

SAILING THROUGH PORT PROPERTY OPPORTUNITIES AND CHALLENGES

CBRE CLASS TICKET

BOARDING PASS TITLE

PORT REAL ESTATE ISSUES SEMINAR

DEPARTURE DATE

DECEMBER 9 - 10, 2015

DEPARTURE LOCATION

PORT OF LOS ANGELES

SCAN HERE TO START MAKING WAVES



BOARDING PASS

PASSENGER 1: NAME AND CONTACT INFORMATION

MICHAEL MCSHEA, CBRE EXECUTIVE VICE PRESIDENT

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PASSENGER 2: NAME AND CONTACT INFORMATION

LEE ANN KORST, CBRE FIRST VICE PRESIDENT

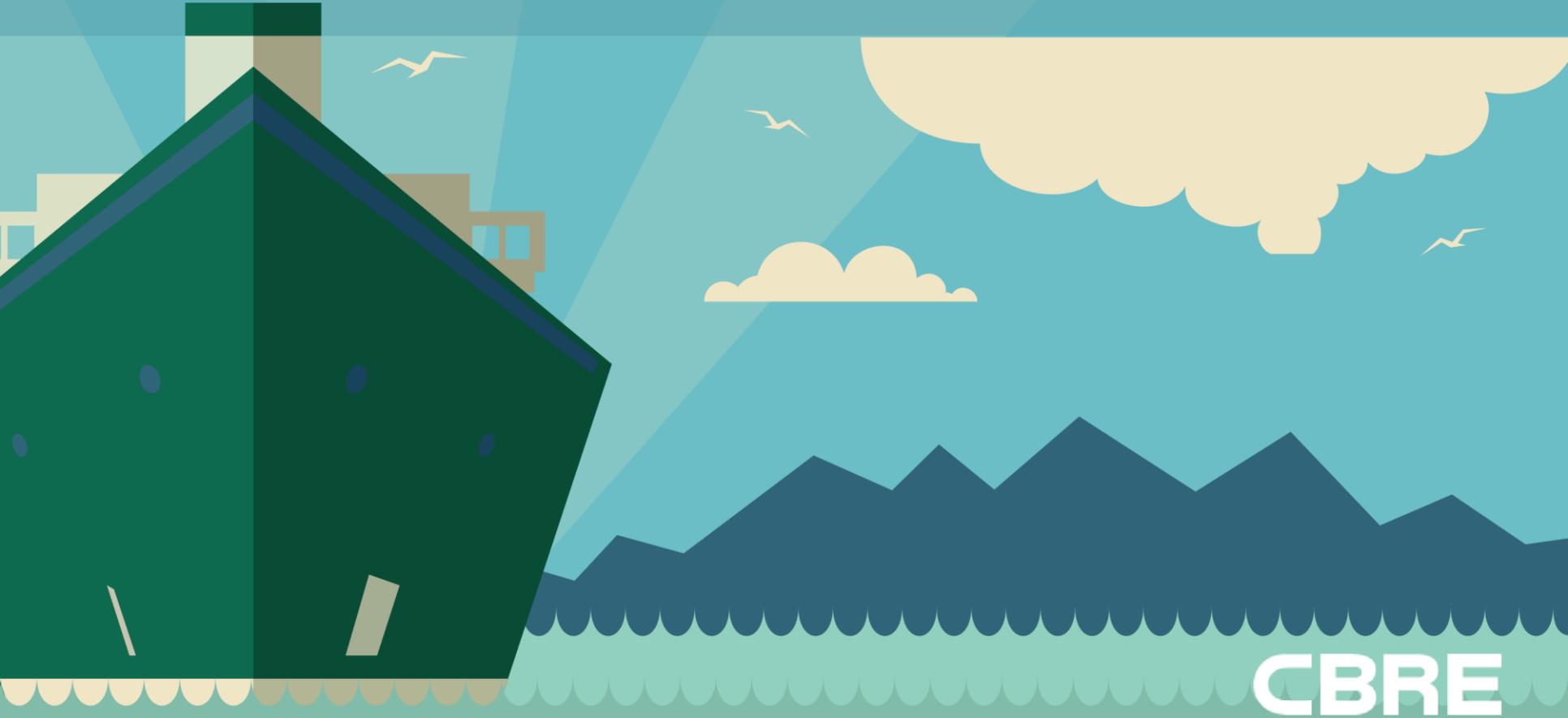
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CBRE FIRM INFORMATION AND P3 PROCESS



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CBRE FIRM INFORMATION

CBRE's Public Institutions and Education Solutions (PIES) has served federal, state, local, and higher education clients for more than 20 years. During this time, the group has identified more than \$1B in savings for more than 100 clients through its 150 national commercial real estate professionals.

When available, CBRE partners with public institutions to foster Public-Private Partnership (P3) opportunities.

