

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

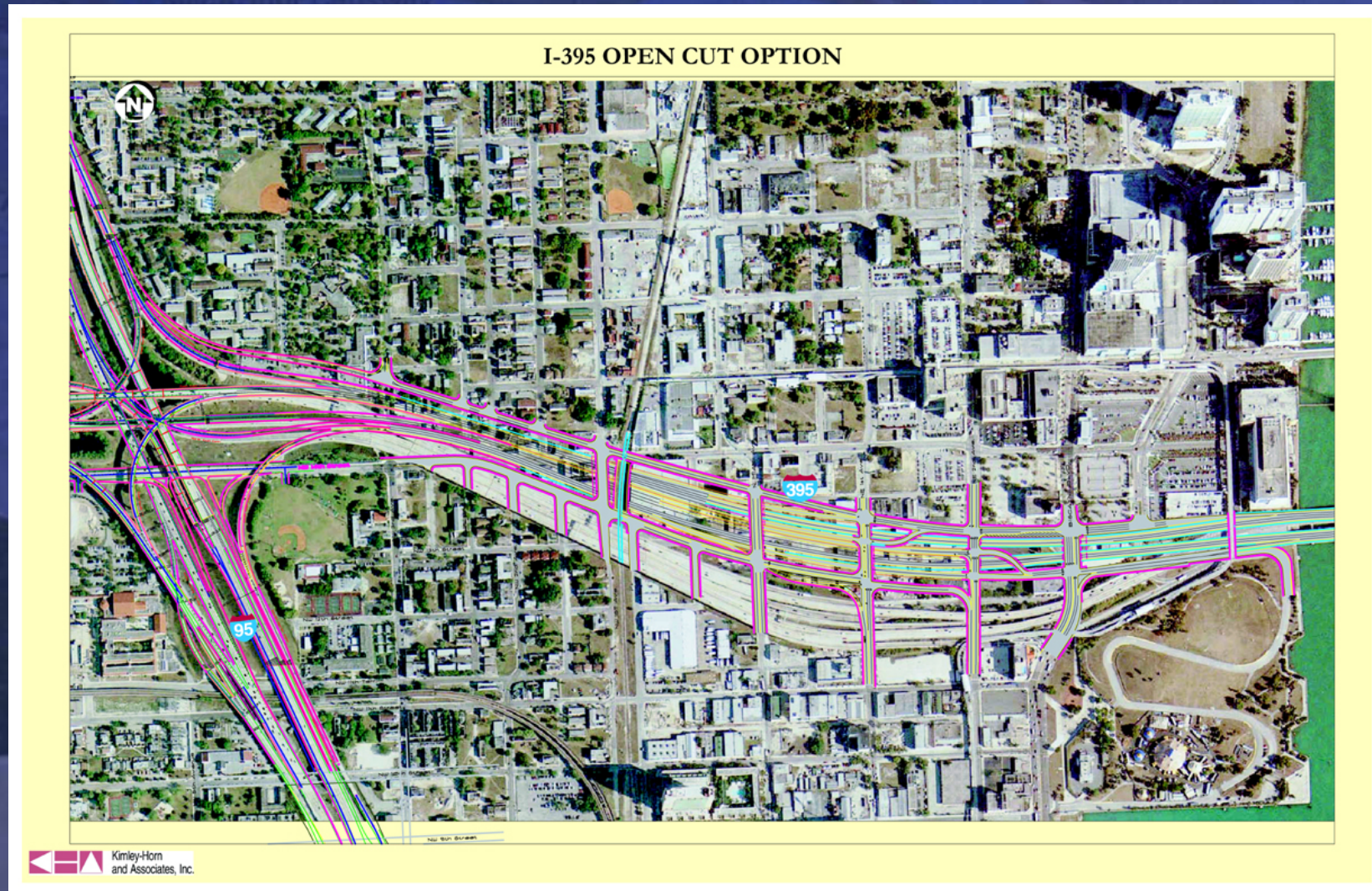


Alternative Review



