



OFFERING MEMORANDUM

DADE COMMONWEALTH BUILDING
139 NE 1ST STREET
MIAMI, FL

DOWNTOWN
MIAMI HOTEL
DEVELOPMENT

COMPASS
COMMERCIAL

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EXCLUSIVE OFFERING MEMORANDUM

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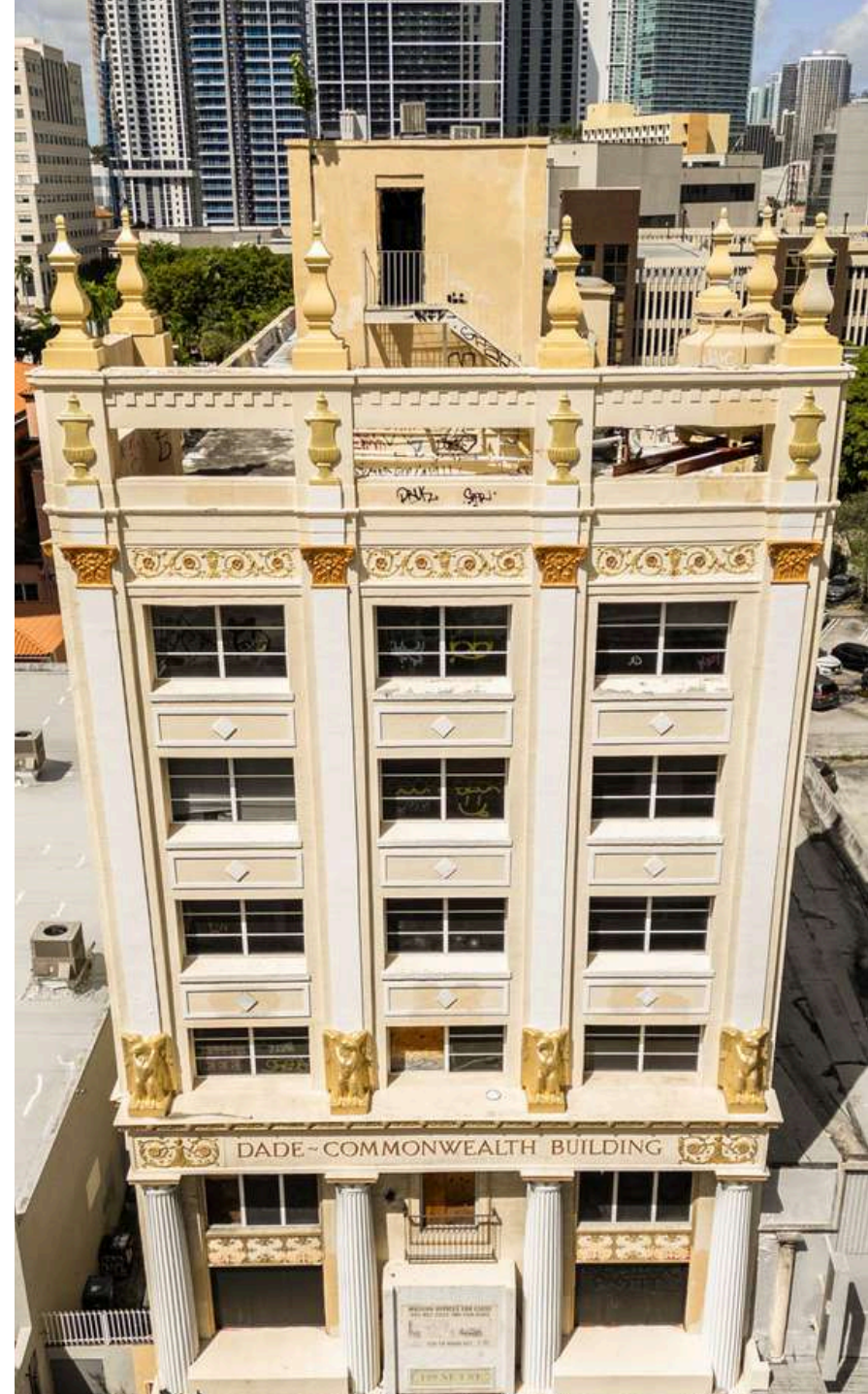
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By accepting this Memorandum, you agree to the above terms and conditions.



