



# LA MEZCLA



Hines

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# Development Team

**Matea Kulusic**  
Columbia University,

MS Real Estate Development



**Jonathan Hong**  
Columbia University,

MS Real Estate Development



**Pavel Petrov**  
Columbia University,

MS Real Estate Development



**Duane Martinez**  
Pratt Institute,

MS City and Regional Planning



**Matthew Mitchell**  
Pratt Institute,

Master of Architecture



## Team Advisors:

John Shapiro, Pratt Institute | David Kruth, Columbia University  
Philip Wharton, CIO, Twining Properties | Erik Rose, Managing Director, Tishman Speyer

# Narrative Summary - Design

La Mezcla is designed around three pillars: ecology, community, and economy. This LEED Platinum, mixed-used 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.

## Economic Growth and Innovation

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.

Aerial View Looking East



# Narrative Summary - Financial

La Mezcla, a 2.7 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 1.6 million gross square feet, for a total development square footage of 2.7 million. These phases will include 7 public plazas totaling over 170,000 square feet of public green space, and will also include street grid realignment, storm-water retention systems, and solar panel energy use.

## Phase I

The Phase I capital stack will be comprised of \$58.9 million in developer equity, \$55.5 million in Opportunity Zone Fund Equity that will be raised from the Banyan Opportunity Zone Fund, \$18.0 million in Low Income Housing Tax Credit (“LIHTC”) Equity that will go towards the affordable housing component of the project, \$1.1 million in Transportation Infrastructure Improvement District (“TIID”) tax increment financing (“TIF”), \$11.5 million from the Miami Forever Bond, as well as \$217.6 million in construction loan debt at 60 percent loan-to-cost.

## Phase II

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 \$159.0 million in developer equity, \$23.3 million in LIHTC equity, \$33.3 million in TIID SMART Plan debt, \$11.5 million from the Miami Forever Bond, and \$421.8 million in construction loan debt.

## Phasing Strategy

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.

## Return Metrics

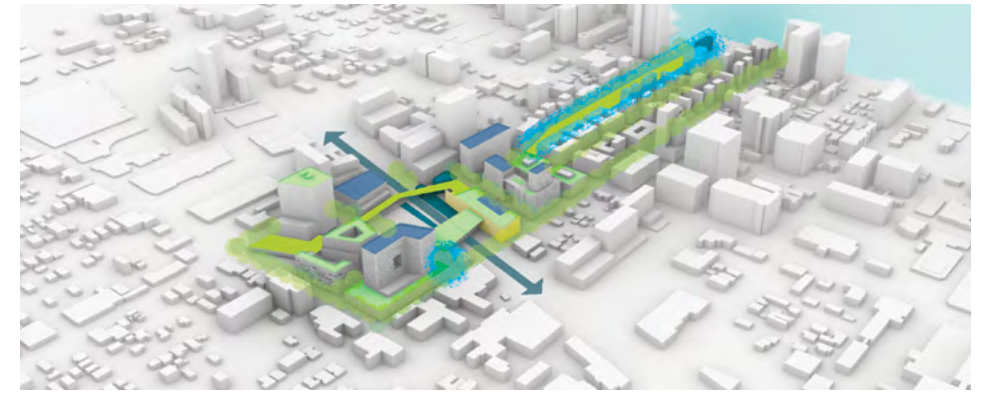
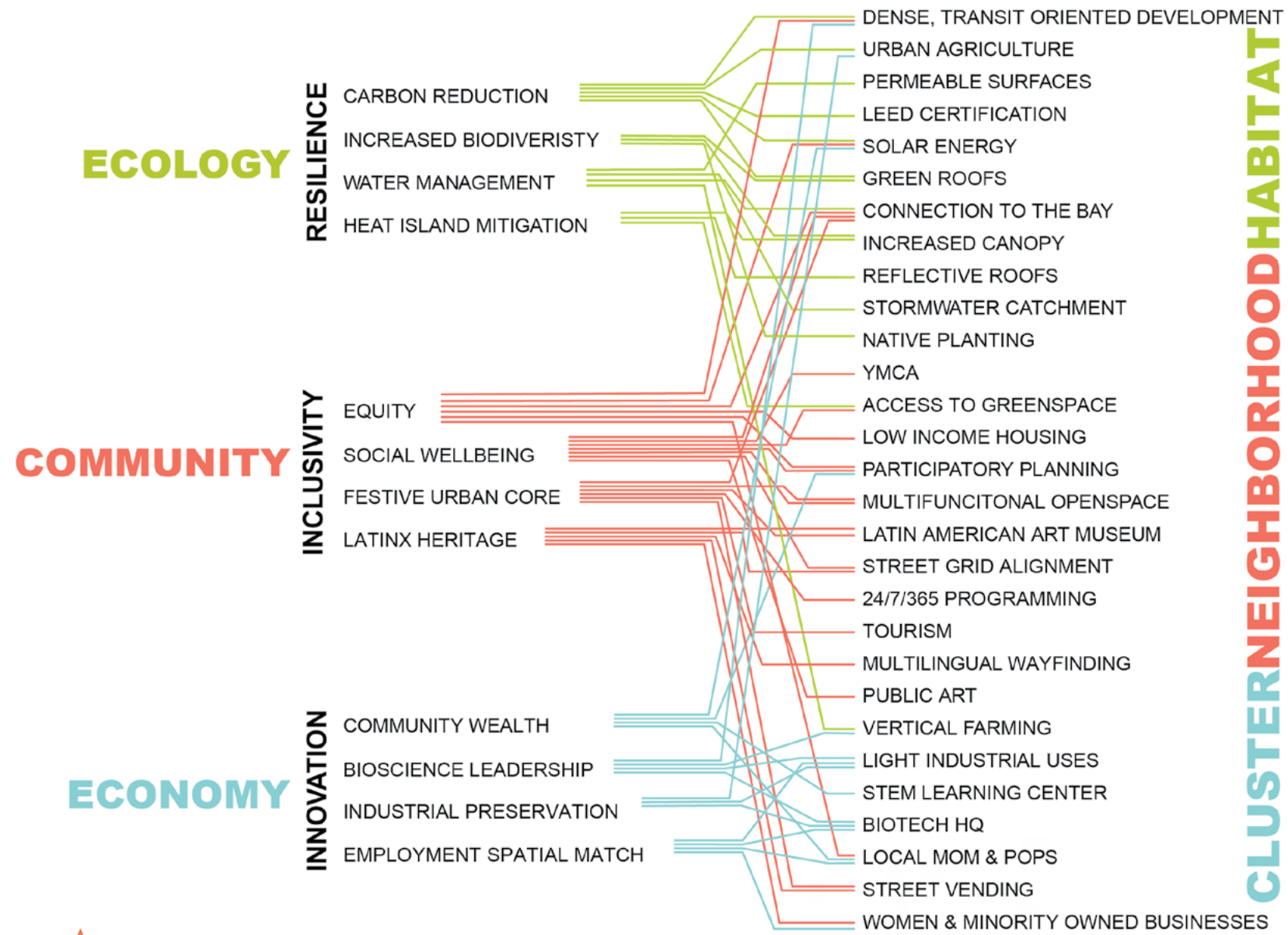
From a cash flow strategy perspective, we are projecting the multifamily uses to stabilize quicker than the other asset classes; however, over time the commercial cash flows will offset the operation expenses of the multifamily market rate rentals and the component of the project that is 30 percent affordable. The levered returns are at 18.4 percent for the project.



