

MARGATE CITY CENTER



1000 N. STATE ROAD 7
MARGATE, FL 33063

Cover Letter: Margate City Center

City of Margate, and the Margate Community Redevelopment Agency:

Thank you for considering RD Investment Properties, LLC (“The Related Group” or “Related”) as a potential investor for the development of Margate City Center. We are confident that our years of experience developing over 100,000 multifamily units throughout the United States, including over 10,000 iconic mixed-use units will maximize the value of this development. From luxury high-rise condominiums to trendsetting residential developments to CityPlace and other mixed-use centers, The Related Group’s distinctive brand of culture, design and lifestyle-infused properties continues to revitalize urban neighborhoods.

Through groundbreaking partnerships with world-renowned architects, designers, and artists, Related has redefined urban environments on a global scale, fostering distinctive, dynamic communities and symbolic landmarks that have become sources of local pride. Related doesn’t just create neighborhoods...it builds legacies.

100,000
Residences

BUILT AND MANAGED

40+ Years
of Commitment

RESHAPING CITIES & SKYLINES

17 Million
Square Feet

DEVELOPED

Over
\$50 Billion

SOLD



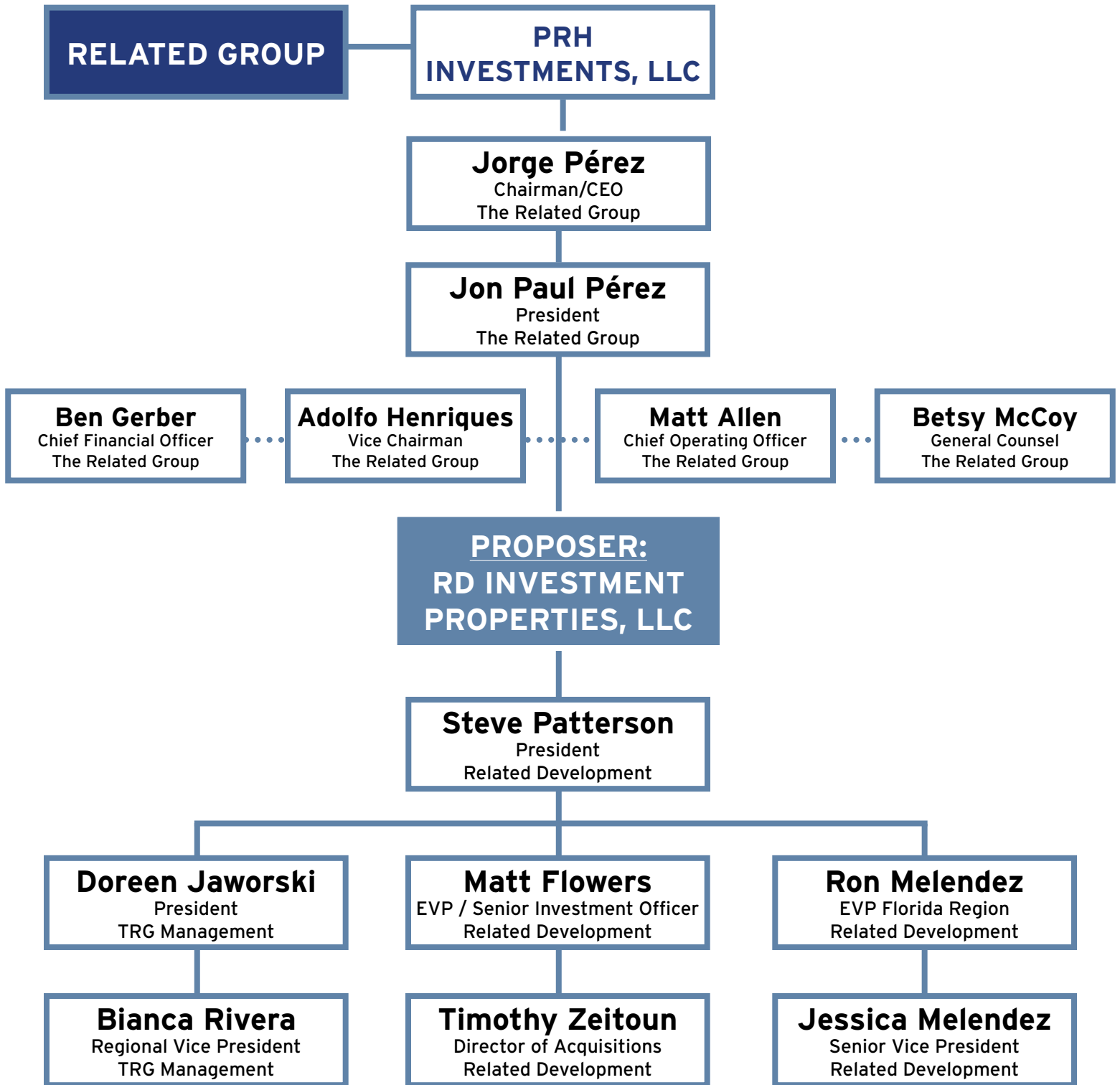
2850 Tigertail Avenue, Suite 800
Miami, FL 33133

MARGATE CITY CENTER

**ABOUT THE
RELATED GROUP**



ORGANIZATIONAL CHART



Related Development, LLC is a subsidiary of PRH Investments, LLC and PRH Investments, LLC is an affiliate of The Related Group®. The Related Group® is a trade name for affiliate companies that develop distinctive real estate projects, each developed by separate, single purpose entities formed as subsidiary affiliates of PRH Investments, LLC. By license agreement, PRH Investments, LLC and Related Development, LLC use the name and trademarks of The Related Group®. The proposer here is Related Development, LLC, but as a subsidiary of PRH Investments, LLC will bring to this project all of the development expertise of Related Development, LLC and of PRH Investments, LLC

JORGE M. PÉREZ

CHAIRMAN, CHIEF EXECUTIVE OFFICER, FOUNDER



Jorge M. Pérez, Chairman and Chief Executive Officer of Related Group, has been at the forefront of South Florida's complex urban evolution for over 40 years. A commitment to 'building better cities,' and a natural ability to identify emerging trends has made him one of the most trusted and influential names in real estate. Armed with a dynamic selection of land parcels, new financing techniques, the collective strength of Related's management team and a pipeline of more than 80,000 residential units, Mr. Pérez is set to answer the demands and desires of a new generation.

Starting out in the 1970's, Pérez first made a name for himself in the public housing market of low-income Miami neighborhoods, including Little Havana and Homestead. His attention to detail and commitment to creating top-tier living environments distinguished him within the marketplace and laid the groundwork for future Related projects. Nearly four decades later, his unique passion for creating vibrant urban communities makes him a trendsetter, often the first developer to enter emerging or undiscovered neighborhoods.

Over the years, Pérez and The Related Group have partnered with world-class names in architecture and interior design. Collaborations with creative luminaries like Bernardo Fort Brescia, David Rockwell, Philippe Starck, Yabu Pushelberg, Piero Lissoni, Karim Rashid, Rem Koolhaas, among others, have produced neighborhood-defining projects and established Related's numerous developments as integral components of Miami's evolving cityscape.

A lover of art and an avid collector, Pérez infuses each development with museum-quality works of art, including pieces from master artists such as Frank Stella, Fernando Botero, Jaume Plensa, Julio Le Parc and Fabian Burgos. The carefully curated collections are proudly displayed throughout all Related developments, complementing each building's unique character and often serving as prominent community landmarks.

Over his illustrious career, Mr. Pérez earned countless awards for his professional and philanthropic achievements including Ernst & Young's Entrepreneur of the Year, the Hispanic Achievement & Business Entrepreneurship Award from Hispanic Magazine, The Developers and Builders Alliance's Community Advancement Award and The Beacon Council's 2015 Jay Malina Award. In 2005, TIME Magazine named Mr. Pérez one of the top 25 most influential Hispanics in the United States and he has appeared on the cover of FORBES twice.

Born in Buenos Aires, Argentina to Cuban parents, Pérez grew up in Bogota, Colombia. He graduated summa cum laude from C.W. Post College in Long Island and earned his Master's in Urban Planning from the University of Michigan.



