VIRGINIA KEY

HARBOUR & MARINE CENTER

CITY OF MIAMI
DEPARTMENT OF REAL ESTATE & ASSET MANAGEMENT

REQUEST FOR PROPOSALS (RFP NO. 16-17-011)
LEASE OF CITY-OWNED WATERFRONT PROPERTY
FOR MARINAS/RESTAURANT/SHIP'S STORE USES
LOCATED AT VIRGINIA KEY, MIAMI FLORIDA

3. EXECUTIVE SUMMARY

(a) The Proposer

Virginia Key, LLC, a Florida Limited Liability Company, ("VKLLC" or the "Proposer"), the VKLLC, submits this response to the Virginia Key Marina RFP NO. 16-17-011 (the "RFP") for the creation of the Virginia Key Harbour & Marine Center to capitalize on the site's underutilized but prime waterfront location as an ideal place to centralize and expand Miami's access to the waterfront and boating activity. ("Response"). **Virginia Key LLC is a joint venture of the RCI group (" RCI"), who principals are Robert W. Christoph and Robert W. Christoph, Jr. and Suntex Marinas ("Suntex") whose principals are Bryan Redmond, Chris Petty, David Filler and John Powers.**

(b) Overall Experience and Qualifications

These two companies are the largest and most sophisticated waterfront and marina developers, operators, and owners in the country. Together RCI Group and Suntex Marinas bring more than 150 years of combined experience in redeveloping, operating and managing public and private, multi-use marina locations in urban areas throughout the East Coast and the Mid-West. The combined value of the marina and upland real estate assets owned and or operated by RCI and Suntex approaches $1 Billion. **Together they own and/or operate 17 marinas in Florida alone with a combined total of 2148 wet slips and 1480 dry storage slips.** Ten of these facilities are located in South Florida stretching from Palm Beach to Homestead. Nationwide their existing combined portfolios expand to 47 marinas with 12,416 wet slips and 5072 dry storage slips in 15 states as illustrated on the map below.

RCI Group is widely regarded as a leader on the Eastern Seaboard of the United States for providing a full, first class array of real estate services and specializes in creating unique, multidimensional, marine related, mixed use waterfront developments. RCI Group also possesses significant experience in revitalizing major underdeveloped areas that are both publically and privately owned. RCI Group currently owns and operates three marinas in Florida, including Miami Beach Marina and the Bahia Mar Yachting Center in Ft Lauderdale. With over fifty years of experience in property development and management, RCI is ready to continue making its mark on the marine industry and to redevelop this uniquely situated Property into a more vibrant recreational marina and premiere waterfront restaurant destination.

Suntex is a leading owner, operator and developer of high-quality coastal and inland marina properties located throughout the United States. Suntex and its predecessor companies have been in the marina business since 1995. Currently, Suntex owns and /or operates 43 marinas containing approximately 15,120 boat slips with a current estimated value of $600 Million including 14 marinas in Florida. Suntex is led by a management team with over 100 years combined experience investing in, acquiring and operating marinas. Suntex currently employs 60 people in its corporate office and approximately 1200 on-site at its marinas in peak seasons.

(c) Financials & Proposed Revenues

In just the first 15 years of the Lease VKLLC projects it will pay the City $60,479,022 in rent plus approximately $5,962,971 in property taxes. Over the life of the Lease, VKLLC projects that it will pay the City more than $909,391,991 in rent. In addition, it will pay $88,340,602 more in property taxes to the City for a combined direct financial benefit to the City of $999,732,593 -- a Billion dollars!

The VKLLC will invest more than $80 million in the creation of this world class facility for the City. This substantial capital investment will provide the largest return to the City through maximizing the creation of a total of 162 wet slips and 750 dry slips. The slip mix has also been designed to include approximately 94 wet slips for yachts 60 feet and larger, the most underserved part of the marine community today. These large slips will enhance the revenue generation potential for the City and the dry storage facility will be able to handle vessels up to 60 feet in length. Therefore the VKLLC Project is designed to serve all segments of the boating community further enhancing the revenue potential of the Property.

