I-395 PRELIMINARY FINANCIAL ANALYSIS

May 14, 2003
MPO I-395 Sub-committee

Jesus Guerra, P.E.
MPO Project Manager

Freddie A. Vargas, P.E.
KHA Project Manager

Steven E. Lefton, ASLA, AICP
KHA Urban Planner

Alternative Review
I-395-Open Cut Option-B
Market Study Area

Market Value:
- $543,131,842, Acres: 501
- $1,114,414,287, Acres: 151
- $235,735,848, Acres: 121

Financial Analysis
Area Transportation Network
Planning Strategy

Assumptions

- Tunnel too costly
- Railroad must remain at grade level
- Elevated highway not desirable
- Reconnect the City grid (north/ south streets)
- Reinvigorate neighborhoods such as Overtown
Redevelopment Concepts

Central Downtown Miami (CBD) has been negatively impacted and visually, socially, and psychologically constrained from expanding to the North by the elevated I-395, and would expand fluidly to the north if it were removed and act as a catalyst to eliminate blight.
Redevelopment Concepts

- The Market will recognize the enhanced attractiveness of a “Miami North District.”
- Retention of the major surface street connections.
- Create a 40-acre linear park.
- Prepare concept cost analysis, finance revenue sources, and potential yields from major sources to help pay for I-395 improvements.
- Optimize transportation initiatives to link Miami North District.
Redevelopment Concepts (cont.)

- Under-utilization of valuable land
- Miami-Dade is 90% build-out
- Demand for housing Permanent & seasonal
- Residential units 82.3% build-out
- Residential sales in Miami-Dade County reached record high: 63,306 homes
Redevelopment Concepts (cont.)

- 84% units sold today are resale units, compared to 62% 20 years ago
- Land supplies in the suburban areas
- Remaining lands are far from urban cores
- Alleviate congestion
- Improve quality of life
Market Analysis

Comparable/adjacent Markets

**Brickell**
- Built out in late 1970’s
- Amenities:
  - Own financial district
  - Proximity to the water & beaches
  - Proximity to CBD
- Since 1990:
  - Near 3,000 new multi-family units
  - Generated near $1.0 billion in sales, average sales per unit: $300,000
  - Re-sales appreciate at 10 to 15% /year
  - Redevelopment has spread south and west
Market Analysis

Miami Beach (south of 5th street)
- Started in 1994
- 1,300 new units
- $500 million on sales
- New development still going on

Downtown Kendall
- Overlay district 1999
- New Urbanism community
  - Pedestrian friendly
  - Human scale buildings
- 2,000 new multifamily units
- Over $500 million on sales
Market Analysis

Downtown Ft. Lauderdale CBD
- Daytime employment center
- Numerous beach front amenities
- Lack of connection between housing & urban area
- Over 2,400 condominium and rental units under construction
- Over 2,000 additional units approved
- $777.8 million on sales (based on under 30% of the proposed units)
Market Analysis

Miami North Market

- Market Activity
- Residential projections (20-year horizon)
  - Density Mix
  - Absorption
  - Price Point
- Commercial and industrial centers
Overcoming barriers to growth

- Existing I-395 elevated ramps
- Physical and Psychological
- Blighted surroundings
- Private investment and development
- Non-capitalization of valuable lands
- Deficiencies of parks and public amenities that enhance the community
Financial Strategy

- Establishment of a District Taxing Authority Trust (DTAT) “Miami North District”
  - Define boundaries
  - Inter-local Agreements
    - “District”
    - Dade County
    - City of Miami
  - "Miami North District" function as a "Tax Increment" District
    - No eminent domain
    - No added taxes
    - Assumptions: Capture only (50%) of future taxes
    - Bonding Capacity of future increment: $300,000,000
**Program Assumptions for Financial Use**

**Mileage:**
- City: 8,995
- County: 5,713
- Total: 14.71

**Study Land Area:**

- Total Study Area: 866 acres
- Less Roads, Parks, Industrial to Remain and Buildings to Remain: 218 acres
- Less New R.O.W. OFR I-395: 26 acres
- **New Land Area:** 622 acres

- Net Land Area
  - East of Biscayne: 121 acres
  - West of Biscayne: 501 acres

- Total Study Area: 622 acres
- Less Land for Industrial Big Box Retail, Boutique Retail, Neighborhood Retail, Flex, etc.: 89 acres
- **Available for Residential / Mixed use:** 533 acres