JON PAUL PÉREZ

PRESIDENT, RELATED GROUP



Jon Paul “JP” Pérez is responsible for overseeing development operations across the company’s various divisions, managing land acquisition efforts and leading the procurement of major construction financing. He also forms a part of Related’s Executive Committee, where he works with the firm’s C-level executives and division presidents establish corporate priorities, growth strategies and other key companywide initiatives.

Jon Paul aims to continue supporting the firm’s reputation as a “market maker” and its proven ability to capitalize on opportunities well before competitors. A market maker himself, Jon Paul has personally spearheaded Related’s recent entrance into Miami’s popular Wynwood neighborhood, where he’s working to deliver several major mixed-use projects set to transform the area into a true live-work-play neighborhood. Current projects include Wynwood 25, a 289-unit luxury rental property across from the iconic Wynwood Walls; The Annex, an eight-story, 50,000-square-foot, class A office building; and The Bradley, a 175-unit rental tower with interior design by Kravitz Design.

Since joining Related in 2012, Jon Paul has overseen the development of several thousand market-rate rental, affordable and luxury condominium units—including the 200-unit The Manor, the 365-unit Town City Center and the 690-unit Brickell Heights condo property. He has also played a key role in several marquee sales and acquisitions.

Prior to joining Related, Jon Paul worked for The Related Companies of New York where he oversaw all aspects of the development process for more than 900 units, with direct responsibility for financial modeling, design programming and construction management. He also participated in securing capital for the firm’s \$900 million distressed opportunity fund, and in 2009 successfully led efforts to sell 425 unsold condominium units in Fort Myers, Florida over the span of 18 months.

Jon Paul graduated from the University of Miami in 2007 with a B.S in business administration and received his MBA from Kellogg School of Management at Northwestern University in 2015. Nurturing Miami’s growing arts and culture community, Jon Paul remains closely aligned with the Pérez Art Museum Miami as well as with The National YoungArts Foundation (YoungArts), participating in its annual Miami YoungArts Week. He also sits on the board of Big Brothers Big Sisters of Miami and is an active United Way Young Leader. Every holiday season, Jon Paul also puts together Related’s annual Thanksgiving Turkey Drive to coordinate the delivery of over 2,600 turkeys across Miami-Dade, including to the firm’s affordable housing properties.

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STEVE PATTERSON

PRESIDENT AND CEO, RELATED DEVELOPMENT



Steve Patterson leads all aspects of Related Group's highly successful multifamily and mixed-use division. Since the establishment of the rental group in 2010, Steve has grown it into one of Related's most prolific, with numerous flagship properties throughout the Southeastern United States, as well three regional offices located in Miami, Atlanta and, most recently, Dallas.

Steve is an innovator who is constantly exploring new construction methods, crafting new features to enhance the rental experience, and seeking to make each new venture more successful than the last. This philosophy led him to create several unique brands tailored for all lifestyles and various income levels, which include the garden-style "Town" apartments, the more luxurious midrise "Manor" properties and the lavish "Icon" high-rises. Steve was also an integral part of the firm's expansion into the mixed-use sector, leading the development of CityPlace Doral—an \$800-million project with more than 1,000 residences and over 40 commercial tenants that delivered in early 2017. All Related Development properties are regarded as best-in-class assets, evidenced by achieving top-dollar rents and record-breaking exit prices.

Under Steve's leadership, the Related Development team has delivered over 5,500 units with an additional 4,100 in predevelopment or under construction. The division expects to start construction on an additional 5,000 units over three regions within 10 different Metropolitan Statistical Areas (MSA) by 2020.

In addition to development, Steve also pursues investment in value-add acquisitions in all income property sectors. His track record of profitable real estate investment ventures is valued at over \$4 billion.

Prior to joining Related, Steve held executive positions at ZOM Holding, Inc., a multifamily development and management company focusing primarily in the Southeastern U.S., and before that, held management positions for Picerne Development and Huber, Hunt & Nichols, overseeing development, property management and construction functions in Texas, Virginia and Florida. During Steve's tenure, ZOM was recognized by the National Association of Homebuilders as Company of the Year in both the development and property management categories.

Steve was formerly president of the NAHB Multifamily Leadership Board, he is frequently published in trade journals and has twice been invited to testify on housing industry matters before the Federal Reserve Board. He holds degrees in engineering technology and construction management from Oklahoma State University.

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MATT FLOWERS

EXECUTIVE VICE PRESIDENT AND SENIOR INVESTMENT OFFICER, RELATED DEVELOPMENT



Matt Flowers has been a key factor in the aggressive growth and continued success of Related Group since joining the team in 2011. As Executive Vice President and the firm's Senior Investment Officer, he oversees all investments for the multifamily and commercial real estate divisions, with a focus on national markets.

Matt leads the market research, underwriting, acquisitions, project management and asset management for Related Development, Related's market-rate rental division. With a keen eye on the company's growth objectives, he works closely with Related leadership to define the company's domestic expansion strategies.

Prior to Matt's tenure at Related, he served as Associate Vice President at Colony Capital, focusing on portfolio management; and before that, oversaw development analysis at ZOM, Inc.

Matt graduated from the University of Florida with a bachelor's degree in mathematics and statistics, and went on to complete his MBA from University of Florida's Warrington College of

Business. He also earned an MS in Real Estate Development (MSRED) from the Massachusetts Institute of Technology (MIT). Matt is a CFA charterholder and a licensed Florida real estate broker.

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RON MELENDEZ

EXECUTIVE VICE PRESIDENT, FLORIDA REGION, RELATED DEVELOPMENT



Ron Melendez is a Vice President of Development at Related Group and is responsible for overseeing projects across the firm's market-rate development arm. He also works closely with Related leadership to refine each development to the needs of future residents and the community at large.

Ron has over 20 years of development and construction experience. Since joining Related in 2015, he has leveraged his unique expertise across the multi-family, hospitality, condominium, and office sectors. He also works to source new development opportunities, oversees the preparation of pro forma operating statements, construction, and operating budgets as well as other financials required to support project needs. Ron also advises on project contracting strategies, regulatory approvals, property lease-ups, and dispositions.

Ron is currently working on the development of the 393-unit Manor Miramar, 386-unit Manor Biscayne in North Miami, 400-unit Manor Riverwalk in Tampa, Harbour Island, high rise and garden-style apartments, as well as luxury residences, also in Tampa, and a 348-unit apartment community in Palm Beach

known as Manor Lantana. During his time at Related, Ron has played a notable role in several marquee projects, among them: CityPlace Doral, a large-scale mixed-use development in the City of Doral; and Town Southern, a luxurious, garden-style rental community in Royal Palm Beach.

Prior to joining Related Group, Ron worked for Blackstone's Luxury Resorts division, as well as several top national construction management firms, including Balfour Beatty Construction and Turner Construction.

Ron holds a B.S. in Mechanical Engineering from the University of Massachusetts, Amherst, where he graduated Cum Laude. He is recognized as an expert in commercial and investment real estate by the Florida Certified Commercial Investment Member (CCIM) Chapter.

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JESSICA MELENDEZ

SENIOR VICE PRESIDENT, PROJECT MANAGER , RELATED DEVELOPMENT



Jessica joined the Related Development team in 2012 with over 20 years of experience in Commercial Real Estate encompassing single family, multi-family, hospitality, condominium, and office projects throughout Florida. Jessica has developed projects across all assets types and has distinguished herself as a luxury residential developer. As Vice President of Development, Jessica is responsible for sourcing new deals, design, financing, and development of multifamily communities. She is also responsible for project contracting strategy, procurement of regulatory approvals, lease-up and disposition.

She is a seasoned real estate executive with demonstrated success in executive leadership and leading a team encompassing a diverse background. Prior to joining Related Development, Jessica spent 15 years as Vice President for Dayco Group. A privately held South Florida real estate development firm specializing in luxury high-rises, single family homes, townhouses, office, and multifamily properties, both in urban and suburban areas. She was responsible for overseeing all aspects of development from acquisition, development, stabilization, asset management, and disposition.

Jessica brings a universal knowledge of the development process gained from her experience in multiple real estate sectors. She graduated from the University of Miami with a B.S. in Finance and is a State of Florida licensed General Contractor. She is also an Advisory Board Member at the University of Florida.