Brightline Station Plaza and Northbound Platform



# La Mezcla Vision - The Three Pillars



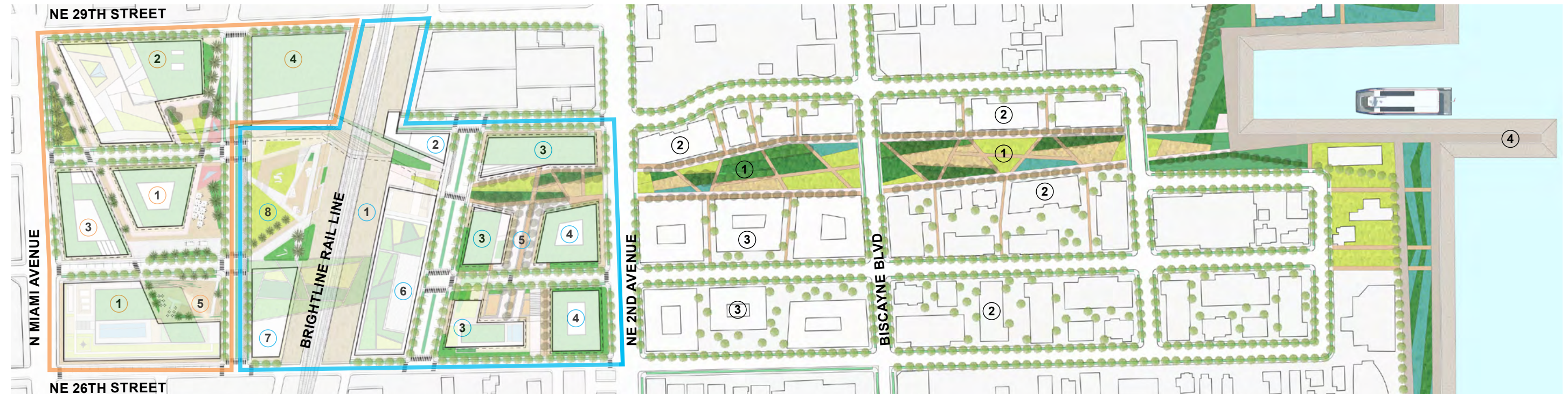
# Master Plan - Phasing

## Phase I - Opportunity Zone that includes:

- Brightline Rail Line
- 501 residential units (30% affordable)
- 332,873 sf of life science and technology space
- 158,414 sf of retail space including restaurants and Nader Latin American Art Museum

## Phase II – Builds on value created in Phase I:

- 541 residential units (30% affordable)
- 275 key hotel
- 50,000 sf of plaza space including a water detention plaza
- 477,591 sf office tower
- 202,091 sf of light industrial/maker space



### Phase I

- |                             |   |
|-----------------------------|---|
| 1 TRAIN PLATFORM            | 5 RESTAURANT ROW  |
| 2 LA MEZCLA MIDTOWN STATION | 6 URBAN AGRICULTURE / FOOD HALL                                 |
| 3 RESIDENTIAL               | 7 NADER LATIN AMERICAN ART MUSEUM                               |
| 4 LIFE SCIENCE & TECHNOLOGY | 8 ELEVATED LATIN AMERICAN SCULPTURE PARK / TRAIN STATION RETAIL |