- Plus New Linear Park (Old I-395 R.O.W.): 41 acres
<table>
<thead>
<tr>
<th>Residential Program</th>
<th>Acres</th>
<th>Density</th>
<th>Units</th>
<th>Sale Price</th>
<th>Total Value</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>107</td>
<td>52</td>
<td>5,500</td>
<td>$300,000</td>
<td>$1,650,000,000</td>
</tr>
<tr>
<td></td>
<td>267</td>
<td>22</td>
<td>5,800</td>
<td>$198,000</td>
<td>$1,148,400,000</td>
</tr>
<tr>
<td></td>
<td>159</td>
<td>13</td>
<td>2,100</td>
<td>$168,000</td>
<td>$352,800,000</td>
</tr>
<tr>
<td></td>
<td>533</td>
<td></td>
<td>13,400</td>
<td></td>
<td>$3,151,200,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Commercial Program</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Office, Flex Etc.</td>
<td>$17,500,000</td>
<td></td>
</tr>
<tr>
<td>Neighborhood Retail</td>
<td>$50,000,000</td>
<td></td>
</tr>
<tr>
<td>Boutique Retail</td>
<td>$37,500,000</td>
<td></td>
</tr>
<tr>
<td>Big Box Retail</td>
<td>$60,000,000</td>
<td></td>
</tr>
</tbody>
</table>

Total: $165,000,000
### I-395-Open Cut Option-Preliminary Financial Analysis

#### Commercial Land Value

<table>
<thead>
<tr>
<th></th>
<th>Acres</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office, Flex Etc.</td>
<td>10</td>
<td>$6,534,000</td>
</tr>
<tr>
<td>(1) Neighborhood Retail</td>
<td>45</td>
<td>$39,204,000</td>
</tr>
<tr>
<td>(2) Boutique Retail</td>
<td>0</td>
<td>$8,750,000</td>
</tr>
<tr>
<td>(3) Big Box Retail</td>
<td>34</td>
<td>$37,026,000</td>
</tr>
<tr>
<td><strong>Total Land Value</strong></td>
<td>89</td>
<td><strong>$91,514,000</strong></td>
</tr>
</tbody>
</table>

#### Total Development Value

$3,407,714,000

#### Existing Assessed Value

$815,926,466

- (1) Mixed Use in Residential Land
- (2) (Boutique Retail Area) x (Land Value)
- (3) Assumed Vertical Parking
Eastbound Toll

The establishment of a toll for eastbound travelers exiting I-95 to I-395 from the North and South. There would be no toll for travelers eastbound to Miami/ Miami Beach on SR 836.

• Assumptions: Ability to capture tolls specifically directed to I-395 improvements.

• FDOT will continue to maintain the roadway

• Bonding Capacity of future toll revenues: $80,000,000 to $110,000,000
Additional Grants

Assumptions:
- Use all potential grants for local transportation/transit and public spaces
- Use Tax Increment for grant application match
- Potential Grant revenues: Say- $50,000,000
• Project Cost
  • Proposed "open cut" cost: $525,000,000
  • FDOT funding: $105,000,000
  • Shortfall: $420,000,000

• Funding source
  • Bonding Capacity of future increment: $300,000,000
  • Tolls: $100,000,000
  • FDOT: $108,000,000
  • Other grants: $50,000,000
• Project funding resources $558,000,000
Preliminary Implementation Strategy

- Prepare an overall implementation strategy
- Prepare overall Downtown market study (integrate other Downtown programs), financial feasibility, job generation; and overall economic impact on the City and County
- Test toll concept and assumptions
- Prepare Joint City of Miami, County, and FDOT approval process
- City of Miami establishes a “District Authority Trust”, (and boundaries) to coordinate the I-395 financing project.
Preliminary Implementation Strategy

• Approve the necessary finance Inter-local Agreements for implementation
• Initiate a streamlined planning and zoning process
• Pursue the most probable grant applications
• Prepare initial bond structures, validation and offerings
• Prepare Miami North District marketing program and materials
I-395-Open Cut Option-Preliminary Financial Analysis
I-395 PRELIMINARY FINANCIAL ANALYSIS

May 14, 2003
MPO I-395 Sub-committee

Jesus Guerra, P.E.
MPO Project Manager

Freddie A. Vargas, P.E.
KHA Project Manager

Steven E. Lefton, ASLA, AICP
KHA Urban Planner