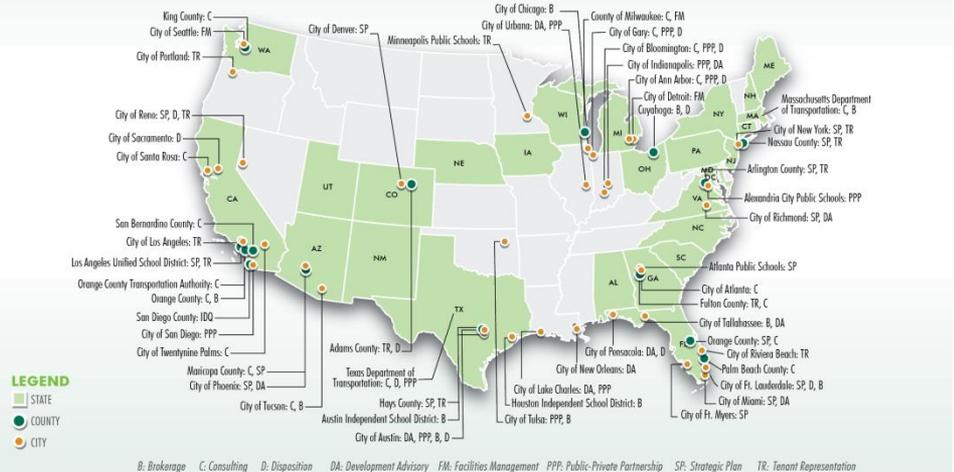
A sample of our P3 experience includes:

CBRE STATE AND LOCAL GOVERNMENT PARTIAL CLIENT LIST

CBRE provides state and local government entities with comprehensive real estate solutions. The map below shows the entities with which we maintain current contracts or our team has had recent experience.

STATES

- Alabama: TR
- Arizona: SP, TR
- California: TR
- Colorado: SP, TR
- Florida: TR, SP, DA, C
- Georgia: SP
- Hawaii: D
- Iowa: C
- Maine: D
- Maryland: SP, TR, DA, D
- Connecticut: C
- Michigan: SP, TR
- Nebraska: TR
- New Hampshire: D
- New Jersey: SP, C
- New Mexico: D
- New York: TR, SP, D
- North Carolina: SP, TR
- Ohio: FM
- Pennsylvania: SP, TR
- South Carolina: SP, D, TR
- Texas: TR, D
- Virginia: TR
- Washington: TR
- Wash. D.C.: SP, TR, DA
- Wisconsin: TR, PPP, SP



City of Miami

City of Pensacola

City of Indianapolis

City of Tulsa

City of Ann Arbor

City of Bloomington



IDENTIFYING THE NEED



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TYPICAL MIXED USE DEVELOPMENT PROCESS

TASK 1	TASK 2	TASK 3	TASK 4	TASK 5	TASK 6	TASK 7
Due Diligence	Market Analysis	Vision/Planning	Feasibility Study	Market Engagement	Evaluation, Selection, Execution	Post Transaction Services
<p>Evaluate all documentation/data as currently exists and analyze site conditions and constraints including but not limited to:</p> <ol style="list-style-type: none"> 1.Environmental Issues 2.Access/Transit 3.Geological and Topological Issues 4.Zoning 5.Existing Uses of surrounding property 	<p>Given current market conditions, CBRE will prepare a Highest and Best Use study to include the following market segments:</p> <ol style="list-style-type: none"> 1.Retail 2.Restaurant 3.Residential 4.Industrial 5.Marina 6.Other 	<p>With data collected in previous tasks, CBRE will conduct a vision/planning process that considers the following and results in design concepts to guide an RFP:</p> <ol style="list-style-type: none"> 1.Stakeholders 2.Public Input 3.Civic needs 4.Decision team 	<p>Prepare financial analysis and feasibility studies with emphasis on the following:</p> <ol style="list-style-type: none"> 1.Economic Development Issues 2.Financial/Cash Flow Model 3.Risk Management 4.Phasing 5.Potential Transaction Structures <ol style="list-style-type: none"> a.Sale b.Land lease c.JV d.PPP 6.Economic benefit impact analysis 	<p>Armed with information gathered in previous studies, develop and implement an RFQ/RFP process to engage developers, investors, and users that defines the following transaction elements:</p> <ol style="list-style-type: none"> 1.Master vs. Multiple Developer(s) 2.Owner commitment(s) 3.Developer vs. owner vision 4.Schedule/commitment 5.Guarantees/Deposits/Contingencies 	<p>CBRE will evaluate all proposals on a like-kind basis and participate in developer selection based on the following considerations:</p> <ol style="list-style-type: none"> 1.Submission quality 2.Interviews of proposal teams 3.Proposer financial strength 4.Risk issues for all Parties <p>Negotiate and facilitate the following transaction elements:</p> <ol style="list-style-type: none"> 1.Letter of Intent 2.Development agreements 3.Lease, Purchase Agreements 	<p>Employ representative throughout the construction and development process which may include the following services:</p> <ol style="list-style-type: none"> 1.Design consulting 2.Construction consulting 3.Green/Sustainability technology 4.Facilities Management



PERFORM FEASIBILITY STUDY

- Highest & Best Use
- Market study
- Environmental / constructability issues and effect on values
- Manage stakeholder expectations