### Phase II

- |                                  |
|----------------------------------|
| 1 RESIDENTIAL                    |
| 2 COMMERCIAL OFFICE TOWER        |
| 3 HOTEL                          |
| 4 LIGHT INDUSTRIAL / MAKER SPACE |
| 5 DETENTION PLAZA                |

### Future Phase

- |  |
|--|
| 1 RESILIENT PARK / LINEAR OPEN SPACE                         |
| 2 FUTURE PHASE - RESIDENTIAL                                 |
| 3 FUTURE PHASE - LIFE SCIENCE CLUSTER                        |
| 4 FUTURE PHASE - COASTLINE RESILENCY / FERRY TERMINAL & PIER |












# Site Plan - Zoning

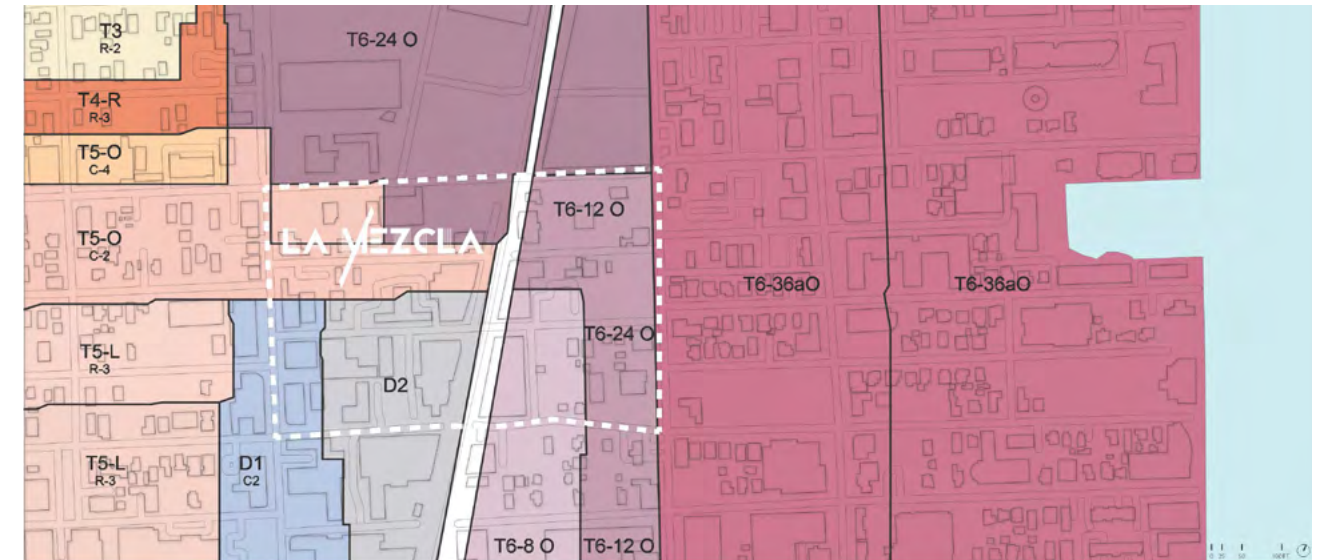
## Purpose for New Zoning:

- Increase zoning for the site to balance between Wynwood (low density) and Edgewater (high density)
- Current zoning places most of the density near the water and in the floodplain
- Create resiliency by moving the density away from the water and onto the ridge line
- Ecological Resilience of La Mezcla from ensuing climate change