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TIMOTHY ZEITOUN

DIRECTOR OF ACQUISITIONS, RELATED DEVELOPMENT



Timothy Zeitoun is the Director of Acquisitions and is responsible for underwriting and overseeing all aspects of the acquisition process through entitlements and disposition. Since joining Related in 2020, Timothy has closed on over \$270MM of land for multifamily development, and close to \$1.5B in disposition of stabilized assets.

Timothy graduated from the University of Miami with a bachelor's degree in economics, and went on to complete his MBA from Nova Southeastern University's College of Business. Timothy was born and raised in Paris, France.

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MARGATE CITY CENTER

**FEATURED
DEVELOPMENTS**



MANOR MIRAMAR

PROPERTY DETAILS

Address	1 Main Street, Miramar FL
Property Type	Market Rental & Retail
Product Type	Midrise
Residential Units	393 Units
Workforce Housing Units	53 Units
Average Unit Size	936 SF
Retail Space	24,703 SF
Construction Status	Under Construction
Start Date	September 2021
Completion Date	3Q 2024
Completion Date	2Q 2025

The City of Miramar issued RFP #18-08-3 to purchase, finance, construct and operate a development on an approximately 3.742- acre paved City-owned property within Miramar Town Center known as Block 2. Block 2 is the final remaining vacant block available for development within the 54-acre MTC. In June 2019, the city commission approved a purchase and sale agreement with Related for the 3.8-acre Block 2 property for the development of 24,317 square feet of ground floor retail and up to 400 residential apartment units, and for an optional 50-year lease for the City-owned 14,000 square foot existing retail shell space on the ground floor of the Police Headquarters Building.

Related has begun construction and will be delivering an 8-story midrise with high end finishes, state of the art amenities, and structured parking. Manor Miramar will feature 393 luxury apartments, of which 53 units will be dedicated to workforce housing, as well as approximately 24,800sf of ground floor retail. The midrise will wrap a structured parking garage containing approximately 608 spaces, as well as 58 surface spaces and 22 on-street spaces.

Manor Miramar has been designed to embrace the Mediterranean style architecture within the Miramar Town Center while introducing a contemporary interpretation throughout the interiors. Exterior features include prevalent arches, barrel tile roofing, and earth toned stucco. High style Mediterranean wood and stone finishes tastefully blended with contemporary fixtures and furniture creates a stylish atmosphere throughout the common areas.





Progress Pictures as of March 25, 2024



CITYPLACE DORAL

PROPERTY DETAILS

Address	8300 NW 36th Street
City, State	Doral, Florida
Property Type	Market Rental & Retail
Product Type	Midrise
Residential Units	303 Units
Average Unit Size	828 SF
Retail Space	245,000 SF
Construction Status	Stabilized
Start Date	April 2015
Completion Date	December 2016

This mixed-use community is located in a popular live-work-play area with 303 units in two eight-story towers above first-level retail. The retail component, comprised of 245,000 leasable square feet in total, includes a Fresh Market grocery, Kings Bowling Alley and Lounge, Cobb Cinebistro theater-dining experience and a multitude of other dining and retail shopping options. One of the great highlights of the CPD experience is the Central Plaza, a place for the community to gather and enjoy, with attractions and events that include a 720-square foot massive digital screen that allows people to watch live streams of games, videos, announcements and more, as well as a \$4M dancing fountain that features choreographed sound, light, water and media and offers daily fountain shows at the top of every hour.

At just under two acres, the Plaza is a fun, favorite go-to spot for residents and guests of all ages, from families to couples to out-of-towners and more. CityPlace Doral offers a unique opportunity to experience entertainment-district living in Miami Dade County's fastest growing city, less than three miles from the Miami International Airport.



HALLOWEEN



FASHION SHOW



EASTER



HISPANIC



DIRUCREAM



TREE LIGHTING





MANOR BISCAYNE

PROPERTY DETAILS

Address	1650 NE 124th Ln
City, State	North Miami, FL 33181
Property Type	Market Rental & Retail
Product Type	Midrise
Residential Units	382 Units
Average Unit Size	1,009 SF
Retail Space	9,335 SF
Construction Status	Under Construction
Start Date	1Q 2024
Completion Date	2Q 2025

Manor Biscayne will be an 8-story mixed-use development featuring 382 luxury apartments, 9,335 SF of ground floor retail space and 668 structured parking spaces. The project features a wrap design in a modern architectural style that blends the urbanity of Miami's appeal with tropical green spaces utilizing the flora that Florida derived its name from. Located in North Miami, the site is 3.12 acres and adjacent to major thoroughways running both North South, via Biscayne Blvd and East West via NE 123rd St (Broad Causeway).

Manor Biscayne will set the precedent and define luxury living in the emerging North Miami market. Perfectly situated at a nexus point to the greater Miami area, the site is located within North Miami's Transit Station Overlay District, which by design will transform the neighborhood with an urbanist concentration of work, live, shop, and play activities comfortably accessible by foot, car, bike or bus in every direction. The project achieves a Walk-Score of 81 (Very Walkable), a Bike-Score of 82 (very bikeable) and offers several public transportation stations within 10-minute walk. The centralized location provides the urban connectivity renters desire without the congestion of a Central Business District (CBD). To address the ever growing congestion of Downtown Miami, in November 2020 Miami Dade Commissioners unanimously approved plans with Brightline to provide commuter rail service to connect Downtown Miami to Aventura. The 30-year, \$72M deal includes a station steps away from the site.





MANOR BROKEN SOUND

PROPERTY DETAILS

Address	5400 Broken Sound Blvd
City, State	Boca Raton, Florida
Property Type	Market Rental
Product Type	Midrise (6) & Big Houses
Residential Units	297 Units
Average Unit Size	1,118 SF
Construction Status	Stabilized
Start Date	April 2020
Completion Date	March 2022

The Manor at Broken Sound consists of 297 units total between a six-story main building and six “Big House” concepts. Perfectly situated next to the Old Course at the iconic Broken Sound, Manor Broken Sound offers beautiful direct golf course views and boasts a rich architectural feel that reflects a unique and inviting Mizner-esque theme. The main building has a grand double-height lobby with leasing office, convenient business center and state-of-the-art fitness club. Exciting amenity areas include a sparkling resort-style pool with a spa and cabanas, as well as a great lawn with an expansive outdoor pavilion. Penthouse and select units include upgraded appliances, steam showers and wet bars with wine coolers. Some of the homes are set peacefully and beautifully along tree-lined Broken Sound Boulevard and will resemble mini mansions.











MARGATE CITY CENTER

**SCOPE OF PROPOSAL
PROJECT**

Margate City Center

- New City Center destination with new lakefront City Hall and civic center
- Dense mixed-use development with pedestrian-friendly extension of Margate Boulevard
- ± 2 Acre public park and placemaking for events such as farmers markets, outdoor concerts, health/fitness classes, art exhibitions, etc.
- 87,000 SF of retail space with emphasis on dining options, shopping, and entertainment at city center as well as stand-alone retail along SR-441 including a grocer, mini-golf concept or fitness club.
- Related and City to share 50/50 all retail net operating income over the 99-Year Ground lease, and Related to pay ground lease payments to City over term of lease with 5% lease escalations. At end of 99 years, all uses revert back to City.
- Unmatched development team assembled by the Related Group, Florida's largest mixed-use residential development firm and one of the country's largest vertically integrated development, construction, and property management companies



At The Related Group, we fully understand the elements needed to create mixed-use projects that culturally enrich neighborhoods through innovative design and memorable experiences. Our vision for the site is to create a City Center that engages community partnerships and inspires dining and experiential retail, with welcoming public green space that encourages wellness as well as cultural events. We envision a neighborhood that is open, green and dynamic and which enhances the surrounding neighborhood both functionally and aesthetically;

Our team's conceptual master plan was meticulously designed to enhance the City of Margate with a community that promotes a high quality of life and brings about positive changes to the immediate neighborhood. In the words of our Chairman, Jorge M. Perez, "*Related Group was founded on the commitment to enrich the lives of those who inhabit our buildings and their neighboring communities.*" To that end, our team has put special focus on creating a vibrant walkable retail destination that combines high quality of architecture, hardscape, and landscape, and which adheres to the Margate CRA Building Design Regulations.



