the building. The building was demolished in November 2022.

ANALYSIS

Proposal Summary

The applicant is proposing to create a new overlay, entitled the North Beach Oceanfront Overlay district, as well as amend the RM-3 development regulations specific to 6701 Collins Avenue, the site of the former Deauville Hotel. Collectively, the proposed amendments to the LDRs and Comprehensive Plan are for the construction of a new apartment hotel development. In addition to the partial reconstruction of the former Deauville Hotel and the construction of two new residential apartment towers, the following accessory uses and amenities are proposed:

- 7,300 square feet of retail;
- 34,000 square feet of food and beverage service;
- 24,000 square feet of ballroom/banquet space;

- A 7,500 square foot spa;
- A 5,300 square foot gym; and
- 98 parking spaces.

The subject site is 166,500 square feet and the former Deauville Hotel previously contained 566 hotel rooms. The proposed LDR amendment would allow up to 416,250 square feet of bonus floor area (2.5 bonus FAR). When combined with the current maximum allowable floor area of 499,500 square feet (3.0 FAR), up to 915,750 square feet of floor area would be permitted, which would equate to an overall FAR of 5.5 for the property. The maximum zoned FAR for the property would remain at 3.0.

Additionally, the applicant is proposing up to 100 feet of bonus building height, which will result in the new residential towers constructed with a total height of 300 feet. The maximum zoned building height for the property would remain at 200 feet.

The applicant is also proposing to modify the minimum setback requirements in a manner specific to the property, as well as a reduction in the minimum off-street parking requirements, along with the allowance for subterranean parking and mechanical parking without the review of the Planning Board. Lastly, an exemption from the requirements of the long frontage standards is proposed.

Development Agreement Summary

On April 23, 2025, the City Commission reviewed and approved a draft development agreement prepared by the applicant, in substantial form, which is proposed to be entered into by the City of Miami Beach and the developer of the Deauville property (TMG 67 Communities LLC and Deauville Associates LLC). As more specifically noted in this draft development agreement, the developer agreed to comply with certain requirements as public benefits to the City. The following is a general summary of these requirements as outlined to the City Commission on April 23, 2025:

1. *The Project.* The Developer must submit development applications for the proposed redevelopment of the Deauville site in accordance with the following:
 - a. The Developer shall submit legally sufficient Project Zoning Applications to the City within eighteen (18) months after the Effective Date and diligently pursue the approval of the Project.
 - b. The Developer shall prepare and submit the building permit application for the Project within eighteen (18) months after the later of the final non-appealable approval of a COA for the Project by the City's HPB or the issuance of a conditional use permit for the Project by the City's Planning Board.
 - c. The Developer shall complete and, if relevant, secure a temporary certificate of occupancy for the following elements of the Project within five (5) years of the issuance of the building permit:
 - I. A minimum 150,000 square foot mixed-use pedestal incorporating the partial reconstruction of the former Deauville Hotel building pedestal.
 - II. The two pedestrian pathways to the City's Beachwalk located at the north and south sides of the Developer Property.
2. *Use of Garage Property at 67th Street and Indian Creek Drive.* The developer has agreed to the following:
 - a. Within sixty (60) days of the Effective Date, the Developer shall engage a structural engineer to evaluate the structural integrity of the Garage Property. The structural engineer's report shall be provided to the City within ninety (90) days of the date the engineer is engaged. The Developer shall apply for a conditional use approval for the Garage Property within sixty (60) days of the Effective Date.

- b. If, within thirty (30) days of the City reviewing the engineer's report, no life-safety concerns are raised, the Developer shall permit the City to utilize a minimum of one hundred and fifty (150) parking spaces within the Garage Property for public parking, immediately upon the conditional use approval being secured.
 - c. If life-safety concerns are raised in the engineer's report, the Developer shall be responsible for diligently pursuing all necessary repairs to correct the life-safety issues, which shall be completed within one hundred and eighty (180) days of the City reviewing the engineer's report. Upon the completion of any necessary repairs, the Developer shall permit the City to utilize the parking spaces immediately, upon the conditional use approval being secured.
 - d. The City shall operate the temporary public parking use, including installing all necessary equipment to serve the public parking spaces, managing methods of payment, sanitation, refuse collection, security, and any other matter reasonably necessary for the day-to-day operation of a parking garage.
 - e. The Developer shall, subject to the issuance of all necessary City approvals, incorporate a Project sales center into the Garage Property.
 - f. The Developer shall be responsible for capital improvements to the Garage Property for the first five (5) years and the City shall be responsible for standard maintenance. The Developer shall be responsible for converting the parking spaces into commercial condominium units, using a mechanism agreed to by the Developer and the City, and shall deed the one hundred and fifty (150) parking spaces to the City within ninety (90) days of the spaces being made available to the City pursuant to Section 5(b)(i). The City shall be responsible for the relevant portion of assessments, operating expenses, maintenance costs (excluding capital improvements for the first five (5) years), and utilities for the garage as part of the condominium.
 - g. If access or utilization of any City-owned spaces will be impacted by the work on capital improvements to the Garage Property, the Developer shall provide the City with temporary spaces within the facility in a location acceptable to the City.
3. *Seed Capital for Byron Carlyle Site Development.* The Developer shall pay \$7,500,000.00 to the City for use in connection with the proposed redevelopment of the Byron Carlyle Site. \$1,000,000.00 of the payment shall be made within sixty (60) days of the effective date of the development agreement and the remaining \$6,500,000.00 shall be paid as follows:
 - (i) \$2,500,000 shall be paid within sixty (60) days of the securing of a final non-appealable approval of a Certificate of Appropriateness for the Project by the City's HPB; and
 - (ii) the remaining \$4,000,000.00 shall be paid within sixty (60) days following the issuance of a building permit for the Project, the City can access half of these funds earlier if necessary for construction of the project.
 The application of the Developer's contribution shall be at the City's discretion.
4. *Biscayne Beach Elementary Infrastructure Improvements.* Within thirty (30) days of the effective date of the development agreement, the developer shall contribute \$40,000.00 to the city for improvements to the Biscayne Beach Elementary sanitary sewer infrastructure.
5. *Funding for Infrastructure Analysis and Repairs.* Within thirty (30) days securing a final non-appealable approval of a Certificate of Appropriateness for the Project by the City's HPB, the developer shall contribute \$400,000 to the City for the purpose of funding an infrastructure evaluation and analysis, and any repairs identified in the analysis. The application of the Developer's contribution shall be at the City's discretion.
6. *Resolution of Existing Fines.* The developer shall pay \$6,300,000.00 to the city to resolve existing fines for code violations on the Deauville property and the Garage Property in accordance with the terms of a settlement agreement dated May 15, 2025 between the City and the Developer (and certain affiliates of the Developer).