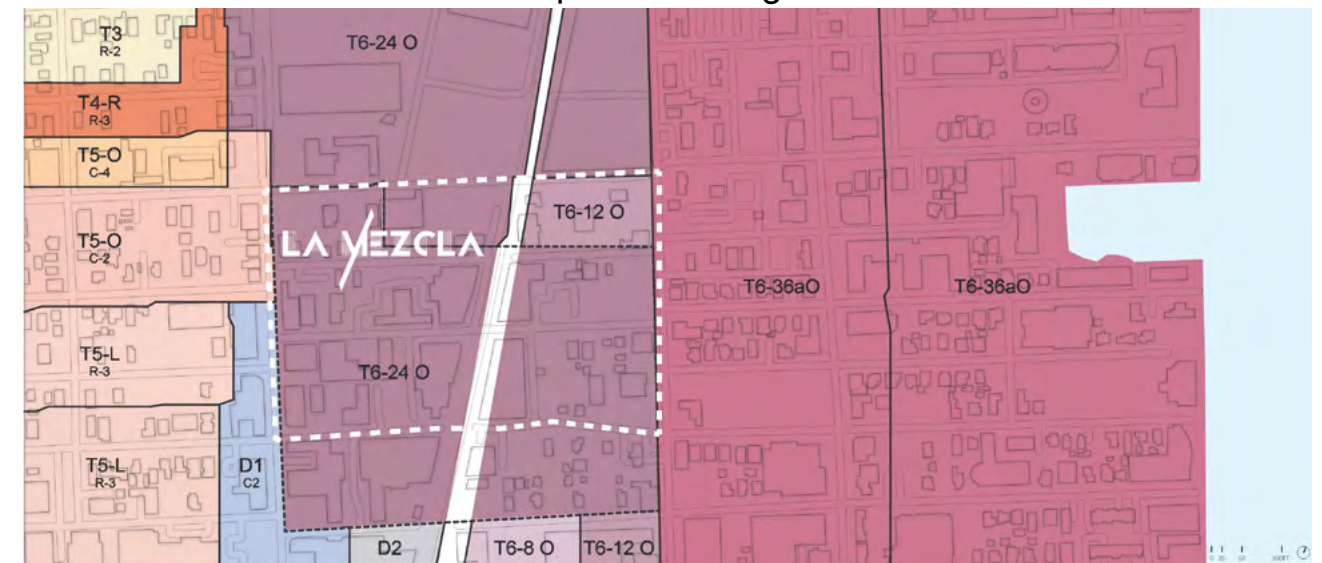
## Zoning Legend

	URBAN CORE, 36 STORIES MAX
	URBAN CORE, 24 STORIES MAX
	URBAN CORE, 12 STORIES MAX
	URBAN CORE, 8 STORIES MAX
	DISTRICT ZONE, INDUSTRIAL
	DISTRICT ZONE, WORK PLACE
	GENERAL URBAN ZONE RESTRICTED
	URBAN CENTER OPEN
	URBAN CENTER LIMITED

Existing Zoning



Proposed Zoning

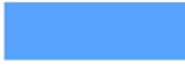





# Site Strategy - Parcel Acquisition

Brightline Train Station coincides with location of ridge line and Opportunity Zone boundary - used to determine phasing to take advantage of Opportunity Zone Funding + flood resiliency

- Total development site: 80 parcels
- Total Land Valuation: \$137,088,392
- Total Area: 739,539 SF



	PHASE I - PARCELS ACQUIRED \$44,629,803
	PHASE I - PARCELS OWNED \$24,346,359
	PHASE II - PARCELS ACQUIRED \$104,048,017
	PHASE II - PARCELS OWNED \$65,876,910
	OPPORTUNITY ZONE

Phase I



Phase II





# Urban Design - Circulation

## Grid Re-Alignment

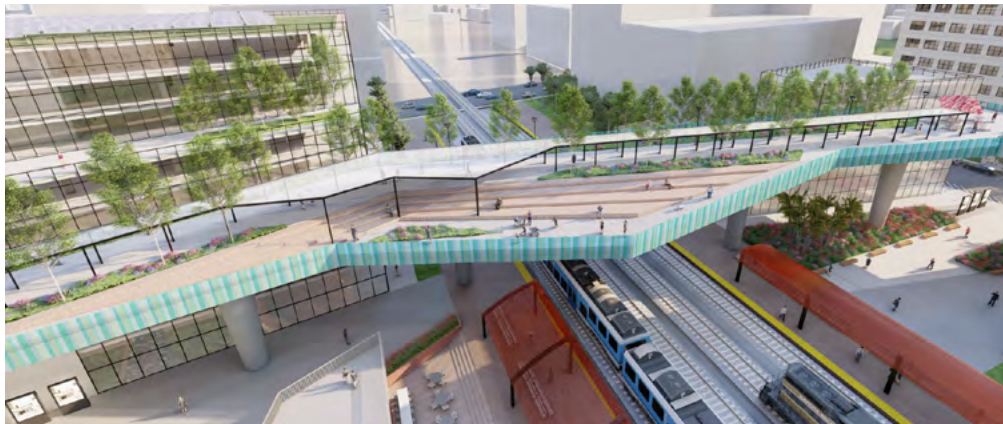
Miami is a N-S city with limited waterfront access. The development goal is to create stronger connectivity in the E-W axis by re-aligning the city grid on the La Mezcla site.






Alleviating pressure on congested streets through multi-modal transportation:

- Brightline Rail
- Bus service
- Autonomous vehicle loops
- Designated drop-off areas
- Bike lanes
- 806 parking spaces (surface and garage)
- Pedestrian Bridge

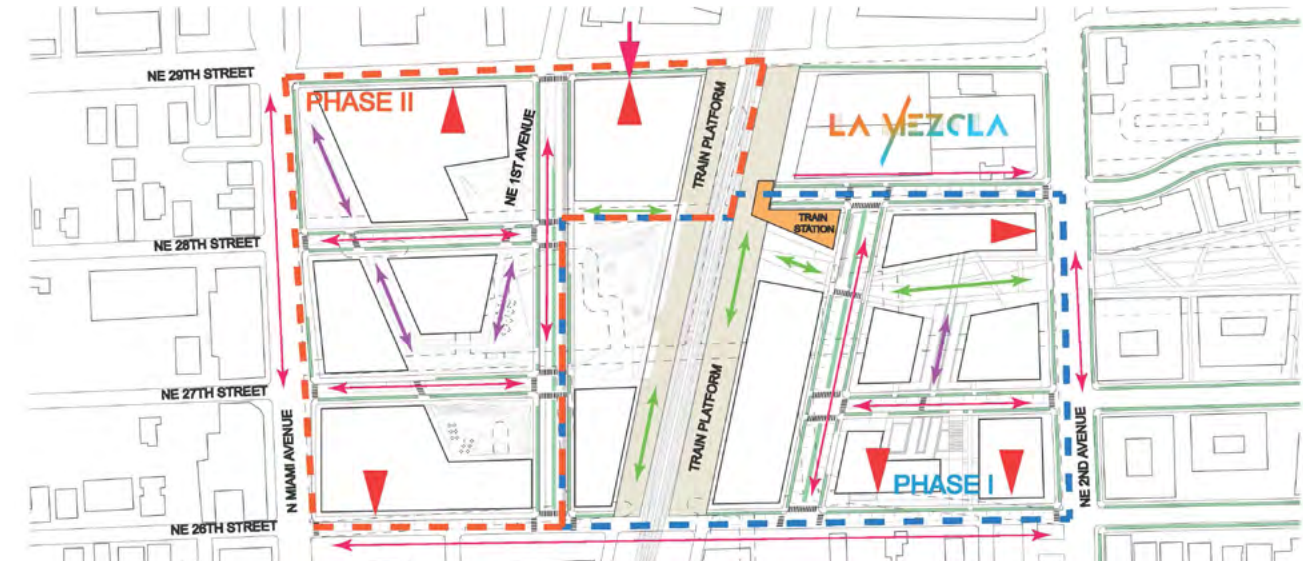
Development Focus:

- Enhance pedestrian circulation on site
- Activate the ground plane
- Provide safe streets



-  PARKING GARAGE ENTRANCE
-  2-WAY VEHICULAR TRAFFIC
-  1-WAY VEHICULAR TRAFFIC
-  PEDESTRIAN ONLY ACCESS
-  PEDESTRIAN & BICYCLE ACCESS

## Circulation and Parking



## Grid Re-Alignment



# Master Plan - Placemaking Strategies

## Live / Work / Play Culture

There is a plethora of publicly accessible spaces that provide people with a range of experiences - both at grade and above ground - ensuring that the community has an effective sense of *PLACE*

### Grade Level:

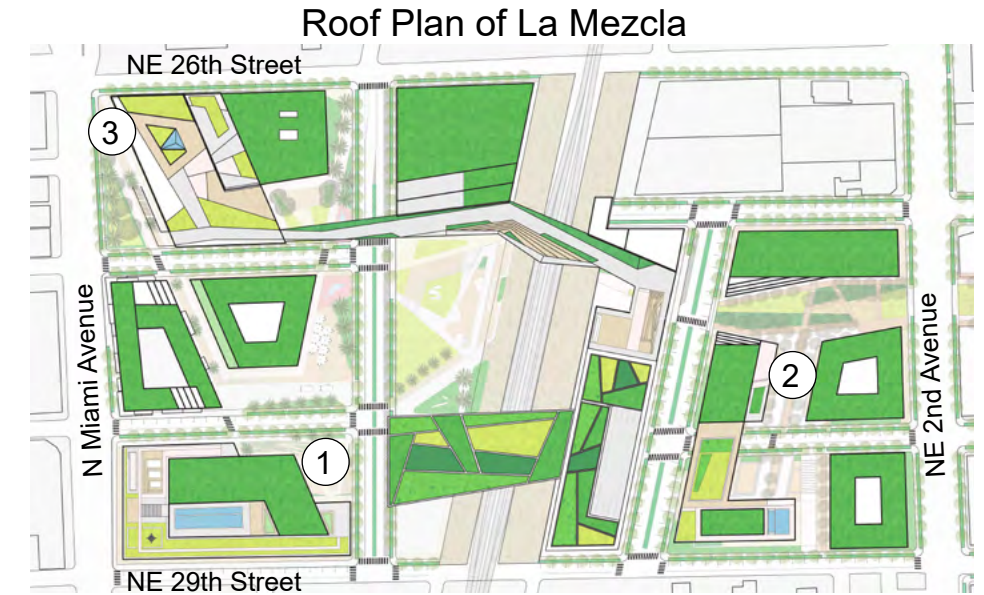
- Depressed water detention/ performance plaza
- Restaurant way
- Retail corridor
- Food truck plaza
- Elevated sculpture garden
- Resilience park
- Food hall

### Terrace Level:

- Pools
- Bars
- Lounges
- Dog runs

### Roof Level:

- Green roofs
- Solar panels



Water Detention Plaza



Restaurant Row



Wynwood Norte Entrance



# Development and Community Partners

## Community and Business Partnerships

- Preserve existing tenants on site
- Work with local community organizations
- Partner with community, sustainability partners and corporate tenants

## Financial Partnership with the City of Miami

- Miami Forever Bond
- TIID SMART Plan

## Community Creation and Enhancement:

- 3,000 new residents
- 1,042 new dwelling units (30% affordable)
- 1,750 new commercial + industrial jobs