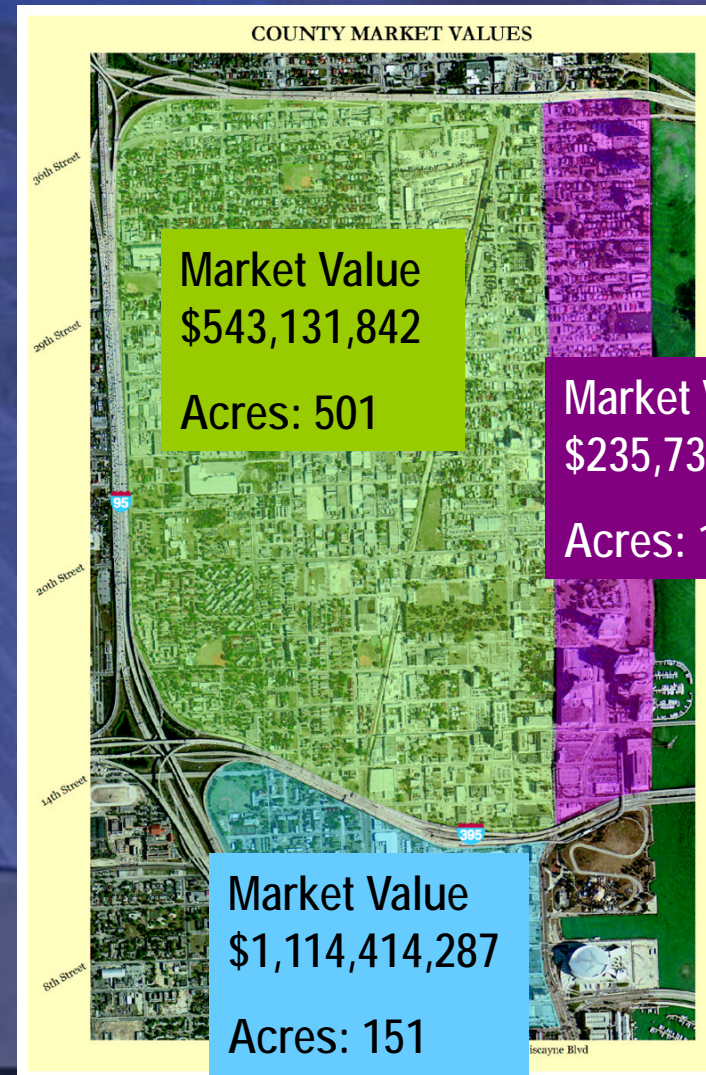
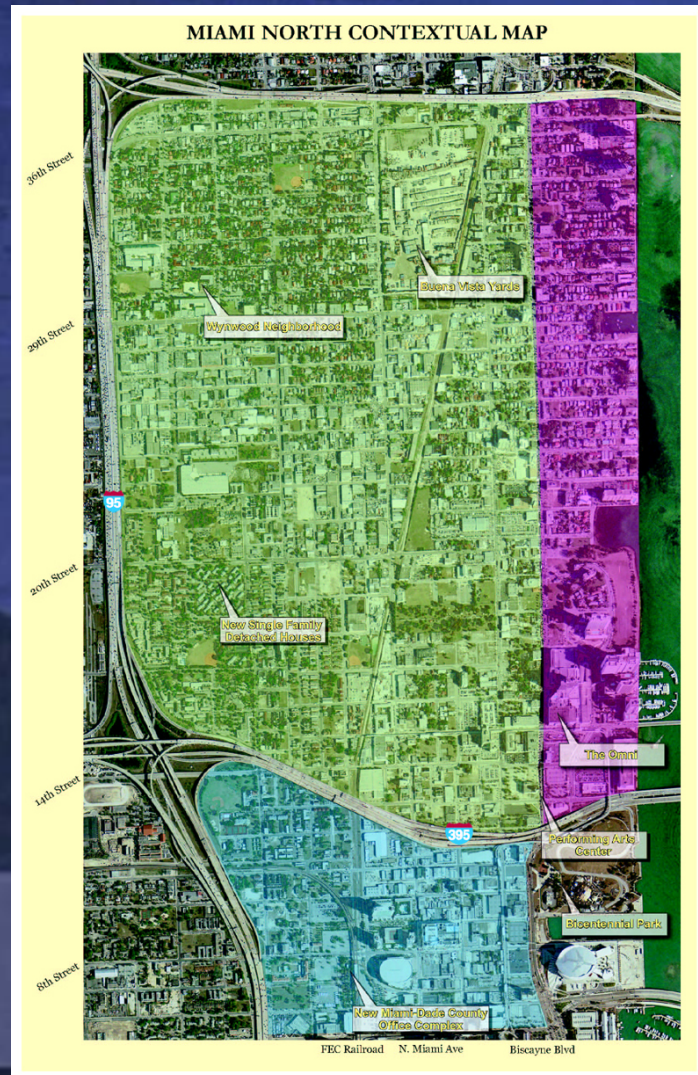
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I-395-Open Cut Option-B



