

MIAMI BEACH

COMMISSION MEMORANDUM

TO: Honorable Mayor and Members of the City Commission

FROM: Eric Carpenter, City Manager

DATE: December 11, 2024

TITLE: A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, APPROVING, IN SUBSTANTIAL FORM, THE FOLLOWING DOCUMENTS IN CONNECTION WITH THE DEVELOPMENT OF THE COLLINS PARK ARTIST WORKFORCE HOUSING PROJECT ON THE CITY-OWNED LAND LOCATED AT 224 23RD STREET (THE "PROPERTY"), PURSUANT TO A DEVELOPMENT AGREEMENT AND ASSOCIATED GROUND LEASE: (1) A TERMINATION AND RELEASE OF EASEMENT, IN THE DRAFT FORM ATTACHED TO THIS RESOLUTION AS EXHIBIT "1", RELATING TO A NON-EXCLUSIVE UTILITY EASEMENT IN FAVOR OF FLORIDA POWER & LIGHT ("FPL"), RECORDED IN OFFICIAL RECORDS BOOK 21250, AT PAGE 620, OF THE PUBLIC RECORDS OF MIAMI-DADE COUNTY, FLORIDA, LYING IN A PORTION OF LOT 11, IN BLOCK 2, OF THE AMENDED MAP OF OCEAN FRONT PROPERTY OF THE MIAMI BEACH IMPROVEMENT COMPANY, RECORDED IN PLAT BOOK 5, AT PAGE 7 (THE "PLAT"), THAT PROVIDES ELECTRICAL SERVICES TO THE MIAMI BEACH REGIONAL LIBRARY; (2) A NEW 10 FOOT WIDE NON-EXCLUSIVE UTILITY EASEMENT IN FAVOR OF FPL, IN THE DRAFT FORM ATTACHED TO THIS RESOLUTION AS EXHIBIT "2", HAVING APPROXIMATELY 1,702 SQUARE FEET AND LYING IN A PORTION OF LOTS 7, 8, 9 AND 11, IN BLOCK 2, OF THE PLAT, REPLACING THE TERMINATED EASEMENT, TO PROVIDE ELECTRICAL SERVICES TO THE LIBRARY; AND (3) A NEW NON-EXCLUSIVE UTILITY EASEMENT IN FAVOR OF FPL, IN THE DRAFT FORM ATTACHED TO THIS RESOLUTION AS EXHIBIT "3", HAVING APPROXIMATELY 1,302 SQUARE FEET AND LYING IN A PORTION OF LOTS 7 AND 9, IN BLOCK 2, OF THE PLAT, TO PROVIDE ELECTRICAL SERVICES TO THE DEVELOPED PROJECT; AND FURTHER, AUTHORIZING THE CITY MANAGER TO FINALIZE AND EXECUTE THE DOCUMENTS.

RECOMMENDATION

The Administration recommends that the Mayor and City Commission adopt the attached Resolution, approving, in substantial form: (1) a Termination and Release Agreement for an existing, recorded Florida Power & Light (FPL) easement, (2) grant of a new FPL easement to provide electrical services to the Miami Beach Regional Library and replacing the terminated easement, and (3) grant of a new FPL easement to provide electrical services to the Collins Park Artist Workforce Housing Project.

BACKGROUND/HISTORY

The City owns the property located at 224 23rd Street within the Collins Park Cultural District (the "Property"), previously operated as a 21-space surface parking lot, adjacent to the Miami Beach Regional Library (the "Library") and near the Collins Park Garage (G12). This Property is part of a unified development site with the Library, which is owned by the City but operated by Miami-Dade County under an interlocal cooperation agreement.

On November 13, 2002, via Resolution No. 2002-25063, the Mayor and City Commission authorized a Non-exclusive easement to Florida Power & Light Company (FPL) across the Property, for the provision of underground distribution facilities, a transformer pad, and a vault, to provide electrical power to the Library. This Non-exclusive utility easement is recorded in the Miami-Dade County Public Records (“Recorded Easement”).

On January 18, 2019, the City issued Invitation to Negotiate (ITN) 2019-099-KB, for a mixed-use residential workforce housing development at the Property (the “Collins Park Artist Workforce Housing Project” or “Project”), encouraging proposals to include dormitory space for Miami City Ballet, Inc., a not-for-profit organization with nearby headquarters (the “Ballet”).