Nader Latin American Art Museum



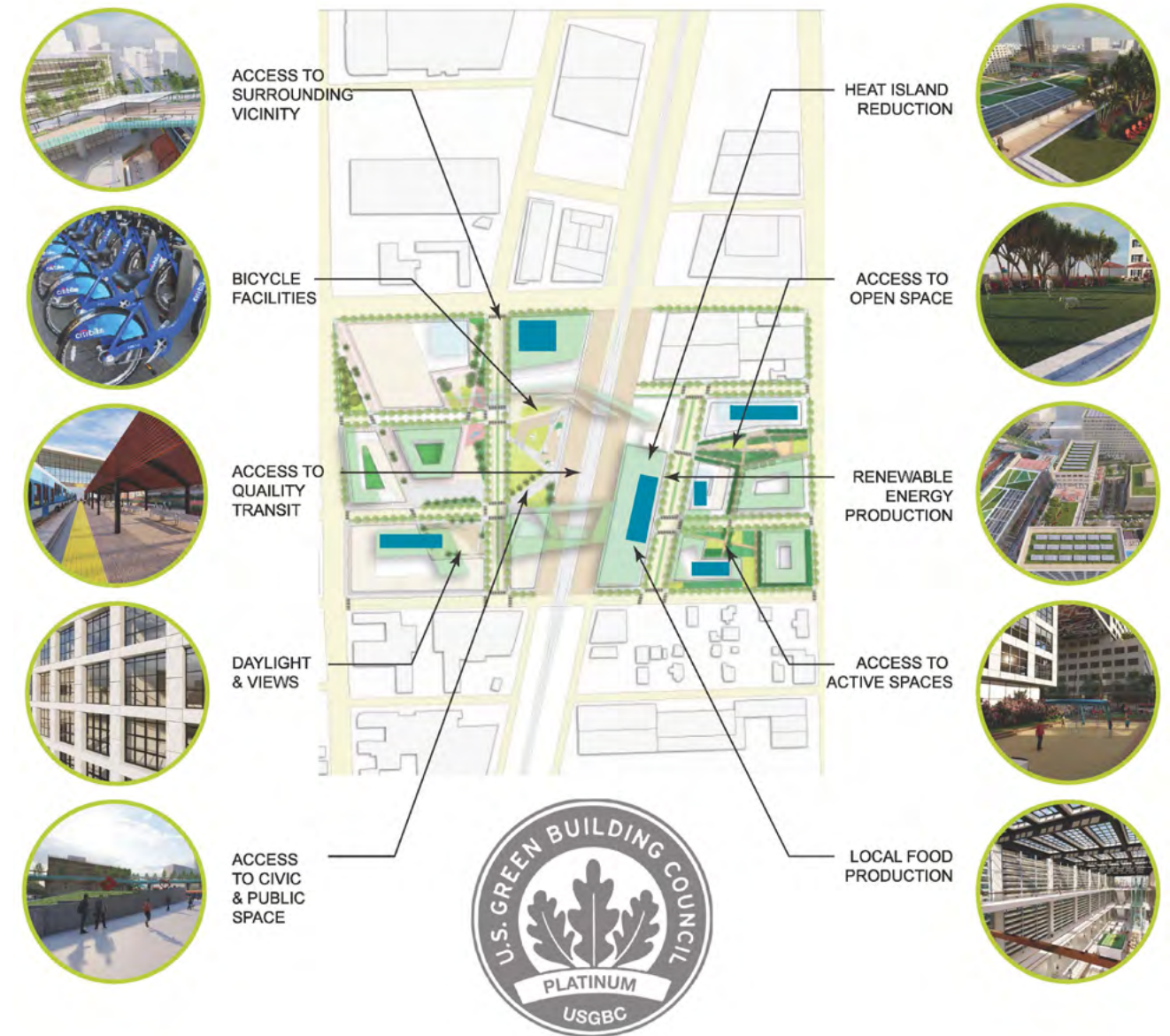
# Sustainability

LEED Neighborhood Development: Platinum (+90 points)  
Transit, local food production, access to open and active spaces, and solar energy generation all contribute to our qualification for LEED

Urban Agriculture



La Mezcla Food Hall



# Financing - Overview

## Development Metrics:

### Cost & Return Summary

Total Development Cost	\$1,011,572,439
Phase I	14.2% levered IRR
Phase II	23.1% levered IRR
Total Project	18.4% IRR
Stabilized Annual NOI	\$55,213,546

### Sources and Uses

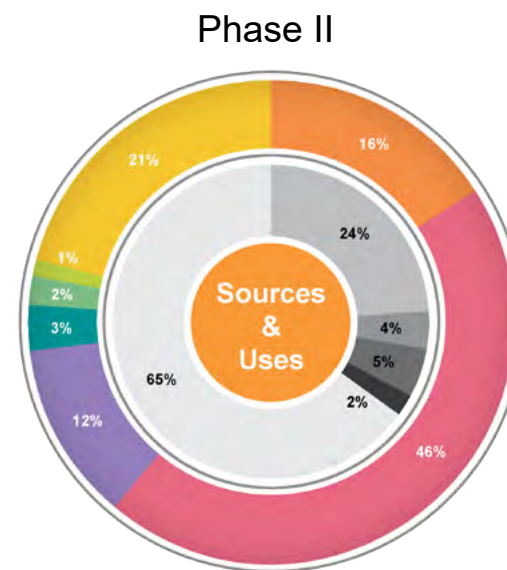
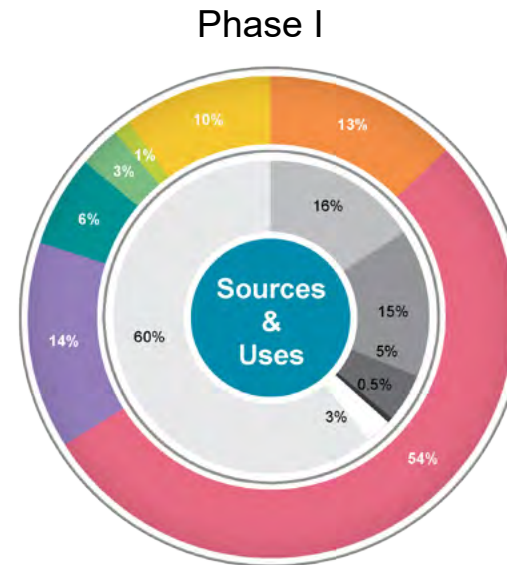
Phase I TDC	\$352,375,683
Phase II TDC	\$648,996,541