The VKLLC will pay the City its requested annual guaranteed minimum base rent of $2,150,000 ("Base Rent"). Furthermore, VKLLC proposes to increase the base rent annually after the first anniversary by **not less than 3% of the previous year's Base Rent**, or an increase based on the amount indicated by the Consumer Price Index as of (3) months prior to the beginning of the applicable adjustment date up to a maximum of 5%. **This base rent is greater than the minimum rent required by the RFP.**

In addition, the VKLLC will pay a Percentage Rent of gross revenues equal to **(6%) of wet slip and dry storage operations, (6%) of fuel sales, and (6%) sublease income or other income** received from the use of the Property, and any other proposed lease payments. **This exceeds the minimum percentage rent required by the RFP**. Furthermore, the VKLLC commits to adhere to the City Charter requirement to pay the City not less than fair market value for the lease.

Due to the size of the VKLLC's investment and the resulting project program that is designed to enhance the City's revenue potential,

- Natural ventilation will control climate in the garage and dry storage facility

Specifics about "rooftop" resources

4. Rooftop Solar Potential

The Project is planned to accommodate solar panels, and the following is a summary of this approach:

- 4,933 industry standard 77" x 39" 340 watt PV Panels.
- 1,412 kWh output, (1,677 kWh - 12.3% system loss (96% inverter efficiency).
- 5.27 Solar hours/ day average.
- 2.3 mWh Annual Production[1].
- Potential output would likely greatly exceed building demand[2].
- Equivalent to 180+ households per FPL numbers.

[1] *Numbers confirmed by Dustin Thayer of Sunconnect USA (Naples, FL) and Scott McIntyre of Solar Energy Management, (St. Petersburg, FL).*

[2] *VKLLC is evaluating the potential for and economic feasibility of solar power but the final determination will depend upon Florida Power and Light's cooperation receptiveness to the installation.*

5. Rooftop Rainwater Collection Potential

The roof will be designed to collect runoff into roof leaders for discharge into cistern(s). The following is a summary of this approach:

- 188,990 sq ft of roof x 90% collection efficiency x 58.97" median annual rainfall = 6,255,138 Gallons.
- Total water collected and used will depend on demand[1]:

    - Boat rinsing will be the primary use.
    - Make-up water for cooling towers/chillers.
    - Irrigation.
    - Flushing of toilets.

- Mangroves and other native trees will be preserved on-site.

[1] *Storage capacity related to demand will determine how much of the total will be utilized.*

v. Florida Clean Marina Program Compliance

Additionally, design of the marina facilities will incorporate strategies to achieve Florida Clean Marine Program designation. The operational staff at Virginia Key Harbour & Marine Center will monitor the activities of boaters in and around the boat basin, and provide clear expectations in terms of safe boat handling and boater requirements necessary to comply with Florida Clean Marina requirements, such as boat maintenance procedures, no dumping requirements, etc.

(f) Public Benefits and Local Participation

In addition to financial and aesthetic improvements and in response to the groundwork created by the Virginia Key Master Plan, the Project will return and enhance public access to the waterfront. **Where there is virtually no public access today, approximately 2,600 linear feet of continuous, landscaped baywalk will hug the waters' edge for pedestrians, runners and bikers, becoming the Project's primary and largest amenity.**

The baywalk will enhance connectivity to the planned historic renovation of Marine Stadium along with the planned Flex Park improvements. The Project is also designed for connectivity with the adjacent Rickenbacker Causeway to facilitate access for beach goers and other recreationists that utilize this waterfront area along the causeway on a daily basis. The Rickenbacker Causeway is heavily utilized by cycling enthusiasts, and the Project will be designed to improve the intersections and for access to the adjacent bike trail.

Further public benefits, include the creation of approximately 1,280 local jobs over the life of the project with a goal of 30% recruitment and utilization for work to be performed by minority and disadvantaged individuals and groups.

Marina Operation (show the information on the boat lift, kayak docks, as well as a plan showing boat travel lanes, water taxi, boat show access compliance).

VKLLC is very much a local Miami-Dade County team. Three of the Principals - Robert W Christoph, Sr., Robert W Christoph, Jr. and David Filler are Miami-Dade county residents. The Christophs both reside on Miami Beach, but are well known to the City of Miami through developing, owning and operating River Cover Marina at 2000 SW North River Drive on the Miami River. The Christoph family also redeveloped, owned and operated the Bayshore Landing Marina and Monty's in the Grove for more than 10 years pursuant to a lease with the City of Miami.

David Filler is a 16 year resident of the City residing on Biscayne Island since 2001.

