



Team: 2019-361  
Living Rooms: Narrative

## Design + Development Plan

A "living machine" is a self-sufficient water treatment and phyto-purification system that mimics the natural purification process of rivers and wetlands.

A "living wall" is either a wall of living plants and/or painted walls that create "intentional, thought-provoking public art to inspire social change and activate public spaces."

A "living community" is a community that is beneficial for everyone and establishes a symbiotic relationship between people and all aspects of the built environment.

"Living Rooms" are spaces in which life occurs. Regardless of class, race, gender, or age, a Living Room is a space for all things and all persons to live - actively or passively. Within the thriving and diverse artistic districts north of Downtown Miami, this development proposal promotes resilience and equity by respecting and preserving much of the existing urban character while thoughtfully expanding connectivity and encouraging density around a new multi-modal transit station. This pedestrian scaled development provides a multitude of Living Room conditions - from a reception space for those arriving by transit, to a series of office-oriented pocket squares - providing many pedestrian only spaces rich with pavilion retail, farmers-market programs, diverse seating arrangements for people to comfortably 'hang out', and a primary, open, accessible Living Room hosting programmed events, concerts and a giant television screen.

Crucial to the design proposal is an answer to the existential question, as it relates to rising sea levels and climate change impacts: 'why develop in Miami?' In response to these legitimate concerns, our strategy proposes a Stormwater Tax District throughout the immediately adjacent neighborhood. The development of 'Living Rooms' will institute a broad set of Best Management Practices (BMPs) to encourage and demonstrate meaningful impacts mitigating stormwater and flooding, intended to recharge the Biscayne Aquifer. While the Living Room encompasses roughly 20 acres of property, a significantly broader area must be implored to participate in BMPs to justify the investment, fiscally, culturally and communally, extending our impact to Miami at large.

While incorporating these regional resilience strategies, the Living Room also demonstrates its role as part of the cultural and artistic core of Miami. By proposing a diverse system of transit modes connected through the Midtown Tri-Rail stop at 27<sup>th</sup> Street, Living Room becomes a reception space for tourists and residents alike - touring from Art Basel to Wynwood's Basel House, from Downtown to the Wynwood Walls, connecting with Midtown Miami and the Design District, or simply returning home from work to Edgewater - walking or bicycling directly through a pedestrian oriented network for safe passage to the transit-hub. The local fabric of this rapidly changing segment of Miami is now considered as an overlapping matrix of the existing neighborhoods and communities co-existing around this new hub, while preserving their unique identities. This TOD is surrounded by resilient & performative public spaces for all elements of living, benefiting the locality and the region simultaneously. 'Living Rooms' demonstrates bold new placemaking by enhancing and adding high performance green infrastructure to facilitate life.

## Financial Plan

### The Opportunity

The Living Rooms is an opportunity to earn a competitive return while being a part of creating a place of resilience and equity. The project is expected to earn an unlevered IRR of 11.96% and a levered IRR of 30.39%. Levered, the deal is expected outperform average rates for South Florida urban office at 18.64%, retail at 19.70%, and mixed-use residential at 20.22%. The all-in land acquisition cost of \$156,672,126 is expected to earn 17.9x by full project buildout in 2031, when the overall property is worth \$2,799,947,349.

### Phase I

The first phase will set in motion the Living Rooms by generating foot traffic from the new station, opening in 2023, and including substantial affordable housing. The affordable housing will signify the equitable elements of the project while providing a captive audience to provide demand for other uses. Most of the square footage will be built on the Wynwood side of the train station in order to start creating a walkable corridor from the train station to the Wynwood side of the project, to Midtown Miami, and to the Wynwood Arts District. The most significant piece of this phase will be the renovation of the warehouse building on parcel 45 of the Wynwood side into an extended train platform and space for public events. This phase will include 264,480 SF of affordable multifamily, 105,792 SF of market multifamily, 101,961 SF of retail, and 113,824 SF of office. Total cost including land and infrastructure will be \$341,692,529.

### Phase II

The second phase will carry the momentum first ignited in the first phase to new heights with the introduction of a substantial amount of office space, hotel rooms, and condominiums that will generate a large amount of foot traffic, providing steady day-time demand for the retailers. Total cost including land and infrastructure will be \$878,835,135.

### Phase III

The third phase will top off the momentum of the previous phases. The bulk of the market multifamily will be built in this phase to capitalize on the higher rents expected to be achieved from the success of previous phases. This phase will include 952,128 SF of market multifamily, 65,220 SF of retail, and 85,262 SF of office. Total cost including land and infrastructure will be \$699,599,755.

### Capital Stack

The inclusion of affordable housing, the resilient storm water system and tax allocation district (TAD) proposal, and the transit oriented community proposed, will allow the project to utilize public incentives to reduce the amount of outside equity needed, and ultimately allow the achievement of a higher levered IRR. 16 percent of total costs will be funded through tax increment financing by being part of the TIID to fulfill the goals of the SMART corridor, LIHTC for affordable housing, the storm water TAD, and a Forever Bond intended to promote resilient developments. 65 percent of total cost will be funded through construction debt, and 8 percent through the developer's land contribution. That leaves 11 percent in outside equity needed for the project.