### General Underwriting

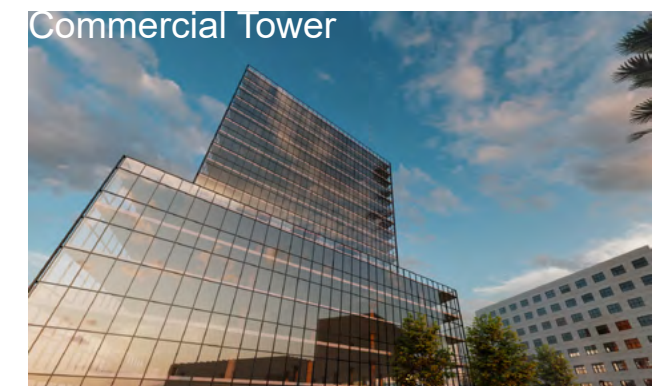
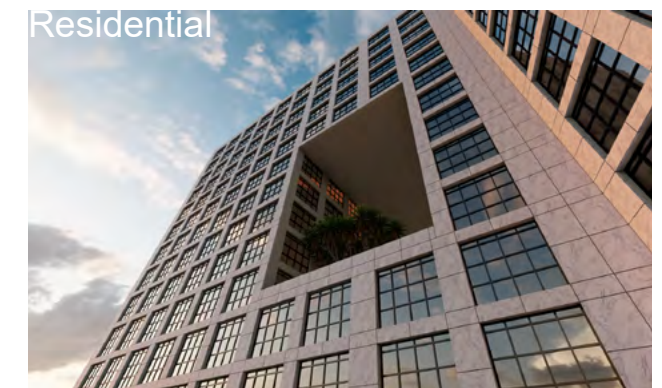
Efficiency	85%
Vacancy	5% - 10%
Average Rent Increase	2.5%
Management Fee	2.0%
Expense Inflation	2.5%

### Construction Financing

Interest Rate (1mL + 550)	7.15%
LTC	60.0%
Origination Fee	1.0%
Phase I Blended Refi. Cap Rate	5.6%
Phase II Blended Refi. Cap Rate	5.5%



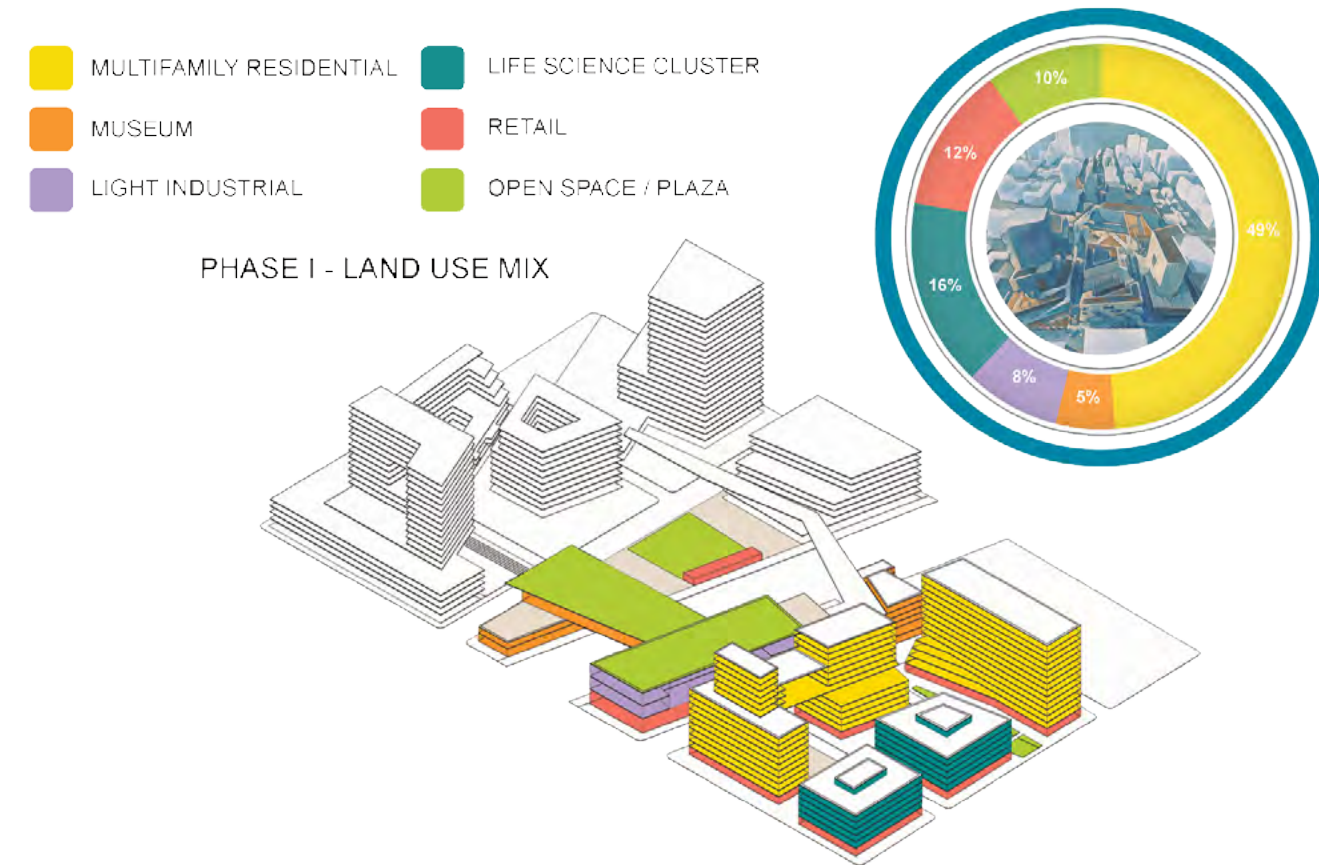
- Uses**
- Land Costs
  - Hard Costs
  - Soft Costs
  - Infrastructure Costs
  - Developer Fee
  - Origination Fee
  - Interest Reserve
- Sources**
- Equity
  - Opportunity Zone Equity
  - LIHTC Equity
  - TIID SMART Plan Loan
  - Miami Forever Bond
  - Construction Loan