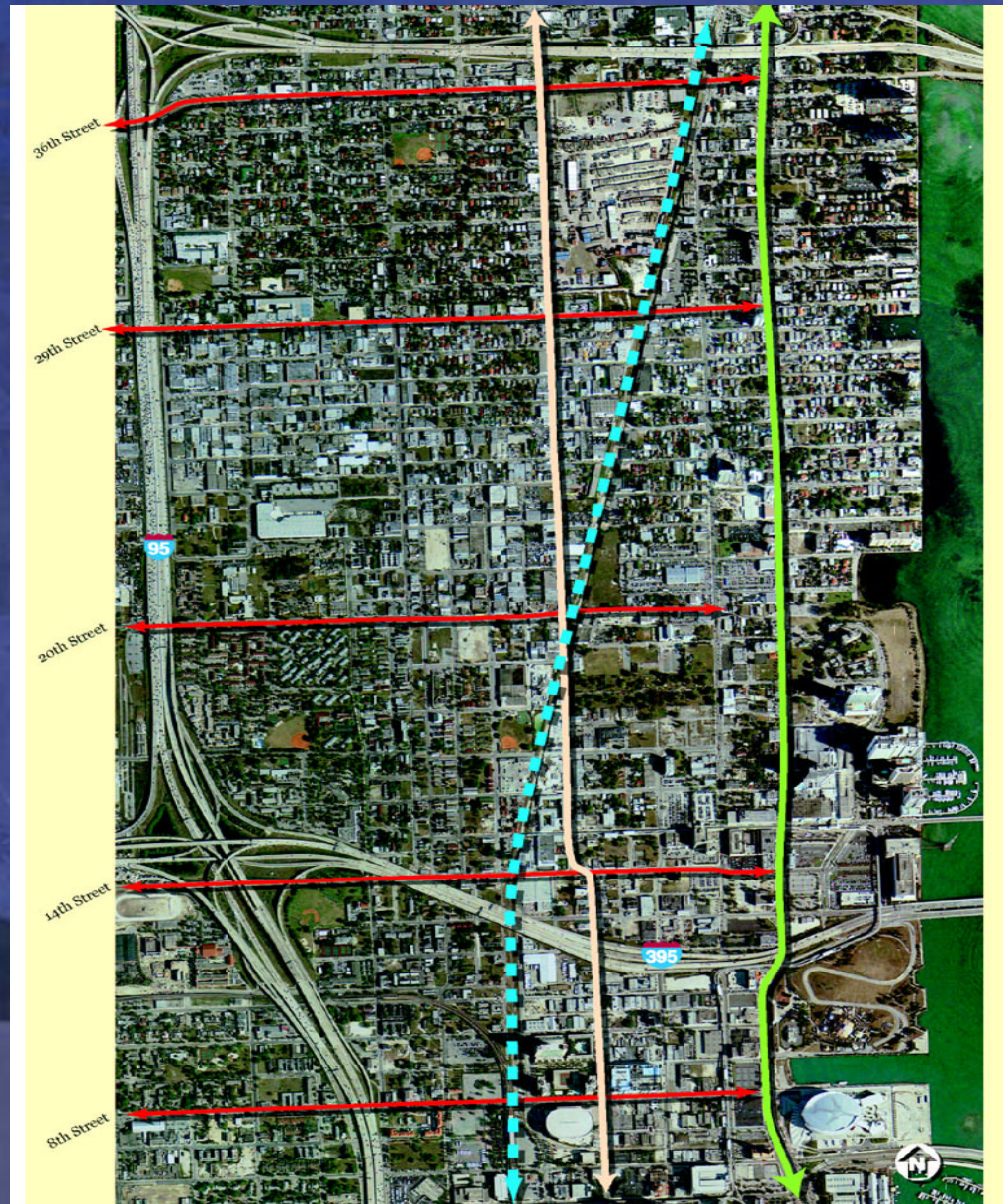
Financial Analysis

Market Study Area



Financial Analysis

Area Transportation Network



Financial Analysis



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