The lead consultants for VKLLC are Arquitectonica (architecture) and ArquitectonicaGEO (landscape architecture), and these firms have their world headquarters in the City of Miami. The firms' founding principals, Bernardo Fort-Brescia and Laurinda Spear, are City residents. An extensive portion of the planning and design work for this Project will be completed at their Miami office by local staff. The lead engineering consultant for VKLLC, Moffatt & Nichol, has an established office in the

5. COMMUNITY BENEFITS

(a) Benefits Received by the Public

i. Benefits Broad Set of Community Members

As shown on the attached plans and renderings in Tab VII, the Project will return and enhance public access to the waterfront over thousands of linear feet of public bay walk, where there is almost no public access today even though the lands have been publicly owned for decades. **The primary and largest single public amenity will be the continuous baywalk which will cover approximately 2,600 linear feet.** With the Cooperation of the Rusty Pelican and the City, VKLLC will provide a continuous, landscaped baywalk along the entire existing marina basin and public access to the water for pedestrians as well as facilities for bikers, paddlers and rowers. Public access will also be provided through a newly renovated and improved public boat ramp and floating dock that VKLLC will plan, design, permit, and construct to the northeast of the Property and west of the Miami Marine Stadium.

The baywalk will be well-lit with high-efficiency fixtures that provide safe lighting levels without obstructing pedestrian views, providing the public with access and vistas of the spectacular waterfront and downtown Miami skyline. The baywalk will provide a continuity of public access connecting to upland restaurants, retail stores, and parking, and providing uninterrupted pedestrian circulation and recreation though out the Property. This public baywalk will enhance connectivity to the adjacent Marine Stadium and planned Flex Park.

The Project will be a state-of-the-art marine facility unlike anything that is offered in the Miami-Dade or even the Florida market. The Proposed Project will provide a full-service, conveniently located and expertly operated marine destination that is capable of providing the general public and boat owners and all segments of the boating public complete access to Biscayne Bay and beyond. Boaters and visitors will be able to meet and enjoy all the necessary requirements that ensure a complete, satisfying waterfront experience.

The Project's design will enhance pedestrian and civic life and increase the overall public benefit derived from the Property. From a boater's perspective, the state-of-the-art design of the dry stack storage facility will provide safe and ample storage and staging areas and a user-friendly lift system that functions with ease and efficiency. VKLLC will even provide a user app for smart phones so that boaters can schedule their launch times in advance to minimize delays and queuing both upon launch and return.

ii. Benefits Directly Respond to Needs Affirmed by Community in Public Forums

The Project directly responds to the needs affirmed by the community in public forums by consistently and substantially adhering to the Virginia Key Master Plan principles and goals. VKLLC has already engaged in dialogs with the rowing and paddling communities and will continue to do so through project permitting and final design and implementation. The VKLLC Project has been specifically designed to minimize interference with the existing rowing and paddling activities in the historic Marine Stadium Basin by providing marked channels for entrance and exit to the basin and launch facilities for the dry stack users and others. Dry stack launch/retrieval operations will be in the existing staging area currently utilized by Marine Stadium Marina. In fact, the launch facility docks located along the shoreline of the basin and the elevated baywalk sections will provide wonderful viewing areas to watch the paddling and rowing events that have never existed before. The retail mix is intended to include retailers that serve the paddling, sailing and rowing communities conveniently located near the eastern end of the property closest to the boat ramp and the eastern side of the staging floating docks to facilitate their access to the water in the safest location possible.

The VKLLC Project directly responds to the needs affirmed by the community in public forums by incorporating environmental considerations into the Project design listed in subsection C I below.

The VKLLC Project directly responds to the needs affirmed by the community in public forums by incorporating resiliency and sustainability considerations listed in Subsection C ii below.

iii. Benefits Offered that Have Significant Financial Value

The VKLLC Project includes numerous significant public benefits that will be designed, permitted and constructed by VKLLC at its sole cost and expense among these is: 2600+ foot long the continuous baywalk at an estimated cost of more than $1.7 M; **the incorporation of resiliency measures to ensure the long viability of the Project, including but not limited to, raising the all of the retail restaurant and office uses above projected flood levels based upon sea level rise; and further raising the entire dry boat storage above even the projected storm surge levels by placing the facility at 20+ feet above sea level;** the use of salt tolerant native species; the intended incorporation of Solar panels that have the potential to save millions of dollars over the life of the project. Last but certainly not least, VKLLC has projected that it will pay the City combined rent and real estate taxes of $66,434,993 in just the first 15 years and $999,732,593 -- a billion dollars over the life of the Lease.

iv. Benefits Offered Long-Term

Each of the benefits listed above and below provides long term benefits to the City and the public over the entire 75 year life of the Project.