CityPlace Doral - Developed by Related Group

CityPlace Doral - Developed by Related Group



Our proposal for the site creates a dense mixed-use project built in two phases. At the intersection of Margate Boulevard and State Road 7, our team, together with MSA Architects, envision a corner concentrated with retail, and a grand entrance extending Margate Boulevard east. The first phase site plan, shown on the following pages, conceptualizes the extension of Margate Boulevard eastward with ground floor retail, plazas and a large public park. We intend for Margate Boulevard to become a top notch pedestrian-friendly place of gathering and host to numerous events such as farmer's markets, local artist exhibitions, holiday events, big screen events, and much more. To that end, we placed an expansive public park to allow all who visit to enjoy the open and green space with friends, families, pets, and to become the location of health and fitness oriented events as well as concerts and other larger outdoor events. Importantly, we envision this extension to lead to the new City Hall and civic center proposed as part of phase 2.

The second phase shown on the following pages is planned to continue improving the City of Margate with: (a) a brand new, lakefront, state-of-the-art civic center, (b) an additional +/- 400 luxury market-rate apartments, and (3) over 65,000 square feet of additional retail including a grocer, mini-golf concept, or fitness center concept. We believe that the success of Phase 1 will be a great catalyst to keep increasing the retail presence and to attract popular nationally recognized restaurants as well as local privately-owned businesses.



CityPlace Doral - Developed by Related Group



Our proposal includes a \$19 million allocation of CRA funding on terms detailed in the Letter of Intent allocated to Phase 1, which improvements include a substantial amount of retail, structured parking and the public park. Related proposes that the remainder of CRA funds be reserved for Phase 2 to fund the acquisition and development costs of a new lakefront City Hall and civic center (the “City Complex”). Should additional proceeds be needed to fund the City Complex, Related will work with the City/CRA on several financing options to fill the gap, including but not limited to (i) extending the life of the CRA with Broward County (ii) lease financing options from the private component, (iii) a City leaseback of the City Complex, and (iv) a bond raise. Our Letter of Intent details our lease payment and revenue sharing mechanism for the components of our mixed-use master plan.

Related looks forward to this exciting development and in participating in the continued growth of the City of Margate. We thank you for the opportunity.



PHASE 1

RESIDENTIAL / RETAIL / PARK



PHASE 2

CITY HALL & CIVIC CENTER



PHASE 2

RESIDENTIAL & RETAIL



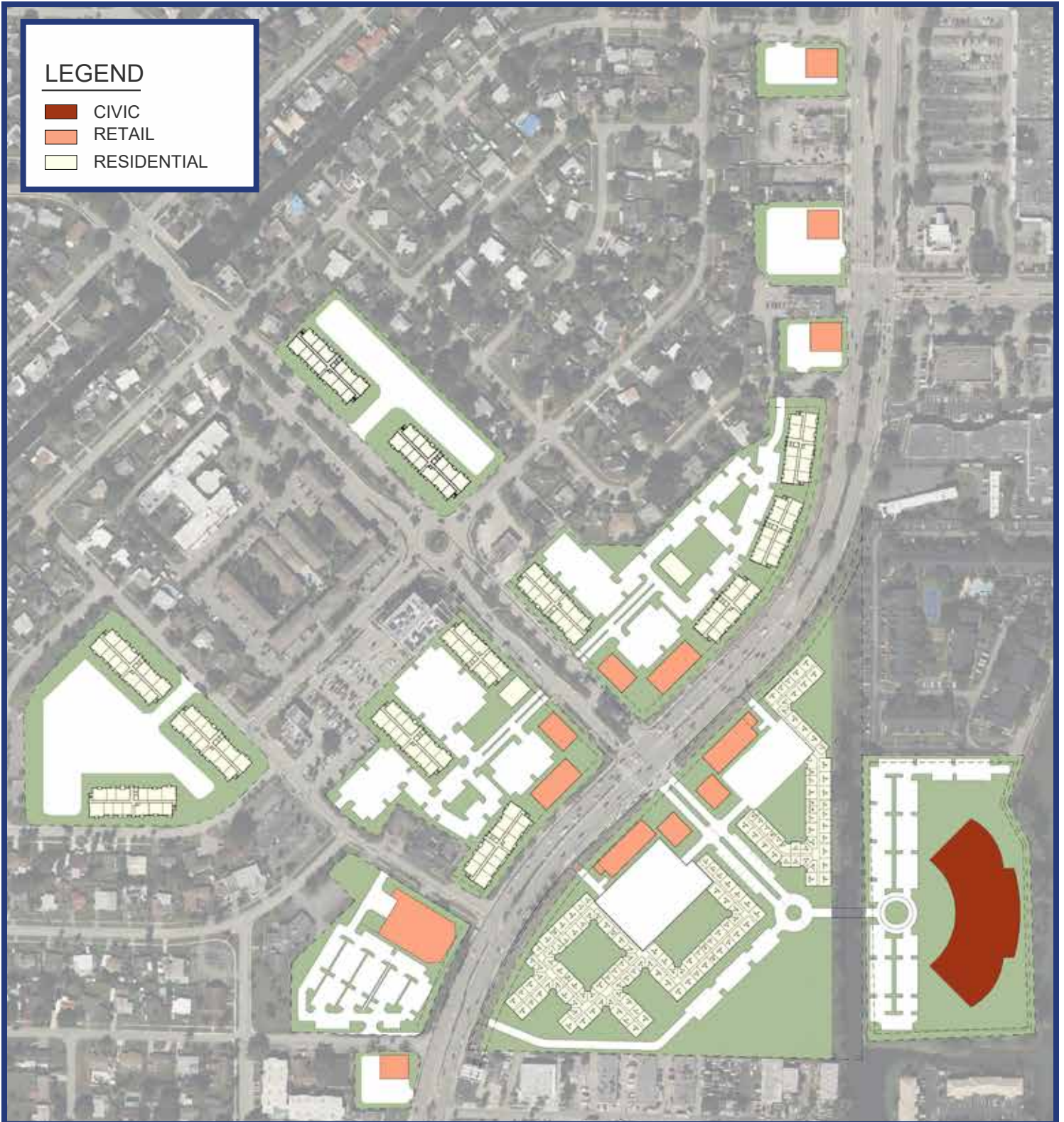
PHASE 2 RESIDENTIAL/RETAIL/GROCER



**MINIGOLF
ALTERNATIVE
TO GROCER**

MASTER PLAN

RESIDENTIAL / RETAIL / CIVIC



RETAIL PLAN - DINING

On this page are restaurant/dining tenants that Related has worked with and continue to work with on our numerous projects in South Florida but also nationally. We are actively pursuing mixed-use projects with a live/work/play lifestyle for renters.



CITYPLACE DORAL DINING OPTIONS

OPEN NOW UNTIL 9 PM



Select Language

f @ t
SEARCH

SHOPPING

DINING

HAPPENINGS

















MOVIE LISTING

LEASING

CONTACT US



MALL MAP

- | | | | | | |
|--|--|---|---|---|--|
|  <p>4D GELATERIA</p> <p>TODAY: 12PM - 9PM</p> |  <p>BURGERFI</p> <p>TODAY: 11AM - 10PM</p> |  <p>CARROT EXPRESS</p> <p>TODAY: 11AM - 9PM</p> |  <p>CHICO MALO</p> <p>TODAY: 11AM - 9PM</p> |  <p>COOPER'S HAWK WINERY & RESTAURANT</p> <p>TODAY: 11AM - 8:30PM</p> |  <p>COPPER BLUES ROCK PUB AND KITCHEN</p> <p>TODAY: 11AM - 9PM</p> |
|  <p>JUAN VALDEZ CAFÉ</p> <p>TODAY: 7AM - 8PM</p> |  <p>KINGS MIAMI - DORAL</p> <p>TODAY: 4PM - 12AM</p> |  <p>KUBA CABANA</p> <p>TODAY: 5PM - 11PM</p> |  <p>MARTINI BAR DORAL</p> <p>CLOSED</p> |  <p>NOVECENTO</p> <p>TODAY: 11AM - 11PM</p> |  <p>SAVOUR BAKED</p> <p>TODAY: 8AM - 9PM</p> |
|  <p>SLOAN'S ICE CREAM</p> |  <p>SUVICHE</p> |  <p>TAP 42</p> |  | | |

MARGATE CITY CENTER

**INVESTMENT
SUMMARY & PUBLIC
BENEFITS**

SUMMARY OF FINANCIAL BENEFITS

(A) TOTAL BENEFITS TO CITY OF MARGATE = \$1,912,650,009

- **Ground Lease Payments totaling \$584 Million**
 - Retail revenue sharing totaling \$553 Million
 - 99-Year ground lease totaling \$30.9 Million in base payments
- Impact fees and building permit fees totaling close to \$7.5 Million
- City of Margate tax revenue totaling \$624 Million, including non-ad valorem tax revenue to Margate's fire rescue department totaling close to \$90 Million
- Reversion payment of \$697 Million ^[1]

(B) TOTAL BENEFITS TO BROWARD COUNTY = \$1,076,594,777

- Impact fees and building permit fees totaling \$3.4 Million
- Broward County, School Board, and Water District tax revenue totaling over \$1 Billion

(A) BENEFITS TO CITY OF MARGATE
+
(B) BENEFITS TO BROWARD COUNTY = **\$2,989,244,786**

[1] Using current property's assessed value per Broward County Property Appraiser plus the \$19 Million City/CRA subsidy, grown at 2.5% for 99 years.