7. *Development of Triangle Pocket Park.* The Developer shall design and construct a pocket park at the developer's sole cost and expense located within the Triangle Pocket Park Site at the intersection of 67th Street, Indian Creek Drive, and Harding Avenue.

UPDATE

The subject development agreement was approved at First Reading on April 23, 2025 and is tethered to separate, companion amendments to the LDRs and the Comprehensive Plan. On May 21, 2025, at the request of the applicant, the City Commission opened and continued all three of these components to June 25, 2025, so that they can be considered for adoption together.

After the May 21, 2025 City Commission meeting, the applicant provided the attached, revised version of the development agreement. The following is a general summary of the changes and updates to the proposed development agreement:

1. Previously, the applicant requested a height bonus of 180 feet, which increased the maximum building height from 200 feet to 380 feet. The requested height bonus has now been reduced to 100 feet, which would increase the maximum building height from 200 feet to 300 feet.
2. The floor plates of the revised two (2) rather than three (3) towers are proposed to be increased from 10,000 square feet per floor to 25,000 square feet per floor, to accommodate the proposed reduction in building height and removal of the third tower.
3. To accommodate the lower building height, the applicant has proposed to modify the previous requirement to substantially reconstruct the former Deauville by allowing for the reinterpretation of the original tower portion of the hotel and redistribute the allowable FAR within 2 new towers that have been relocated within the site.
4. The applicant has limited the overall density of the project not to exceed 200 residential units and 140 hotel units.
5. A minimum of 90,000 - 125,000 square feet of hotel floor area will be provided (to be confirmed).
6. A maximum of 625,000 - 660,000 square feet of residential tower floor area will be provided (to be confirmed).
7. A no gambling provision for the subject site is included.
8. A guarantee that no future projects on the property will be developed pursuant to the Live Local Act is included.
9. A portion of the property shall be developed as temporary public open space for use by the general public during the period of time that the development project is seeking required approvals, the dimensions of which will be dictated by the settlement agreement.
10. The Developer has agreed to design and construct a minimum 2,000 square foot exhibition and meeting space to be used as the Center for Miami Modern Architecture and Resilience at the Deauville Hotel within the mezzanine of the partially reconstructed pedestal, which will be for use by non-profit organizations or educational institutions.
11. Specific areas of the property shall be deemed privately owned public open spaces ("POPS") that are generally open to the public. The POPS shall include a widened sidewalk promenade along portions of the Collins Avenue frontage of the property, a beach access path on the

south side of the property, an elevated beach access path on the north side of the property, and the lobby of the partially reconstructed Deauville Hotel.

Additionally, at the request of the City Commission, the attached economic analysis was prepared by Miami Economic Associates (MEA) regarding the value of the additional FAR and height contemplated in the proposal. This analysis was conducted under the original proposed building height of 380 feet. Although the applicant has indicated they do not agree with the findings in this analysis, the Administration believes that the substance of the analysis should be considered by the City Commission.

The Administration has reviewed the applicant's public benefits, as noted above. Additionally, the reconstruction of the former Deauville, including the reinterpretation of the tower, are important as the significant height and FAR bonuses proposed were conceived and predicated upon the faithful recreation of an important architectural landmark in North Beach. As indicated by the applicant, the development bonuses proposed are intended to offset the costs associated with the reconstruction of the former Deauville hotel.

Finally, the applicant's proposal to modify the previously proposed reconstruction of the tower portion of the former Deauville hotel must be looked at cautiously. In this regard, the applicant has studied and agreed to tangible options to re-introduce the original tower portion of the former Deauville hotel. However, should this proposal move forward, it will be incumbent upon the applicant to faithfully re-interpret the exterior design, as well as the location, orientation and footprint of the original Deauville hotel tower. To this end, the Historic Preservation Board will play a critical role in ensuring a successful project from an architectural and appropriateness standpoint

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-notice/>

FINANCIAL INFORMATION

Not Applicable

CONCLUSION

The Administration recommends that the City Commission provide direction on outstanding matters and adopt the resolution to approve the development agreement.

Applicable Area

North Beach

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

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

Yes

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): Michael Larkin, ESQ - Bercow & Radell

Department

Planning

Sponsor(s)

City Manager

City Attorney

Co-sponsor(s)

Condensed Title

9:22 a.m. 2nd Rdg, North Beach Oceanside District - Deauville Development Agreement. PL

Previous Action (For City Clerk Use Only)

Continued from 5/21/2025 - R7 B