On January 13, 2021, the Mayor and City Commission adopted Resolution No. 2021-31553, approving a Development Agreement with Servitas, LLC (“Servitas” or “Developer”), the sole remaining proposer under ITN 2019-099-KB, for the development of the Collins Park Artist Workforce Housing Project, containing residential workforce housing units prioritized for artists, teachers, and other income-eligible tenants; dormitory housing intended for use by the Ballet, to support the Ballet’s dance education and other programs or, if an agreement with the Ballet could not be reached, additional workforce housing units, and ground floor retail or cultural space.

On January 13, 2021, in a companion agenda item, the Mayor and City Commission adopted Resolution No. 2021-31554, approving a Ground Lease Agreement with Community Finance Corporation, a not-for-profit corporation (the “Ground Lease”) for the development, financing, construction and operation of the Project.

On May 17, 2023, the Mayor and City Commission adopted Resolution No. 2023-32619, approving revisions to the Ground Lease to reflect the City’s total monetary contribution to the Project, including a \$5.85 million capital contribution and \$4 million via the Arts and Culture General Obligation Bond. The Ground Lease was executed by the City and Lessee and is dated June 1, 2023.

ANALYSIS

The Collins Park Artist Workforce Housing Project broke ground on July 27, 2023, and construction is approximately 75% complete. It is anticipated to reach substantial completion by spring 2025. The Project will feature a 7-story housing facility, having approximately 74,000 square feet, and including public or cultural arts space on a portion of the ground floor, dormitory housing for the Miami City Ballet’s dance education program, and 80 workforce housing units, prioritizing income-eligible artists, educators, City employees, veterans, and other members of the Miami Beach workforce.

FPL Easement for the Library

Development of the Project necessitates the termination of the existing Recorded Easement for FPL services to the Library, attached as Exhibit “1”, and replacing it with a new 10-foot-wide perpetual, Non-exclusive Easement, in the draft form attached to the Resolution accompanying this Commission Memorandum as Exhibit “2”, having approximately 1,702 square feet, located along the perimeter of the Property, to maintain electrical service to the Library.

FPL Easement for the Project

Connecting the Project to the FPL power system requires the installation of an FPL vault room on the Property, and FPL has requested a perpetual, Non-exclusive Easement within the Project site, in the draft form attached to the Resolution accompanying this Memorandum as Exhibit “3”, having approximately 1,302 square feet, to accommodate the vault.

The City will execute two (2) easement agreements, detailed in the attached sketches and legal descriptions, allowing FPL to access, construct, operate, and maintain the necessary above-ground and underground facilities to provide electrical service to both the Project and the Library.

FISCAL IMPACT STATEMENT

The execution of the proposed easement agreements with FPL will not result in any direct cost to the City. The granting of these easements is essential to facilitate necessary electrical infrastructure for both the Project and the Library, ensuring uninterrupted utility service.

The installation and maintenance of the electrical facilities, including the vault and underground utilities, will be funded by the Developer as a Project construction cost, thereby relieving the City of any associated financial burden. Additionally, the easements will help avoid potential costs or delays related to securing alternative utility connections, supporting the timely completion of the Project.

The Project itself, funded through a combination of public and private investment, aims to provide affordable workforce housing and cultural amenities that will contribute positively to the community's economic development, aligning with the City's broader strategic goals for the Collins Park Cultural District.

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

CONCLUSION

In order to permit FPL to access, construct, operate, and maintain above-ground and related below-ground facilities to ensure electrical service for both the Library and the Collins Park Artist Workforce Housing Project, the Administration recommends that the Mayor and City Commission approve, in substantial form, the following documents; and further, authorize the City Manager to finalize and execute the documents:

- 1) the Termination and Release of Easement, in the draft form attached as Exhibit "1", terminating and releasing the Recorded Easement;
- 2) a new 10-foot wide Non-exclusive utility Easement in favor of FPL, in the draft form attached as Exhibit "2"; and
- 3) a new Non-exclusive utility Easement in favor of FPL, in the draft form attached as Exhibit "3".

Applicable Area

South 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?

Yes

Was this Agenda Item initially requested by a lobbyist which, as defined in Code Sec. 2-481, includes a principal engaged in lobbying? No

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

Department

Economic Development

Sponsor(s)

Co-sponsor(s)

Condensed Title

Execute Easement Agreement, Collins Park Artist Workforce Housing Project. ED