SUMMARY OF USES

PHASE 1

Residential	400 market-rate units
Retail*	+/- 25,000 SF
Civic/Public	+/- 2-acre park
Parking Type	Structured

PHASE 2

Residential	400 market-rate units
Retail*	+/- 62,000 SF Includes retail mirroring phase 1, as well as a +/- 22,000 SF grocer/mini-golf/fitness center, and four standalone retail outparcels
Civic/Public	+/- 80,000SF Includes brand new, lakefront complex with city hall, community center, senior center, and library
Parking Type	Surface

* Related and City of Margate to share all retail net operating income 50/50. Retail rents are conservatively estimated to be \$35/SF/NNN on a total of 87,000 SF results in over \$3 Million in yearly NOI. Other City revenues include Ground Lease Payments paid by Related, impact fees and building permit fees, and tax revenues, as detailed on the following pages.

CITY BENEFITS FINANCIAL SUMMARY

Margate Town Center

Year	99-Year Ground Lease	Retail Revenue Sharing	Impact Fees/ Building Permits	Tax Revenue		TOTAL CITY BENEFITS
				City of Margate	Non-Ad Valorem (Margate Fire)	
99-YEAR TOTAL	30,851,037	553,157,616	7,474,517	534,503,546	89,477,341	1,215,464,058
1	50,000	-	3,737,259	-	-	3,787,259
2	50,000	-	-	-	-	50,000
3	50,000	-	-	-	-	50,000
4	150,000	-	3,737,259	-	-	3,887,259
5	150,000	437,500	-	749,642	120,000	1,457,142
6	150,000	448,438	-	768,383	123,000	1,489,821
7	200,000	459,648	-	787,593	126,075	1,573,316
8	200,000	1,556,140	-	1,510,397	249,227	3,515,763
9	205,000	1,595,043	-	1,548,157	255,458	3,603,657
10	205,000	1,634,919	-	1,586,861	261,844	3,688,624
11	205,000	1,675,792	-	1,626,532	268,390	3,775,714
12	210,000	1,717,687	-	1,667,195	275,100	3,869,982
13	210,000	1,760,629	-	1,708,875	281,977	3,961,482
14	215,250	1,804,645	-	1,751,597	289,027	4,060,519
15	215,250	1,849,761	-	1,795,387	296,252	4,156,651
16	215,250	1,896,005	-	1,840,272	303,659	4,255,186
17	220,500	1,943,405	-	1,886,279	311,250	4,361,434
18	220,500	1,991,990	-	1,933,436	319,031	4,464,957
19	226,013	2,041,790	-	1,981,771	327,007	4,576,581
20	226,013	2,092,835	-	2,031,316	335,182	4,685,346
21	226,013	2,145,156	-	2,082,099	343,562	4,796,829
22	231,525	2,198,785	-	2,134,151	352,151	4,916,612
23	231,525	2,253,754	-	2,187,505	360,955	5,033,739
24	237,313	2,310,098	-	2,242,193	369,979	5,159,582
25	237,313	2,367,851	-	2,298,247	379,228	5,282,639
26	237,313	2,427,047	-	2,355,704	388,709	5,408,772
27	243,101	2,487,723	-	2,414,596	398,427	5,543,847
28	243,101	2,549,916	-	2,474,961	408,387	5,676,366
29	249,179	2,613,664	-	2,536,835	418,597	5,818,275
30	249,179	2,679,006	-	2,600,256	429,062	5,957,502
31	249,179	2,745,981	-	2,665,262	439,788	6,100,210
32	255,256	2,814,630	-	2,731,894	450,783	6,252,563
33	255,256	2,884,996	-	2,800,191	462,053	6,402,496
34	261,638	2,957,121	-	2,870,196	473,604	6,562,559
35	261,638	3,031,049	-	2,941,951	485,444	6,720,082
36	261,638	3,106,825	-	3,015,500	497,580	6,881,543
37	268,019	3,184,496	-	3,090,887	510,020	7,053,422
38	268,019	3,264,108	-	3,168,159	522,770	7,223,057
39	274,720	3,345,711	-	3,247,363	535,839	7,403,633
40	274,720	3,429,354	-	3,328,547	549,235	7,581,856
41	274,720	3,515,087	-	3,411,761	562,966	7,764,534
42	281,420	3,602,965	-	3,497,055	577,040	7,958,480
43	281,420	3,693,039	-	3,584,482	591,467	8,150,407
44	288,456	3,785,365	-	3,674,094	606,253	8,354,167
45	288,456	3,879,999	-	3,765,946	621,410	8,555,810
46	288,456	3,976,999	-	3,860,095	636,945	8,762,494
47	295,491	4,076,424	-	3,956,597	652,868	8,981,380
48	295,491	4,178,334	-	4,055,512	669,190	9,198,527
49	302,878	4,282,793	-	4,156,900	685,920	9,428,490
50	302,878	4,389,862	-	4,260,822	703,068	9,656,631