I-395-Open Cut Option-Preliminary Financial Analysis

Planning Strategy

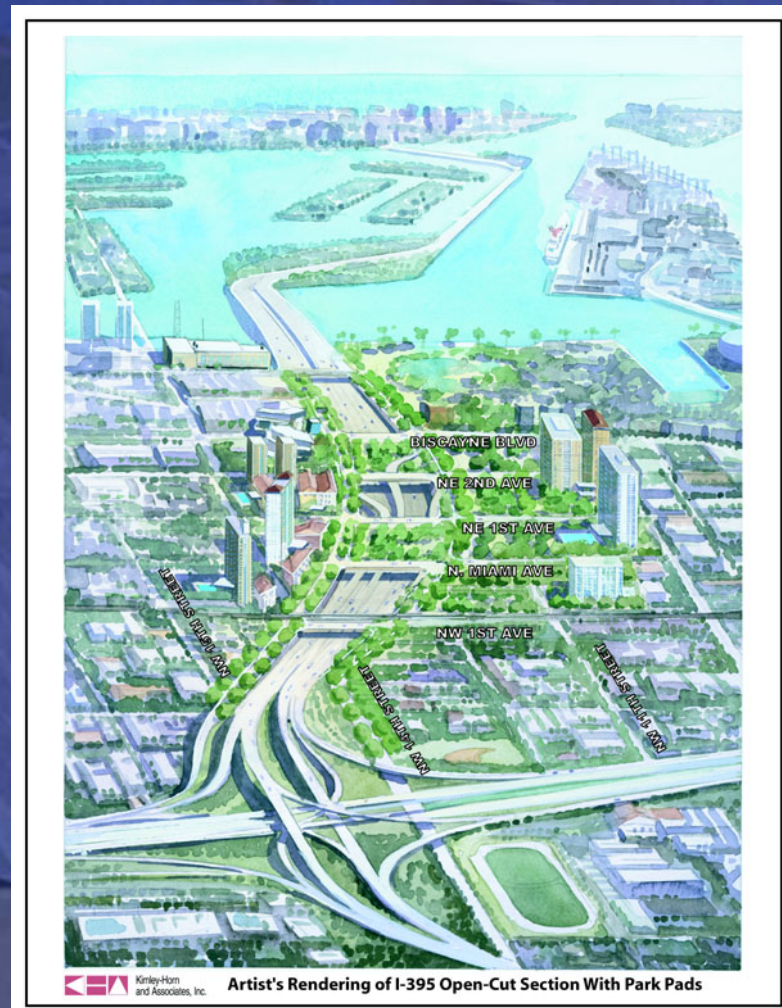
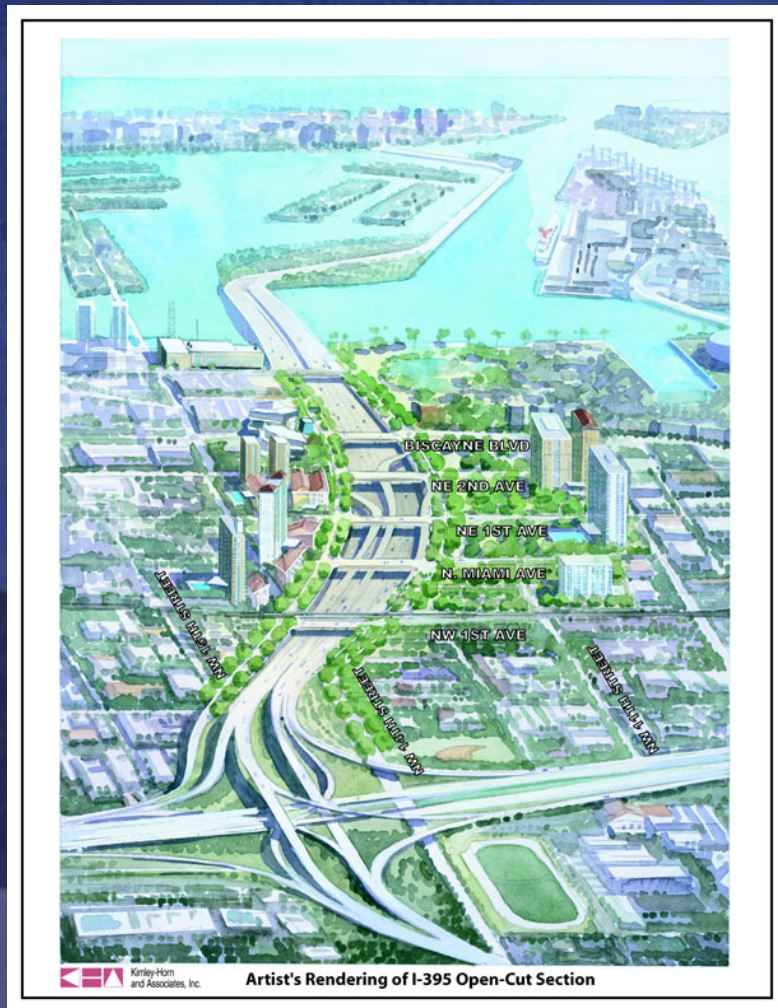
Assumptions