(b) Participation of Firms and Contractors that Maintain a Local Office

i. Firm Maintains an Active and Established Local Office

VKLLC's principals each have direct long term ties to and operations in Miami-Dade County and the City of Miami. The Christoph's currently own and operate the River Cove Marina on the Miami River and maintain the office at that location. For more than 10 years they owned the leasehold from the City and operated Bayshore Landing in Coconut Grove including owning and operating the Monty's In the Grove restaurant. During their ownership they invested heavily in and completely renovated and repositioned the property taking it from a non-performing asset to a highly successful property. In anticipation, of and preparation for responding to the Virginia Key RFPs they sold the leasehold in 2015. Similarly, David Filler, one of Suntex's principals, is a long time City of Miami Resident having lived on Biscayne Island since 2001.

The principals of VKLLC are excited at the prospect of re-opening a new office in the City on Virginia Key as soon as they are selected and gain access to the Property.

The lead consultant for VKLLC is Arquitectonica, and this firm has its world headquarters in the City of Miami. The firm's founding principals, Bernardo Fort Brescia and Laurinda Spears, are City residents. An extensive portion of the planning and design work for this Project will be completed at their Miami office by local staff. The lead engineering consultant for VKLLC, Moffatt & Nichol, has an established office in the City of Miami. Ms. Christy Brush is a resident of the City, and similar to Arquitectonica, an extensive amount of the environmental permitting and engineering design for the Project will be completed by staff based in their Miami office. Legal support for VKLLC will be provided by Bilzin Sumberg with their established office on Brickell Avenue in the City.

ii. Firm has Committed to Hire a Majority of City Residents and/or City Contractors

VKLLC has committed to comply with the terms of the RFP for local workforce participation. VKLLC will include a minimum of forty percent (40%) local workforce from Miami-Dade County, of which twenty-five percent (25%) must be City residents, for the construction of the Project. In the event that VKLLC cannot meet the required twenty-five percent (25%) of workforce from City residents, VKLLC will document and demonstrate to the City that it utilized best efforts to achieve this goal. Upon direction from the City, VKLLC will achieve the portion of the percentage not met from the City, through Miami-Dade County residents. VKLLC will have a third party independently verify and certify compliance with these requirements on a monthly basis. VKLLC intends to contract with Evonne Garth and Garth Solutions who and is properly licensed under the provisions of Florida Statute Chapter 454, 471, 473, or 481, and has a minimum of two (2) years of prior professional experience in contract compliance, auditing, personnel administration, or field experience in payroll enforcement or investigative environment. The cost of this verification/certification is included in the related contract costs.

iii. Hiring of Minority and Disadvantaged Groups

The Project program contains a very strong commitment to the goal of 30% recruitment and utilization for the overall project costs for work to be performed by minority and disadvantaged individuals and groups. Yvonne Garth of Garth Solutions has extensive experience providing recruitment and training to assist in achieving these goals. Through extensive studies of jobs created as a result of marina and mixed use developments based on our experience, and through extensive studies based upon independent economic analysis from consultants including Dr. Michael Evans, PHD from Boca Raton, FL who is an expert in job and economic forecasting of mixed use projects including marinas similar to what we are proposing at the Virginia Key Harbour & Marine Center, VKLLC expects this project would result in the creation of the following jobs throughout the life of the Project:

	MARINA	RESTAURANT	TOTAL JOBS
CONSTRUCTION	460	123	483
DIRECT	134	232	366
INDIRECT	158	173	331
TOTAL JOBS	**752**	**528**	**1,280**

iv. Responsible Wages/Living Wages

VKLLC has committed to comply with Section 18-120 of the City Code, titled Responsible Wage Construction Contracts, to the extent applicable to any development on City owned property. Additionally, VKLLC has committed to comply with Section 18-556, et. Seq. of the City Code, titled Living Wages, to the extent applicable.

11. FINANCIAL PLAN

(d) Operation and Maintenance

As clearly demonstrated in the chart entitled Phase Net Operating income included above, **the Virginia Key Harbour & Marine Center revenues will be sufficient for the project to be self-supporting with no governmental support** other than cooperation by the City in the land use and permitting process. Indeed the project will provide substantial direct and indirect economic benefits to the City reaching $1 Billion in rent and taxes paid to the city over the life of the Lease.