CITY BENEFITS FINANCIAL SUMMARY

Margate Town Center

Year	99-Year Ground Lease	Retail Revenue Sharing	Impact Fees/ Building Permits	Tax Revenue		TOTAL CITY BENEFITS
				City of Margate	Non-Ad Valorem (Margate Fire)	
51	302,878	4,499,609	-	4,367,343	720,645	9,890,475
52	310,266	4,612,099	-	4,476,526	738,661	10,137,552
53	310,266	4,727,402	-	4,588,439	757,127	10,383,234
54	318,022	4,845,587	-	4,703,150	776,055	10,642,815
55	318,022	4,966,726	-	4,820,729	795,457	10,900,935
56	318,022	5,090,895	-	4,941,247	815,343	11,165,507
57	325,779	5,218,167	-	5,064,779	835,727	11,444,451
58	325,779	5,348,621	-	5,191,398	856,620	11,722,418
59	333,923	5,482,337	-	5,321,183	878,035	12,015,478
60	333,923	5,619,395	-	5,454,213	899,986	12,307,517
61	333,923	5,759,880	-	5,590,568	922,486	12,606,857
62	342,068	5,903,877	-	5,730,332	945,548	12,921,825
63	342,068	6,051,474	-	5,873,590	969,187	13,236,319
64	350,620	6,202,761	-	6,020,430	993,416	13,567,227
65	350,620	6,357,830	-	6,170,941	1,018,252	13,897,642
66	350,620	6,516,776	-	6,325,214	1,043,708	14,236,318
67	359,171	6,679,695	-	6,483,345	1,069,801	14,592,012
68	359,171	6,846,687	-	6,645,428	1,096,546	14,947,833
69	368,151	7,017,854	-	6,811,564	1,123,959	15,321,529
70	368,151	7,193,301	-	6,981,853	1,152,058	15,695,363
71	368,151	7,373,133	-	7,156,400	1,180,860	16,078,543
72	377,130	7,557,462	-	7,335,310	1,210,381	16,480,282
73	377,130	7,746,398	-	7,518,692	1,240,641	16,882,861
74	386,558	7,940,058	-	7,706,660	1,271,657	17,304,933
75	386,558	8,138,560	-	7,899,326	1,303,448	17,727,892
76	386,558	8,342,024	-	8,096,809	1,336,035	18,161,426
77	395,986	8,550,574	-	8,299,229	1,369,436	18,615,225
78	395,986	8,764,339	-	8,506,710	1,403,671	19,070,706
79	405,886	8,983,447	-	8,719,378	1,438,763	19,547,474
80	405,886	9,208,033	-	8,937,362	1,474,732	20,026,014
81	405,886	9,438,234	-	9,160,796	1,511,601	20,516,517
82	415,786	9,674,190	-	9,389,816	1,549,391	21,029,182
83	415,786	9,916,045	-	9,624,562	1,588,125	21,544,517
84	426,180	10,163,946	-	9,865,176	1,627,828	22,083,130
85	426,180	10,418,044	-	10,111,805	1,668,524	22,624,554
86	426,180	10,678,495	-	10,364,600	1,710,237	23,179,513
87	436,575	10,945,458	-	10,623,715	1,752,993	23,758,741
88	436,575	11,219,094	-	10,889,308	1,796,818	24,341,796
89	447,489	11,499,572	-	11,161,541	1,841,739	24,950,340
90	447,489	11,787,061	-	11,440,579	1,887,782	25,562,912
91	447,489	12,081,738	-	11,726,594	1,934,977	26,190,797
92	458,404	12,383,781	-	12,019,759	1,983,351	26,845,294
93	458,404	12,693,375	-	12,320,253	2,032,935	27,504,967
94	469,864	13,010,710	-	12,628,259	2,083,758	28,192,591
95	469,864	13,335,978	-	12,943,966	2,135,852	28,885,659
96	469,864	13,669,377	-	13,267,565	2,189,248	29,596,054
97	481,324	14,011,111	-	13,599,254	2,243,980	30,335,669
98	481,324	14,361,389	-	13,939,235	2,300,079	31,082,027
99	493,357	14,720,424	-	14,287,716	2,357,581	31,859,078
100	240,662	10,520,233	-	6,817,444	2,416,521	19,994,859
101	240,662	10,783,239	-	6,987,880	2,476,934	20,488,714
102	252,695	11,052,820	-	7,162,577	2,538,857	21,006,948
103	-	-	-	-	-	-

*Retail Revenue and Tax Projections are Grown at 2.5% yearly.

COUNTY BENEFITS FINANCIAL SUMMARY

Margate Town Center

Year	Impact Fees/ Building Permits	Tax Revenue			TOTAL COUNTY BENEFITS
		County Government	County School Board	Water Management District	
99-YEAR TOTAL	3,404,907	442,788,314	477,915,811	152,485,745	1,076,594,777
1	1,702,454	-	-	-	1,702,454
2	-	-	-	-	-
3	-	-	-	-	-
4	1,702,454	-	-	-	1,702,454
5	-	557,034	650,046	207,406	1,414,486
6	-	570,959	666,297	212,591	1,449,848
7	-	585,233	682,955	217,906	1,486,094
8	-	1,249,910	1,350,075	430,760	3,030,745
9	-	1,281,158	1,383,827	441,529	3,106,514
10	-	1,313,187	1,418,422	452,568	3,184,177
11	-	1,346,017	1,453,883	463,882	3,263,781
12	-	1,379,667	1,490,230	475,479	3,345,376
13	-	1,414,159	1,527,486	487,366	3,429,010
14	-	1,449,513	1,565,673	499,550	3,514,736
15	-	1,485,751	1,604,815	512,039	3,602,604
16	-	1,522,894	1,644,935	524,840	3,692,669
17	-	1,560,967	1,686,058	537,961	3,784,986
18	-	1,599,991	1,728,210	551,410	3,879,610
19	-	1,639,991	1,771,415	565,195	3,976,601
20	-	1,680,991	1,815,700	579,325	4,076,016
21	-	1,723,015	1,861,093	593,808	4,177,916
22	-	1,766,091	1,907,620	608,653	4,282,364
23	-	1,810,243	1,955,311	623,869	4,389,423
24	-	1,855,499	2,004,194	639,466	4,499,159
25	-	1,901,887	2,054,298	655,453	4,611,638
26	-	1,949,434	2,105,656	671,839	4,726,929
27	-	1,998,170	2,158,297	688,635	4,845,102
28	-	2,048,124	2,212,255	705,851	4,966,229
29	-	2,099,327	2,267,561	723,497	5,090,385
30	-	2,151,810	2,324,250	741,585	5,217,645
31	-	2,205,605	2,382,356	760,124	5,348,086
32	-	2,260,745	2,441,915	779,127	5,481,788
33	-	2,317,264	2,502,963	798,605	5,618,833
34	-	2,375,196	2,565,537	818,571	5,759,303
35	-	2,434,576	2,629,676	839,035	5,903,286
36	-	2,495,440	2,695,417	860,011	6,050,868
37	-	2,557,826	2,762,803	881,511	6,202,140
38	-	2,621,772	2,831,873	903,549	6,357,193
39	-	2,687,316	2,902,670	926,138	6,516,123
40	-	2,754,499	2,975,237	949,291	6,679,026
41	-	2,823,361	3,049,617	973,023	6,846,002
42	-	2,893,945	3,125,858	997,349	7,017,152
43	-	2,966,294	3,204,004	1,022,283	7,192,581
44	-	3,040,451	3,284,104	1,047,840	7,372,395
45	-	3,116,462	3,366,207	1,074,036	7,556,705
46	-	3,194,374	3,450,362	1,100,886	7,745,623
47	-	3,274,233	3,536,621	1,128,409	7,939,263
48	-	3,356,089	3,625,037	1,156,619	8,137,745
49	-	3,439,991	3,715,663	1,185,534	8,341,189
50	-	3,525,991	3,808,554	1,215,173	8,549,718

COUNTY BENEFITS FINANCIAL SUMMARY

Margate Town Center

Year	Impact Fees/ Building Permits	Tax Revenue			TOTAL COUNTY BENEFITS
		County Government	County School Board	Water Management District	
51	-	3,614,141	3,903,768	1,245,552	8,763,461
52	-	3,704,495	4,001,362	1,276,691	8,982,548
53	-	3,797,107	4,101,396	1,308,608	9,207,111
54	-	3,892,035	4,203,931	1,341,323	9,437,289
55	-	3,989,335	4,309,030	1,374,856	9,673,221
56	-	4,089,069	4,416,755	1,409,228	9,915,052
57	-	4,191,296	4,527,174	1,444,458	10,162,928
58	-	4,296,078	4,640,354	1,480,570	10,417,002
59	-	4,403,480	4,756,362	1,517,584	10,677,427
60	-	4,513,567	4,875,272	1,555,524	10,944,362
61	-	4,626,406	4,997,153	1,594,412	11,217,971
62	-	4,742,066	5,122,082	1,634,272	11,498,421
63	-	4,860,618	5,250,134	1,675,129	11,785,881
64	-	4,982,133	5,381,388	1,717,007	12,080,528
65	-	5,106,687	5,515,922	1,759,932	12,382,541
66	-	5,234,354	5,653,820	1,803,931	12,692,105
67	-	5,365,213	5,795,166	1,849,029	13,009,407
68	-	5,499,343	5,940,045	1,895,255	13,334,643
69	-	5,636,827	6,088,546	1,942,636	13,668,009
70	-	5,777,747	6,240,760	1,991,202	14,009,709
71	-	5,922,191	6,396,779	2,040,982	14,359,952
72	-	6,070,246	6,556,698	2,092,007	14,718,950
73	-	6,222,002	6,720,616	2,144,307	15,086,924
74	-	6,377,552	6,888,631	2,197,914	15,464,097
75	-	6,536,991	7,060,847	2,252,862	15,850,700
76	-	6,700,415	7,237,368	2,309,184	16,246,967
77	-	6,867,926	7,418,302	2,366,913	16,653,141
78	-	7,039,624	7,603,760	2,426,086	17,069,470
79	-	7,215,615	7,793,854	2,486,738	17,496,207
80	-	7,396,005	7,988,700	2,548,907	17,933,612
81	-	7,580,905	8,188,418	2,612,630	18,381,952
82	-	7,770,428	8,393,128	2,677,945	18,841,501
83	-	7,964,688	8,602,956	2,744,894	19,312,538
84	-	8,163,806	8,818,030	2,813,516	19,795,352
85	-	8,367,901	9,038,481	2,883,854	20,290,236
86	-	8,577,098	9,264,443	2,955,950	20,797,492
87	-	8,791,526	9,496,054	3,029,849	21,317,429
88	-	9,011,314	9,733,455	3,105,595	21,850,365
89	-	9,236,597	9,976,792	3,183,235	22,396,624
90	-	9,467,512	10,226,211	3,262,816	22,956,539
91	-	9,704,199	10,481,867	3,344,387	23,530,453
92	-	9,946,804	10,743,913	3,427,996	24,118,714
93	-	10,195,475	11,012,511	3,513,696	24,721,682
94	-	10,450,361	11,287,824	3,601,539	25,339,724
95	-	10,711,620	11,570,020	3,691,577	25,973,217
96	-	10,979,411	11,859,270	3,783,867	26,622,548
97	-	11,253,896	12,155,752	3,878,463	27,288,111
98	-	11,535,244	12,459,646	3,975,425	27,970,314
99	-	11,823,625	12,771,137	4,074,810	28,669,572
100	-	6,302,891	6,302,891	2,011,026	14,616,808
101	-	6,460,463	6,460,463	2,061,301	14,982,228
102	-	6,621,975	6,621,975	2,112,834	15,356,784
103	-	-	-	-	-