# Financing - Strategy

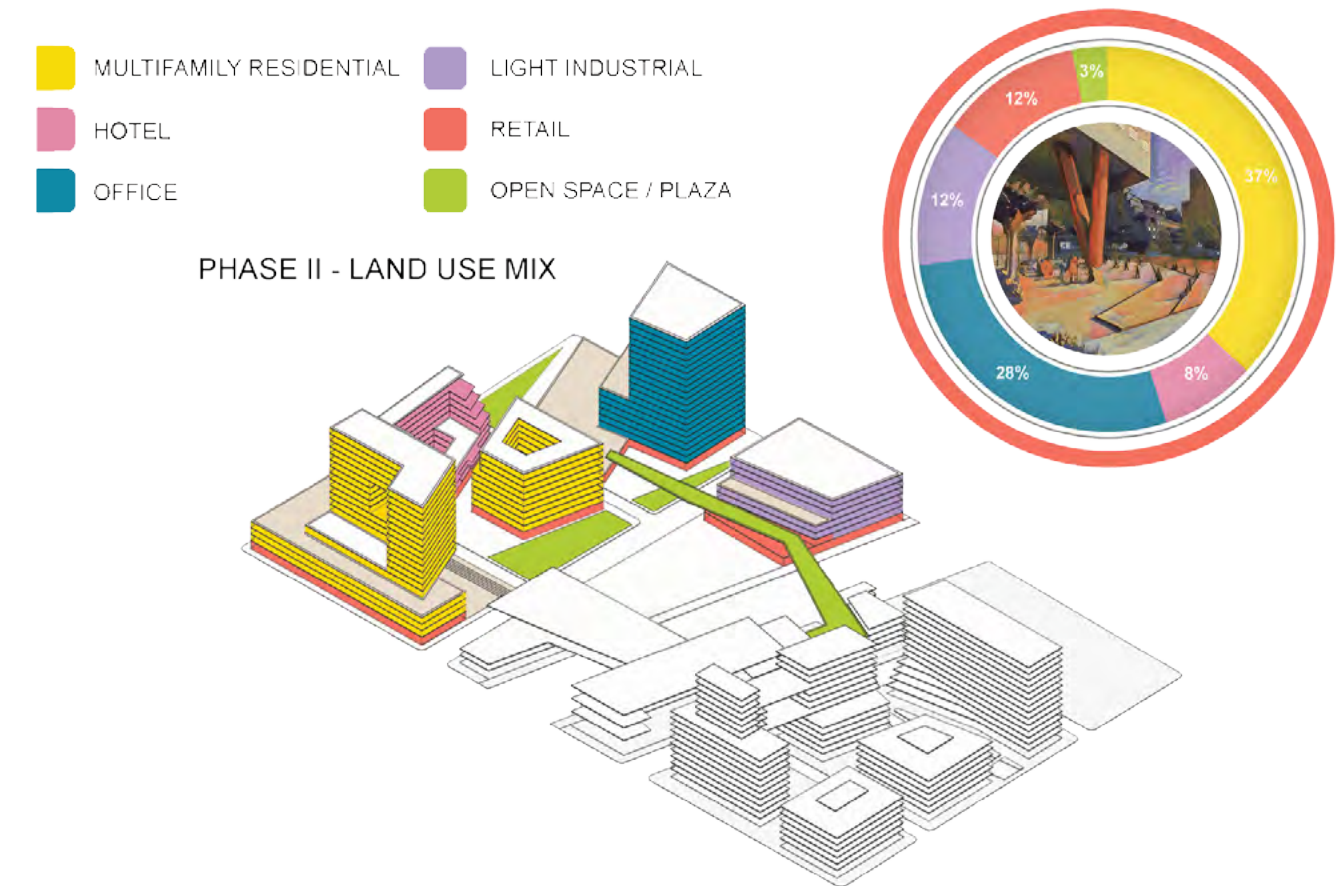
## Strategy

- Opportunity zone fund proceeds go towards the residential buildings – this will be a more stabilized investment for the fund and will help to secure more equity.
- Stabilized commercial cash flows in both phases to diversify potential cash flow deficiency.
- Capitalize on Miami as the gateway to Latin America – one of our major anchor tenants will be Itau Bank, one of the largest banks in Latin American.



## Financing Partners

- Banyan Opportunity Zone, \$90 million fund focused on Florida investment.
- Deutsche Bank, seasoned real estate debt professionals.
- Florida Teacher's Pension Fund, limited partner equity that aligns values with Florida community development.



# Conclusion

## Ecological Resilience

- Increased zoning density on the ridge-line
- LEED Platinum for Neighborhood Development
- Master Plan move to the water

## Community Creation and Placemaking

- Nucleus for surrounding neighborhoods
- 24/ 7/ 365 Community
- 30% affordable housing
- 7 Public Plazas

## Financial Feasibility

- Attractive but feasible return metrics
- Emphasis on utilizing local infrastructure and local capital partners
- Life Science & Technology platform offers economic engine for community
- Retention of existing local businesses



Aerial View looking East towards Biscayne Bay through the Park

