



Team Number 2019-331

Development and Design Narrative

La Mezcla is designed around three pillars: ecology, community, and economy. This LEED Platinum, mixed-use development creates an environmentally sustainable community that remains relevant through ensuing climate change. The development seeks to bring together the socioeconomic diversity that exists between Wynwood and Edgewater despite the physical and perceived barrier occurring on the site. In creating new jobs through the commercial hubs and new corporate tenants, current residents will directly benefit from the economic growth.

Ecology and Climate Resilience

Through carbon reduction, storm water management, heat island mitigation and urban farming, La Mezcla models a new urban design paradigm for the entire shoreline community of South Florida, rethinking the way it plans for sea level rise, transit-oriented development and democratizing the waterfront. The proposal plays to the geology of The Ridge as the best defense against storm surge. The master plan extends east, to the Bayshore to encourage the creation of public green space. Within the site, Las Rampas, a multilevel park provides open space, native plantings and elevated refuge in times of flooding. La Mezcla is designed on a microgrid, supplying solar power to its residents and at times of surplus, feeding back to the macro grid.

Community Development and Inclusivity

The master plan calls for a realignment of the street grid to create an East-West neighborhood connection, which does not exist in the current North-South orientation of the City. The site opens to Wynwood Norte with The Paseo, a neighborhood scale shopping corridor that leads to Midtown Station Plaza, the heart of the district, with access to the Tri-rail platform and the Nader Latin American Art Museum.

It seeks to preserve and enhance the existing diversity and offer these communities resilience in the form of education, job creation, housing variety and options, refuge in times of flood disaster, and cultural programming. La Mezcla supports and strengthens the sense of place in Wynwood Norte and is the gateway to the Design District, the Wynwood Building Improvement District ("BID") and a renewed relationship to the Bay. The two-year, participatory planning process with local stakeholders produced a vision for La Mezcla that is a vision for the broader community. Transit, housing, and employment options are the ingredients for an inclusive and successful place.

Innovation and Economic Growth

Life Sciences and community wealth will drive the economic development engine of La Mezcla as they become ever more relevant in Florida. The project seeks to create a space where the life sciences can leverage the new pool of talent attracted by the dynamic community. The plan is centralized around the arts and new modes of mobility while preserving light industrial uses key to closing the loop with local tech and craft production. One such way is the Farm which is a vertical agriculture production and distribution facility that supplies local restaurants and grocery stores within the development and provides learning and empowerment to the local community.

Through the three pillars, La Mezcla will create an inclusive place propagated by learning, leisure, and resilience.

Financial Narrative

La Mezcla, a 3 million square foot mixed-use development project, will be built in two phases over six years of construction. In order to complete this development, we will acquire all of the surrounding lots excluding Edgewater Sites 1-3 which brings our land size to just under 750,000 square feet. Phase I will have 1.1 million gross square feet and Phase II will have 1.9 million gross square feet, for a total development square footage of 3 million. These phases will include 7 public plazas totaling nearly 200,000 square feet of public green space, street grid realignment, stormwater retention systems, and solar panel energy use.

The Phase I capital stack will be comprised of \$55.2 million in developer equity, \$24.8 million in Opportunity Zone Fund Equity that will be raised through funds targeting the specific asset class, \$4.2 million in Low Income Housing Tax Credit ("LIHTC") Equity that will go towards the affordable housing component of the project, \$2.9 million in Transportation Infrastructure Improvement District ("TIID") tax increment financing ("TIF"), \$11.5 million from the Miami Forever Bond, as well as \$183.3 million in construction loan debt at 65 percent loan-to-cost.

The Phase II capital stack is similar to Phase I, however, it is not in the opportunity zone so does not include opportunity zone financing. The Phase II capital stack is comprised of \$136.7 million in developer equity, \$6.9 million in LIHTC equity, \$34.8 million in TIID SMART Plan debt, \$11.5 million from the Miami Forever Bond, and \$352.8 million in construction loan debt.

The phasing is integral to our financing strategy to secure the opportunity zone incentives before the expiration date to minimize the up-front equity necessary to get the project funded. Furthermore, the TIID financing is a high priority for Miami as it is aiming to generate over \$1.8 billion for transit-oriented development. The total project over the two phases will aim to utilize over \$35 million in TIID TIF because of the nature of the transit-oriented development. The Miami Forever Bond has allocated a total of \$400 million towards infrastructure improvements that increase the potential longevity of the City due to sea level rise and flood protection as well as cultural facility development and affordable housing. We are achieving this by placing parking on the lower sacrificial floors, creating a recessed plaza that will act as a stormwater detention space, and use pervious ground material allowing water to permeate through the surface. Given these qualities, La Mezcla qualifies for the roadway improvements, parks and cultural facilities, and affordable housing criteria of the Miami Forever Bond.

From a cash flow strategy perspective, we are projecting the multifamily uses to stabilize quicker than the other asset classes; however, over time the commercial cash flows will offset the operation expenses of the multifamily market rate rentals and the component of the project that is 30 percent affordable. The unlevered returns on La Mezcla are 12.1 percent with the levered returns coming in at 22.5 percent.