* Retail Revenue and Tax Projections are Grown at 2.5% yearly.

INVESTMENT SUMMARY - PHASE 1 ONLY

Margate Town Center

RETURN METRICS

Return on Cost	6.5%
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SOURCES	Total	Per Unit	PSF	% of Total
Construction Loan	71,747,288	179,368	192	52.5%
Equity	45,896,400	114,741	123	33.6%
City/CRA Subsidies	19,000,000	47,500	51	13.9%
Total Sources	136,643,687	341,609	366	100.0%

USES	Total	Per Unit	PSF	% of Total
Capitalized land value	150,000	375	0	0.1%
FF&E	1,020,000	2,550	3	0.7%
Construction costs	100,579,517	251,449	270	73.6%
Public Park	2,000,000	5,000	5	1.5%
Professional fees	3,797,387	9,493	10	2.8%
Permits/ impact fees	5,439,712	13,599	15	4.0%
Project management	3,353,061	8,383	9	2.5%
Project fees/ overhead	4,964,643	12,412	13	3.6%
Reserves	6,920,674	17,302	19	5.1%
Financing/closing costs	1,611,251	4,028	4	1.2%
Contingency	6,825,255	17,063	18	5.0%
Total Uses	136,661,500	341,654	366	100.0%

SCHEDULE	Months*	Date
Ground Lease Effective Date	--	Dec-25
Groundbreaking	--	Jan-26
First Residential Occupancy	19	Jul-27
Retail Rent Commencement	23	Nov-27
Complete Construction	23	Nov-27

*Months from groundbreaking

OPERATING PRO FORMA - PHASE 1 ONLY

Margate Town Center

UNIT SUMMARY	Count	Unit Size	Avg. Rent	PSF
Studios	36	525	1,905	3.63
1 Bedroom	168	713	2,289	3.21
2 Bedroom	162	1,017	2,909	2.86
3 Bedroom	34	1,319	3,330	2.52
Total/Average	400	870	2,594	2.98
Retail/Commercial (NNN)		25,000	--	35.00
Total Project NRSF		373,150		

PRO FORMA			
Income	Total	/Unit	
Gross Potential Income	12,451,620	31,129	
Economic Loss	(747,097)	(1,868)	
Net Rental Income	11,704,523	29,261	
Other Income	506,350	1,266	
Retail NOI	875,000	2,188	
Effective Gross Income	13,085,873	32,715	
Controllable Expenses			
Administration	115,000	288	
Marketing/Advertising	140,000	350	
Utilities	340,000	850	
Repairs & Maintenance	100,000	250	
Make Ready	100,000	250	
Contract Services	200,000	500	
Payroll	650,000	1,625	
Total Controllable	1,645,000	4,113	
Fixed Expenses			
RE Taxes	2,192,763	5,482	
Insurance	800,000	2,000	
Management Fees	300,000	750	
Total Fixed	3,292,763	8,232	
Ground Lease (Base rent + share of retail)	537,500	1,344	
Net Operating Income	7,610,610	19,027	
Return on Cost ('ROC') [1]	6.5%		

[1] Includes the impacts of City/CRA Subsidies

INVESTMENT SUMMARY - PHASE 2 ONLY

Margate Town Center

RETURN METRICS

Return on Cost	6.5%
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SOURCES	Total	Per Unit	PSF	% of Total
Construction Loan	67,054,488	167,636	180	52.5%
Equity	60,646,575	151,616	163	47.5%
--	-	-	-	0.0%
Total Sources	127,701,062	319,253	342	100.0%

USES	Total	Per Unit	PSF	% of Total
Capitalized land value	150,000	375	0	0.1%
FF&E	1,020,000	2,550	3	0.8%
Construction costs	95,815,495	239,539	257	75.0%
Public Park	-	-	-	0.0%
Professional fees	4,722,250	11,806	13	3.7%
Permits/ impact fees	5,310,560	13,276	14	4.2%
Project management	3,266,373	8,166	9	2.6%
Project fees/ overhead	4,704,226	11,761	13	3.7%
Reserves	4,792,653	11,982	13	3.8%
Financing/closing costs	1,527,642	3,819	4	1.2%
Contingency	6,413,635	16,034	17	5.0%
Total Uses	127,722,833	319,307	342	100.0%

SCHEDULE	Months*	Date
Ground Lease Effective Date	--	Dec-27
Groundbreaking	--	Jan-28
First Residential Occupancy	18	Jun-29
Retail Rent Commencement	23	Nov-29
Complete Construction	23	Nov-29

*Months from groundbreaking

* Investment Summary - Phase 2 shown above does not include the to-be-determined costs for the purchase of the private ALF site, the \$11 million City/CRA subsidy, or the cost to build the city hall and civic center, although it is our intent to include it in the phase.

OPERATING PRO FORMA - PHASE 2 ONLY

Margate Town Center

UNIT SUMMARY	Count	Unit Size	Avg. Rent	PSF
Studios	36	525	1,905	3.63
1 Bedroom	168	713	2,289	3.21
2 Bedroom	162	1,017	2,909	2.86
3 Bedroom	34	1,319	3,330	2.52
Total/Average	400	870	2,594	2.98
Retail/Commercial (NNN)		62,000	--	35.00
Total Project NRSF		410,150		

PRO FORMA			
Income	Total	/Unit	
Gross Potential Income	12,451,620	31,129	
Economic Loss	(747,097)	(1,868)	
Net Rental Income	11,704,523	29,261	
Other Income	409,000	1,023	
Retail NOI	2,170,000	5,425	
Effective Gross Income	14,283,523	35,709	
Controllable Expenses			
Administration	115,000	288	
Marketing/Advertising	140,000	350	
Utilities	340,000	850	
Repairs & Maintenance	100,000	250	
Make Ready	100,000	250	
Contract Services	200,000	500	
Payroll	650,000	1,625	
Total Controllable	1,645,000	4,113	
Fixed Expenses			
RE Taxes	2,071,200	5,178	
Insurance	800,000	2,000	
Management Fees	300,003	750	
Total Fixed	3,171,202	7,928	
Ground Lease (Base rent + share of retail)	1,185,000	2,963	
Net Operating Income	8,282,320	20,706	
Return on Cost ('ROC')	6.5%		

* Operating Pro Forma - Phase 2 shown above does not include the to-be-determined costs for the purchase of the private ALF site, the \$11 million City/CRA subsidy, or the cost to build the city hall and civic center, although it is our intent to include it in the phase.