PREPARING TO TAKE PROPERTY TO MARKET

- Establish your team
 - Specialty consultants: parking, A&E, economic impact
- Legislative authority to proceed
- Lay political & public groundwork
- “Master developer” or specialty elements
- Engaging the private sector
 - Executive “champion”
 - Legal
 - Finance
 - Broker



USING A BROKER

- Why?
 - Expertise
 - Reach
 - Credibility
 - Market awareness
- Who?
 - Depends on audience
 - Understanding of public process
 - Specialization
 - Industrial, retail, marina, multifamily, hospitality
- Compensation
 - Listing agreement
 - How much? What is fair?
 - Cooperating brokers



MARKET ENGAGEMENT

- RFP Development
 - Compare typical government RFP to broker generated
 - Build in Flexibility
 - Incorporate Statutory Requirements
 - Make informative and graphically interesting
- Broker Access to local, regional, national and international prospects
- Multiple list services: Loopnet, Costar, Bid sites
 - Bidsync.com
 - FindRFP.com
 - GovernmentBids.com

YOUR VISION ON VIRGINIA KEY

www.cbre.com/realplace.com/virginiakeymiami

CBRE

This slide features a collage of images related to the Virginia Key project, including a marina, a building, and a map. The CBRE logo is in the bottom right corner.

MIAMI AREA INFORMATION

YOUR VISION ON VIRGINIA KEY

www.cbre.com/realplace.com/virginiakeymiami

CBRE

This slide provides information about the Miami area, featuring a cityscape image and a list of bullet points. The CBRE logo is in the bottom right corner.

PROPERTY LOCATION

PROPERTY LOCATION

The property is located in southeastern Miami, approximately 2.2 miles west of the I-95 exit 144 (Hickam Expressway) and 1.5 miles north of the southeast side of Virginia Key. Virginia Key is an 1,200-acre (1,300-acre) of land with 100 acres submerged barrier reef south of the Biscayne Bay, just south of Fisher Island and north of Key Biscayne.

The property includes the following addresses and parcel numbers:

Address	Parcel
3301 Hickam Expressway	05-4217-0000-0010
3302 Hickam Expressway	05-4217-0000-0011
3303 Hickam Expressway	05-4217-0000-0012 (500 Parcel)
3304 Hickam Expressway	05-4217-0000-0013
No Address	05-4217-0000-0014
3305 Hickam Expressway	05-4217-0000-0015

The entire property consists of approximately 38.88 acres of which an estimated 2.9 acres is submerged land.

www.cbre.com/realplace.com/virginiakeymiami

CBRE

This slide shows a map of the property location and a list of addresses and parcel numbers. The CBRE logo is in the bottom right corner.

VIRGINIA KEY MASTER PLAN

VIRGINIA KEY MASTER PLAN

On July 27, 2011, the City of Miami completed a comprehensive master plan for Virginia Key. The plan includes a comprehensive master plan, a public open space plan, and a public open space plan. The plan and public open space plan are the result of a public open space plan process. The plan and public open space plan are the result of a public open space plan process. The plan and public open space plan are the result of a public open space plan process.

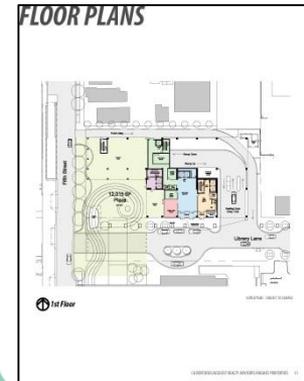
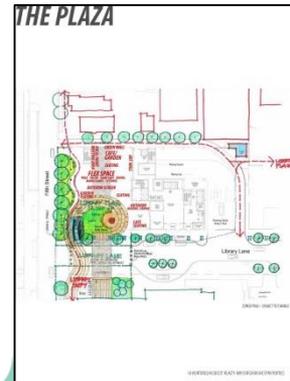
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CBRE

This slide features a map of Virginia Key and a list of bullet points. The CBRE logo is in the bottom right corner.

EVALUATING PROPOSALS

- Clear Process, Timeline, Evaluation Criteria
- Is proposal “realistic”
- Developer Capacity to perform
 - Technical
 - Financial
- Developer “Profit” – not a four letter word
- Bidder “Fit” and embracing the vision
- Public Input/Hearings
 - Too much/too little
- Best & Final Proposals



WHAT CONSTITUTES A “GOOD” PROPOSAL

- Form of Payment
 - Fee Simple
 - Ground Lease
 - Down stream profit participation
- Public Sector Concessions
 - Land
 - TIF
 - Zoning
 - Permits/Approvals
- Achievement of Economic Development Goals
 - Tax Revenues
 - Job Creation



STRUCTURING OF AGREEMENTS

Legal Support / Financial Advisor

1. Letter of Intent
 - Do you need an attorney and when?
 - What other expertise is necessary?
 - What can your financial advisor do to support?
2. Contract to Lease or Purchase
3. Cross Easements
4. Development Agreement
 - Phased Take Down
5. Operating Agreement/Common Area Maintenance



MANAGING PROJECT: POST-AWARD

- Project / Construction manager
- Safeguards: Penalties / failure to perform
- Performance incentives: Sharing of contingency



QUESTIONS

FOR MORE INFORMATION, PLEASE CONTACT:



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