

MIAMI BEACH

COMMISSION MEMORANDUM

TO: Honorable Mayor and Members of the City Commission
FROM: Eric Carpenter, City Manager
DATE: April 23, 2025 9:22 a.m. First 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 FIRST 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 (“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 200 HOTEL UNITS, (2) A MAXIMUM OF 140 RESIDENTIAL UNITS, (3) GROUND FLOOR RETAIL, (4) PUBLIC PARKING, (5) ACCESSORY USES (THE “PROJECT”); (6) MEMORIALIZES CERTAIN ADDITIONAL PUBLIC BENEFIT COMMITMENTS MADE BY THE DEVELOPER, AND (7) WITH THE FOREGOING SUBJECT TO AND CONTINGENT UPON DEVELOPER’S SATISFACTION OF THE CONDITIONS SET FORTH IN THE DEVELOPMENT AGREEMENT AND ENACTMENT OF CERTAIN AMENDMENTS TO THE CITY’S COMPREHENSIVE PLAN AND LAND DEVELOPMENT REGULATIONS, AT ITS SOLE DISCRETION; AND FURTHER, SETTING THE DAY, TIME, AND PLACE FOR THE SECOND AND FINAL READING OF THE DEVELOPMENT AGREEMENT.

RECOMMENDATION

The Administration recommends that the Mayor and City Commission (City Commission) adopt the attached Resolution, approving the subject development agreement at First Reading, and schedule a Second Reading public hearing for May 21, 2025.

BACKGROUND/HISTORY

Amendment Application

On August 6, 2024, TMG 67 Communities LLC (the “Developer”) filed a private application to amend the Land Development Regulations of the City Code (LDRs) and the 2040 Comprehensive (Comp) Plan, with respect to the property located at 6701 Collins Avenue pursuant to Sections 2.4.1 and 7.1.10 of the Resiliency Code (the “North Beach Oceanfront Overlay LDR and Comp Plan Amendments”). This development agreement is a companion to the North Beach Oceanfront Overlay LDR and Comp Plan Amendments and sets forth certain public benefits proffered by the Developer.

On February 4, 2025, the Planning Board held a public hearing and transmitted the proposed North Beach Oceanfront Overlay LDR and the Comp Plan Amendments 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, this development agreement was referred to the Planning Board by the City Commission for a recommendation. However, to allow the City Commission to hold both readings, 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, which 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 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.

The applicant also owns the property located at 6625 Indian Creek Drive, which is currently improved with a parking garage historically used in connection with the operation of the former Deauville Hotel.

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 North Beach Oceanfront Overlay LDR and Comp Plan Amendments 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 180 feet of bonus building height, which will result in the new residential towers constructed with a total height of 380 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.

In consideration of the City's entering into a development agreement pertaining to the proposed development of the Deauville site, the Developer has agreed to provide certain public benefits for the North Beach area of the City including: (1) partial reconstruction of the former Deauville Hotel building pedestal within a certain timeframe; (2) construction and perpetual access to pathways connecting Collins Avenue to the beach walk; (3) deeding certain areas within the Garage Property to the City for public parking and public purposes; (4) providing funding for certain costs associated with planning future improvements to the Byron Carlyle Theater site located at 500 71 Street; (5) development of a pocket park; and (6) funding of infrastructure improvements in North Beach.

Development Agreement Summary

Attached is a draft development agreement, 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 the attached draft development agreement, the developer would be obligated to comply with certain requirements as public benefits to the City. The following is a general summary of these requirements:

1. *The Project.* The Developer must submit development applications for the proposed redevelopment of the Deauville site in accordance with the following:
 - a. The Project shall be a mixed-use development consisting of hotel, residential, and accessory uses. The maximum total floor area permitted upon the Developer Property shall not exceed 915,750 square feet. which shall be distributed among the hotel, residential and accessory uses.

- b. The height of any multi-family residential tower on the Developer Property shall not exceed 380 feet in height (as measured from Design Flood Elevation, as defined in the Land Development Regulations), a maximum of two (2) residential towers shall be allowed, and any architectural projections will comply with the terms of the Land Development Regulations (as may be amended by the Comprehensive Plan Amendment and the Land Development Regulation Regulations Amendments).
 - c. The uses permitted on the Developer Property shall be: up to 140 multi-family residential units, up to 200 hotel rooms, and accessory uses.
 - d. The floor area of the Project shall be divided as follows:
 - i. A minimum 166,000 square foot mixed-use pedestal incorporating the partial reconstruction of the former Deauville Hotel building pedestal;
 - ii. A minimum 230,000 square feet hotel floor area;
 - iii. A maximum of 518,000 square feet of residential tower floor area; and
 - iv. Floor area associated with accessory uses.
 - e. The Project shall include two pedestrian pathways to the City's Beachwalk located at the north and south sides of the Developer Property.
 - f. 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.
 - g. 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.
 - h. 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 166,000 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.
 - i. Compliance with the public benefits requirements is a condition precedent to the issuance of a certificate of occupancy or a temporary certificate of occupancy for the Project.
 - j. The initial Term of this Agreement shall be a total of ten (10) years from the Effective Date. The Term of this Agreement shall be automatically extended by five (5) years upon the Developer's compliance with the public benefit requirements.
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 all capital improvements to the Garage Property 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. The City shall be responsible for the relevant portion of assessments, operating expenses, maintenance costs (excluding capital improvements), 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) \$4,500,000 shall be paid within sixty (60) days of the earlier of (A) the securing of a final non-appealable approval of a Certificate of Appropriateness for the Project by the City's HPB or (B) the securing of a conditional use approval for the use of the Garage; and
 - (ii) the remaining \$2,000,000.00 shall be paid within sixty (60) days following the submission of an application for a building permit for 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 of the earlier of (A) the securing of a final non-appealable approval of a Certificate of Appropriateness for the Project by the City's HPB or (B) the securing of a conditional use approval for the use of the Garage the developer shall contribute \$400,000.00 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. The settlement agreement will also result in the dismissal of two pending litigation matters involving the City and the owners of the Deauville property.
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.

The subject development agreement is a companion of the North Beach Oceanfront Overlay LDR and Comp Plan Amendments. If the development agreement is approved by the City Commission at First Reading on April 23, 2025, the development agreement and the North Beach Oceanfront Overlay LDR and Comp Plan Amendments would be presented for adoption together at a Second Reading public hearing on May 21, 2025.

The City has determined that the Project and public benefits proffered by the Developer will benefit the City and the public, through the partial reconstruction and reinterpretation of a contributing structure, increased beach accessibility, improvements to the availability of parking, infrastructure improvements in North Beach, and the facilitation of development of an Art and Culture Center at the Byron Carlyle Site.

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 subject development agreement at First Reading, and schedule a Second Reading public hearing for May 21, 2025.

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): Michael Larkin, Esq. - Bercow & Radell

Department

Planning

Sponsor(s)

City Manager
City Attorney

Co-sponsor(s)

Condensed Title

9:22 a.m. 1st Rdg PH, North Beach Oceanside District - Deauville Development Agreement. PL

Previous Action (For City Clerk Use Only)