PROPOSED DEVELOPMENT TIMELINE

Margate Town Center

Event	Start Date	End Date	Duration (days)	Duration (months)
RFP Process				
Proposals Due Date	November 12, 2024	November 13, 2024	1	0
Presentations Date	December 5, 2024	December 20, 2024	15	1
PSA Negotiations	December 21, 2024	January 5, 2025	15	1
Due Diligence Period	January 6, 2025	March 7, 2025	60	2
Approvals/Permitting	March 8, 2025	January 2, 2026	300	10
Phase 1				
Phase 1 Closing	January 3, 2026	January 10, 2026	7	0
Phase 1 Construction	January 11, 2026	December 2, 2027	690	23
Phase 1 Completion	December 3, 2027	December 10, 2027	7	0
Grand Opening Ceremony	December 11, 2027	December 18, 2027	7	0
Phase 2				
Phase 2 Closing	January 3, 2028	January 10, 2028	7	0
Phase 2 Construction	January 11, 2028	December 1, 2029	690	23
Phase 2 Completion	December 2, 2029	December 9, 2029	7	0
Final Completion Ceremony	December 10, 2029	December 17, 2029	7	0



MARGATE CITY CENTER

LETTER OF INTENT





2850 Tigertail Avenue ● 8th Floor ● Miami, FL 33133
Tel. (305) 460-9900

November 12, 2024

City of Margate / Margate Community Redevelopment Agency

Re: Letter of intent (“LOI”) to enter into a 99-year Ground Lease for the Phase 1 Property and the Phase 2 Property for the purposes of constructing and operation of their respective Intended Use.

Dear Mayor Ruzzano, members of the City Commission, and members of the Community Redevelopment Agency, care of Brooke Mosier:

The purpose of this LOI is to set forth the general terms under which RD Investment Properties, LLC or its affiliate (“Related”) would enter into an exclusive ground lease agreement (the “Ground Lease”) with City of Margate / Margate Community Redevelopment Agency (“Owner”) for the Phase 1 Property and Phase 2 Property.

1. **Phase 1 Property:** Those parcels of land, owned by Owner, totaling approximately 17 acres ± in tax folio 484125030010, located at 1000 N. State Road 7, Margate, FL 33063, as more particularly shown on Exhibit A.
2. **Phase 1 Intended Use:** The Phase 1 Property will be developed into the “Phase 1 Project” which includes the following components:
 - a. Four hundred (400) market-rate residential units with amenities (the “Residential Component”); plus
 - b. Twenty-five thousand (25,000) square feet of ground floor retail (the “Retail Component”); plus
 - c. A public park of approximately 80,000 square feet (the “Public Park”); plus
 - d. A parking garage containing approximately seven hundred and fifty (750) parking spaces and seventy-five surface parking spaces (the “Parking Component”). The City will consider lower parking requirements for this project given its mixed-use nature and analysis of actual parking usage at other mixed-use projects in South Florida.
3. **Phase 2 Property:** Those parcels of land, owned by Owner, totaling approximately 28 acres ± in tax folio 484125010190/484125010210/484125020010/484125020021/484125020022/484125030100/484125030110/484125031060/484125031080/484125031081/484125031085/484125031090/484125031100/484125031280/484125031340/484125031343/484136060180, located at 1301 N. State Road 7, Margate, FL 33063, as more particularly shown on Exhibit A.
4. **Phase 2 Intended Use:** The Phase 2 Property will be developed into the “Phase 2 Project” which includes the following components:
 - a. Four hundred (400) market-rate residential units with amenities (the “Residential Component”); plus
 - b. Sixty-two thousand two hundred (62,200) square feet of ground floor retail (the “Retail Component”); plus
 - c. A new lakefront 80,000 square feet City Hall and Civic center (the “Civic Complex”); plus
 - d. The City will consider lower parking requirements for this project given its mixed-use nature and analysis of actual parking usage at other mixed-use projects in South Florida.

5. **Ground Lease Payments:** One Hundred Thousand Dollars (\$100,000) per year, payable quarterly, with five percent (5%) increases every five (5) years **plus 50% of all retail net operating income**. The first ground lease payment for the Phase 1 Intended Use will occur on the “Base Year Start Date Phase 1”, which is the date that is the earlier to occur of (i) the date which is three (3) months after the Phase 1 Intended Use obtains its final certificate of occupancy or (ii) three years after the Approvals (as defined below) have been obtained. Prior to the Base Year Start Date Phase 1 (x) the ground lease payment will be fully abated prior to receipt of the Approvals and thereafter (y) the ground lease payments will equal \$50,000 per year while the Intended Use is under development and construction and continue until the Base Year Start Date. The first ground lease payment for the Phase 2 Intended Use will occur on the “Base Year Start Date Phase 2”, which will occur no earlier than two (2) years from the Base Year Start Date Phase 1, or earlier at Related’s choice with 60 day prior notice to Owner.
6. **Ground Lease Term:** The “Term” of the Ground Lease shall be ninety-nine (99) years from its Base Year Start Date, and absent any then uncured default by Related the Phase 1 Property, Phase 2 Property and all improvements thereon, may be either (i) acquired by Related upon payment from Related to Owner of the current appraised value of the land indexed by CPI from the Base Year Start Date to the end of the Term plus a repayment of the City/CRA Subsidy also indexed by CPI through the end the Term or (ii) reverted to Owner.
7. **City/CRA Subsidy:** No later than sixty (60) days prior to groundbreaking of the Phase 1 Intended Use, the City/CRA will fund an escrow with nineteen million (\$19,000,000) dollars from its CRA fund (the “*Escrow*”). The Escrow may be drawn upon by Related to fund the construction of the Retail Component, Parking Component, and the Public Park (together the “*Subsidized Components*”). Related will provide the City with a completion guarantee which will guarantee the repayment of the drawn portion of the escrow should Related not finish construction of the Subsidized Components within four (4) years from groundbreaking. Related will work with the City/CRA on extending the life of the CRA with Broward Count. Prior to groundbreaking of the Phase 2 Intended Use, the City/CRA will fund an escrow with eleven million (\$11,000,000) dollars from its CRA fund (the “*Second Escrow*”), on similar terms as the Escrow.
8. **Deposit:** One Hundred Fifty Thousand Dollars (\$150,000), due within three (3) business days after execution of the Ground Lease. The Deposit will become nonrefundable upon expiration of the Inspection Period subject only to Related obtaining the Approvals, funding of the Escrow, satisfaction of typical and customary closing conditions for similar transactions or as otherwise specified in the Ground Lease. The Deposit will be applied to the Ground Lease Payments as they are incurred.
9. **Inspection Period:** Sixty (60) days execution of the Ground Lease. Upon execution of this LOI, Owner will provide Related with true and correct copies of all its due diligence items for the Phase 1 Property, including but not limited to surveys, soil studies, wetland studies, appraisals, title reports and policies, environmental reports, engineering reports, and service contracts.
10. **Approvals:** All unconditional and non-appealable approvals required, including site plan approval, rezone and replat if necessary, and Related obtaining building permits so that at closing, nothing would prevent Related from immediately breaking ground (and upon completion of construction, certificates of occupancy) for the Intended Use. It is understood that “non-appealable approval” means that all appeal periods shall have expired with no appeal taken or, in the event of an appeal, that a favorable decision has been rendered, with no further appeal taken.
11. **Closing Costs:** Closing costs will be paid by the parties in accordance with customary practice for commercial transactions in the county in which the Phase 1 Property is located. Each party shall pay its own attorney’s fees.

12. **Broker:** The parties represent to each other that Brooke Mosier of Collier’s is the only brokers involved in this transaction and will be paid by Owner under a separate agreement.

This is a non-binding LOI and an expression of interest only and, except for the “Broker” paragraphs set forth above and this final paragraph, neither party shall have any contractual obligation or other liability to the other with respect to the matters referred to herein other than to negotiate the Ground Lease in good faith. The parties recognize the confidential nature of this document and agree not to discuss or disclose (except to each party’s professional advisors) any of its contents. Upon execution of this LOI Related will instruct its attorneys to prepare the Ground Lease.

<<< Signatures on following page >>>

Sincerely,

Timothy Zeitoun

RD Investment Properties, LLC
Timothy Zeitoun
as Director of Acquisitions

timothy.zeitoun@relatedgroup.com
cc: mflowers@relatedgroup.com

ACCEPTED BY

City of Margate / Margate Community
Redevelopment Agency

Date: _____

By: _____

Name: _____

Title: _____

MARGATE CITY CENTER



CONTACT INFORMATION

THANK YOU

The Related Group

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Executive VP/Senior Investment Officer

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Director of Acquisitions

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