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EXECUTIVE SUMMARY



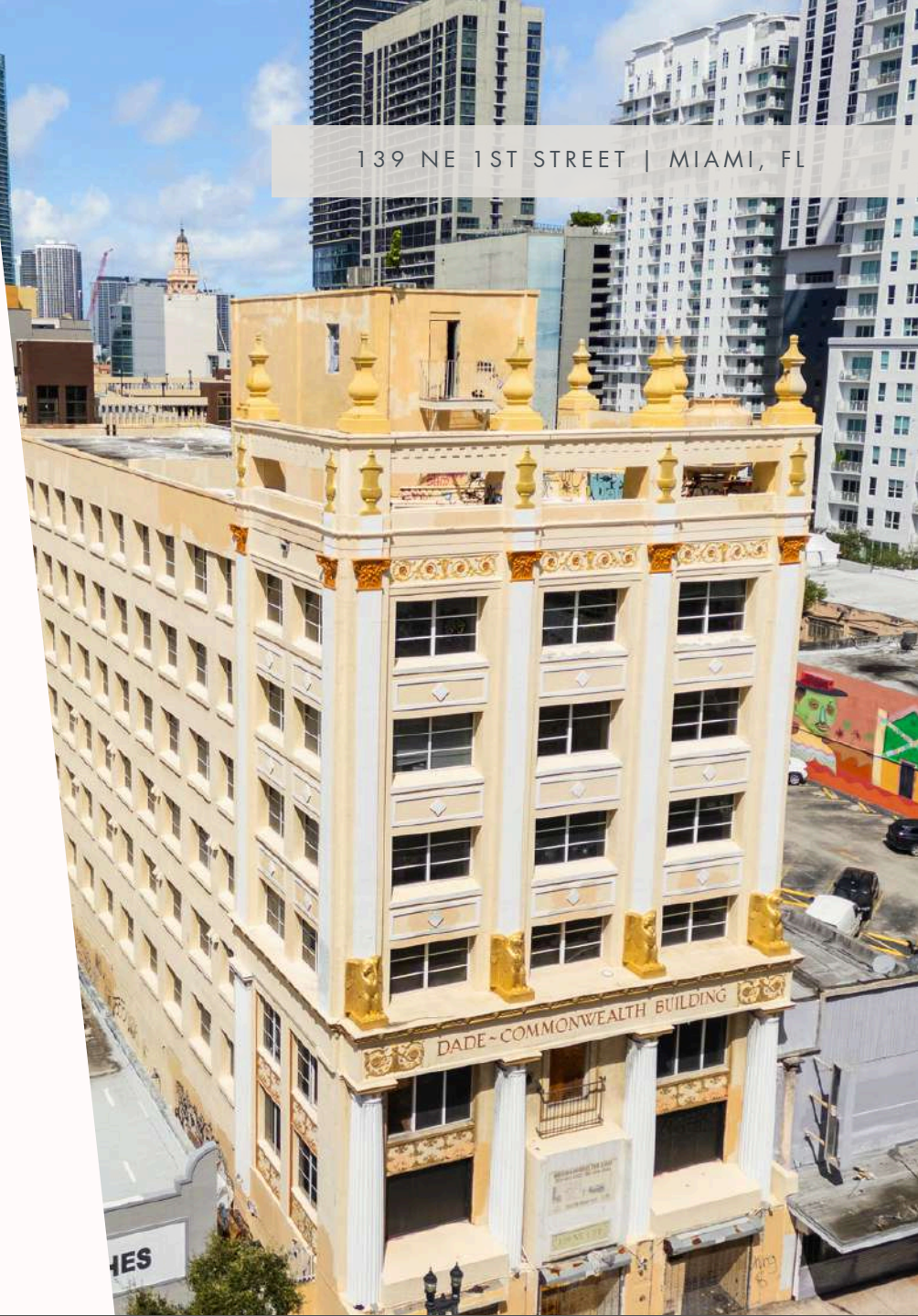
EXECUTIVE SUMMARY

Compass Commercial presents the historic Dade-Commonwealth Building, a fully site plan approved Hotel redevelopment opportunity in the heart of Downtown Miami with rare in-place approvals from the Historic Preservation Board and City of Miami.

Approved for a 17-story, 163-room upscale hotel with approved demolition permits (except for the facade for the first three stories) in place for rapid project initiation.

