



# MIAMI BEACH CONVENTION CENTER HEADQUARTER HOTEL

Portman Holdings Proposal

May 20, 2015

# REQUESTED COMMISSION ACTION

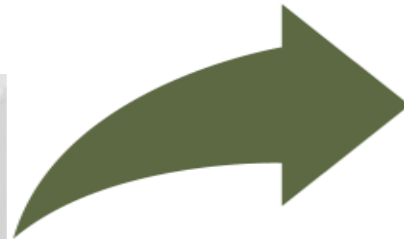
Request approval to enter into negotiations with Portman Holdings related to RFP No. 2015-103-ME related to the Convention Headquarter Hotel Developer

# CITY REVENUE IMPACT

## As Parking Lot

**\$263,700**

2014 parking meter  
and  
valet concessions  
revenues



## As Hotel

**\$11,878,400**

Operating year 4 (2022)  
City leases and taxes



# TOTAL CITY FINANCIAL IMPACT

|                               | Over 30 Years |               | Over 99 Years   |               |
|-------------------------------|---------------|---------------|-----------------|---------------|
|                               | Total         | NPV @ 5%      | Total           | NPV @ 5%      |
| <b>Hotel Lease</b>            |               |               |                 |               |
| Minimum Fixed Rent            | \$91m         | \$36m         | \$708m          | \$60m         |
| Variable Rent                 | 89m           | 35m           | 705m            | 59m           |
| Percentage Rent (4% Gross)    | 180m          | 71m           | 1,414m          | 119m          |
| <b>Taxes</b>                  |               |               |                 |               |
| CRA City (thru 3/2044)        | 34m           | 16m           | 34m             | 16m           |
| CRA County (thru 3/2044)      | 26m           | 12m           | 26m             | 12m           |
| New Resort Tax (Hotel 1%)     | 30m           | 12m           | 229m            | 20m           |
| Resort Tax (Hotel 3%, F&B 2%) | 118m          | 48m           | 902m            | 79m           |
| CDT Allocation (thru 2044)    | 36m           | 16m           | 36m             | 16m           |
| Property Taxes                | 13m           | 4m            | 326m            | 16m           |
| Subtotal                      | 258m          | 108m          | 1,553m          | 159m          |
| <b>CITY TOTAL</b>             | <b>\$438m</b> | <b>\$178m</b> | <b>\$2,967m</b> | <b>\$278m</b> |

Sources: Portman proforma, City of Miami Beach, SAG

# TOTAL FINANCIAL IMPACT

|                               | Over 30 Years |               | Over 99 Years   |               |
|-------------------------------|---------------|---------------|-----------------|---------------|
|                               | Total         | NPV @ 5%      | Total           | NPV @ 5%      |
| <b>CITY TOTAL</b>             | <b>\$438m</b> | <b>\$178m</b> | <b>\$2,967m</b> | <b>\$278m</b> |
| <b>COUNTY</b>                 |               |               |                 |               |
| Convention Devl. Tax (3%)     | 54m           | 20m           | 650m            | 44m           |
| Local Option Sales Tax (1%)   | 44m           | 18m           | 336m            | 29m           |
| Property Taxes                | 12m           | 4m            | 266m            | 14m           |
| Subtotal County               | <b>110m</b>   | <b>42m</b>    | <b>1,252m</b>   | <b>87m</b>    |
| <b>SCHOOLS (Property Tax)</b> | <b>60m</b>    | <b>24m</b>    | <b>453m</b>     | <b>40m</b>    |
| <b>OTHER PROPERTY*</b>        | <b>7m</b>     | <b>3m</b>     | <b>55m</b>      | <b>5m</b>     |
| <b>STATE SALES TAX (6%)</b>   | <b>264m</b>   | <b>107m</b>   | <b>2,019m</b>   | <b>176m</b>   |
| <b>TOTAL</b>                  | <b>\$878m</b> | <b>\$354m</b> | <b>\$6,746m</b> | <b>\$586m</b> |

\* Regional and Children's Trust portion of property tax  
Sources: Portman proforma, City of Miami Beach, SAG

# EVALUATION COMMITTEE SCORING OF SUBMITTAL

| Criteria   | Potential Score | Committee Member Scoring |           |           | Average Score |
|--|-----------------|--------------------------|-----------|-----------|---------------|
|  |                 | #1                       | #2        | #3        |               |
| Hotel finance plan and Proposer financial capabilities                           | 30              | 28                       | 25        | 25        | 26            |
| Proposed financial and other terms of the Development and Ground Lease Agreement | 25              | 22                       | 25        | 23        | 23            |
| Hotel program, conceptual design and preliminary development budget              | 20              | 18                       | 15        | 18        | 17            |
| Proposer experience and qualifications   | 10              | 10                       | 10        | 10        | 10            |
| Design Team experience and qualifications  | 10              | 9                        | 10        | 10        | 10            |
| Organizational plan  | 5               | 5                        | 5         | 5         | 5             |
| <b>Total</b>   | <b>100</b>      | <b>92</b>                | <b>90</b> | <b>91</b> | <b>91</b>     |

# CALENDAR

- May 20 – Authorization to negotiate
- June 3 – Finance Committee
- July 8 – First Reading (Lease & Referendum Language)
- July 29 – Second Reading (Lease & Referendum Language)
- November 3 – Hotel Special Election

# REQUESTED COMMISSION ACTION

Request approval to enter into negotiations with Portman Holdings related to RFP No. 2015-103-ME related to the Convention Headquarter Hotel Developer