- 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



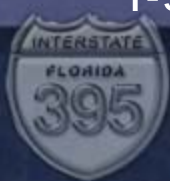
Financial Analysis

I-395-Open Cut Option-B Renderings



I-395-Open Cut Option-B

I-395-Open Cut Option-B
With Park Pads



Financial Analysis

I-395-Open Cut Option B-Preliminary Financial Analysis

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.



Financial Analysis

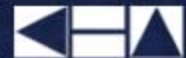
I-395-Open Cut Option-Preliminary Financial Analysis

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.



Financial Analysis



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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



Financial Analysis

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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



Financial Analysis

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Market Analysis

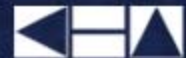
Comparable/ adjacent Markets

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



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Market Analysis

Miami Beach (south of 5th street)

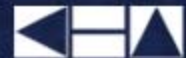
- Started in 1994
- 1,300 new units
- \$500 million on sales
- New development still on going

Downtown Kendall

- Overlay district 1999
- New Urbanism community
 - Pedestrian friendly
 - Human scale buildings
- 2,000 new multifamily units
- Over \$500 millions on sales



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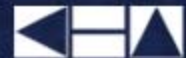
Market Analysis

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)



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Market Analysis

Miami North Market

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



Financial Analysis

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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 Analysis

I-395-Open Cut Option-Preliminary Financial Analysis

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



Financial Analysis

I-395-Open Cut Option-Preliminary Financial Analysis

Facts **Program Assumptions for Financial Use**

Mileage: 8,995 City
 5.713 County
 14.71 Total

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	<u>26 acres</u>
New Land Area	622 acres

Net Land Area	
East of Biscayne	121 acres
West of Biscayne	<u>501 acres</u>

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

Plus New Linear Park (Old I-395 R.O.W.)	41 acres
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I-395-Open Cut Option-Preliminary Financial Analysis

Residential Program

Acres	Density	Units	Sale Price	Total Value
107	52	5,500	\$300,000	\$1,650,000,000
267	22	5,800	\$198,000	\$1,148,400,000
<u>159</u>	13	<u>2,100</u>	\$168,000	<u>\$ 352,800,000</u>
533		13,400		\$3,151,200,000

Commercial Program

Office, Flex Etc.	\$17,500,000
Neighborhood Retail	\$50,000,000
Boutique Retail	\$37,500,000
Big Box Retail	<u>\$60,000,000</u>
	\$165,000,000



Financial Analysis

I-395-Open Cut Option-Preliminary Financial Analysis

Commercial Land Value

Office, Flex Etc.	10 acres	\$6,534,000
(1) Neighborhood Retail	45 acres	\$39,204,000
(2) Boutique Retail	0 acres	\$8,750,000
(3) Big Box Retail	34 acres	\$37,026,000

Total Land Value	89 acres	\$91,514,000
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Total Development Value	\$3,407,714,000
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Existing Assessed Value	\$815,926,466
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- (1) Mixed Use in Residential Land
- (2) (Boutique Retail Area) x (Land Value)
- (3) Assumed Vertical Parking



Financial Analysis

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Financing Strategies

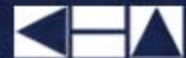
Eastbound Toll

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



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Financing Strategies

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



Financial Analysis

I-395-Open Cut Option-Preliminary Financial Analysis

•Project Cost

• Proposed "open cut" cost:	\$525,000,000
• FDOT funding:	<u>\$105,000,000</u>
• Shortfall:	\$420,000,000

•Funding source

•Bonding Capacity of future increment:	\$300,000,000
•Tolls:	\$100,000,000
•FDOT:	\$108,000,000
•Other grants:	<u>\$ 50,000,000</u>

•Project funding resources

\$558,000,000



Financial Analysis

I-395-Open Cut Option-Preliminary Financial Analysis

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.



Financial Analysis

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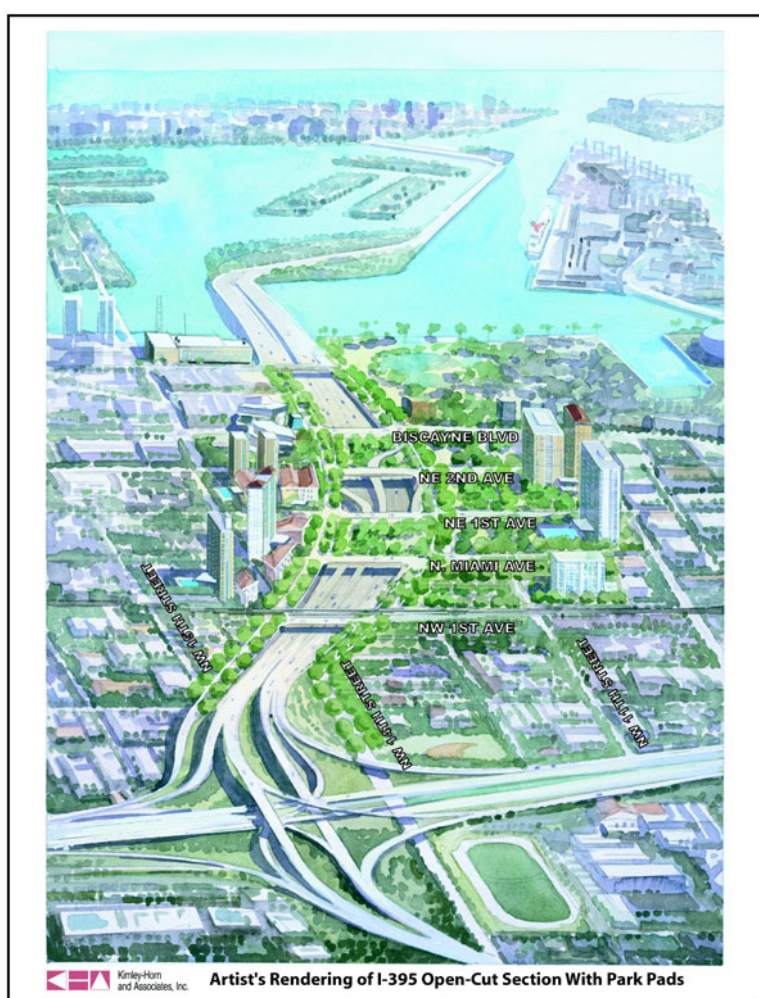
Preliminary Implementation Strategy

- 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



Financial Analysis

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