Prime location in the heart of Downtown Miami within a short walking distance to some of Miami's significant tourist destinations, office buildings, dining & nightlife spots, and cultural attractions which offers the flexibility to cater to both business and leisure-oriented travelers. Excellent connectivity via nearby Brightline and MetroRail stations and just 15 minutes from Miami International Airport.

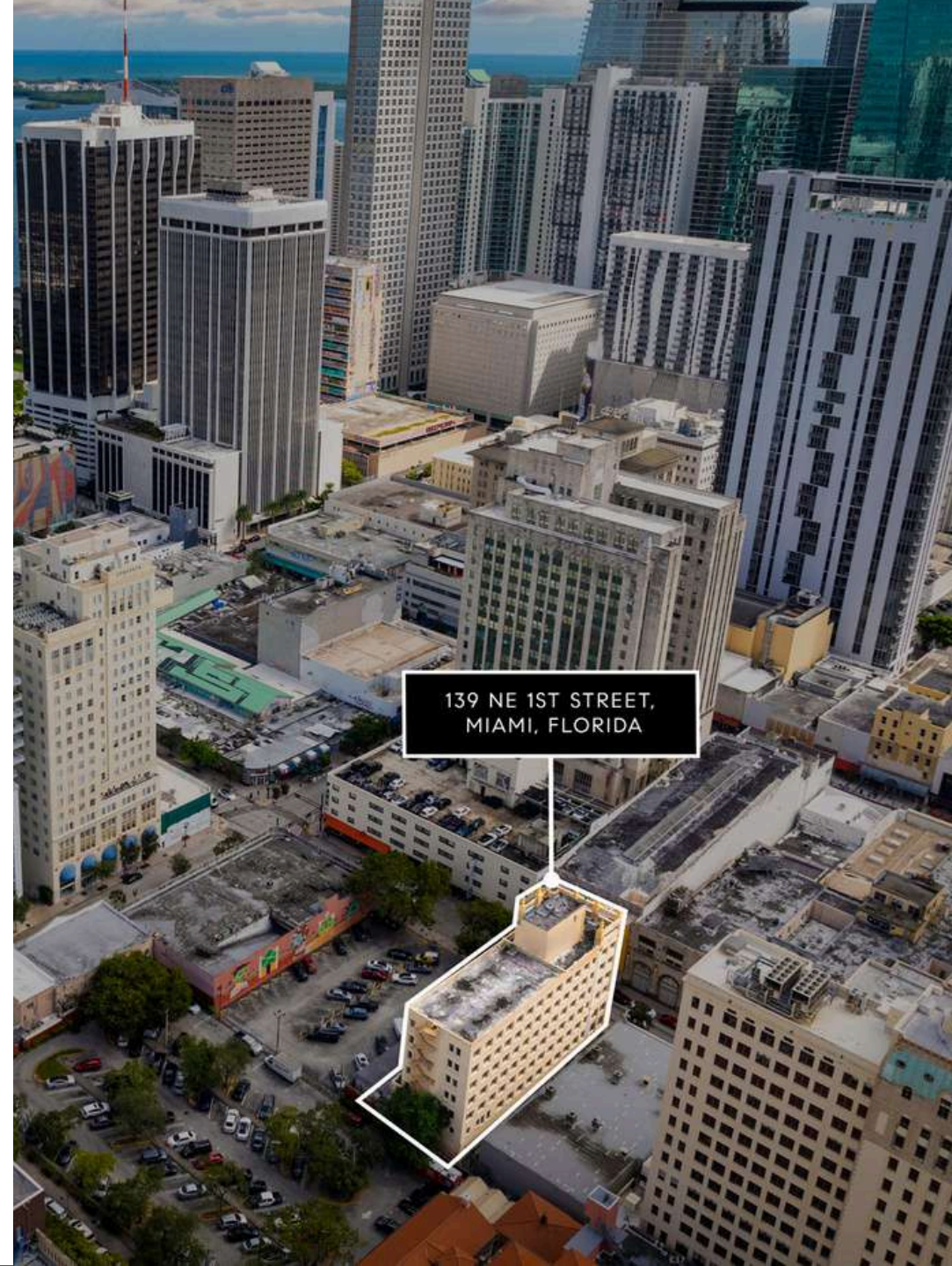
The property is entitled to an Ad Valorem Exemption and also the Federal Historic Rehabilitation Tax Credit due to its historic designation.

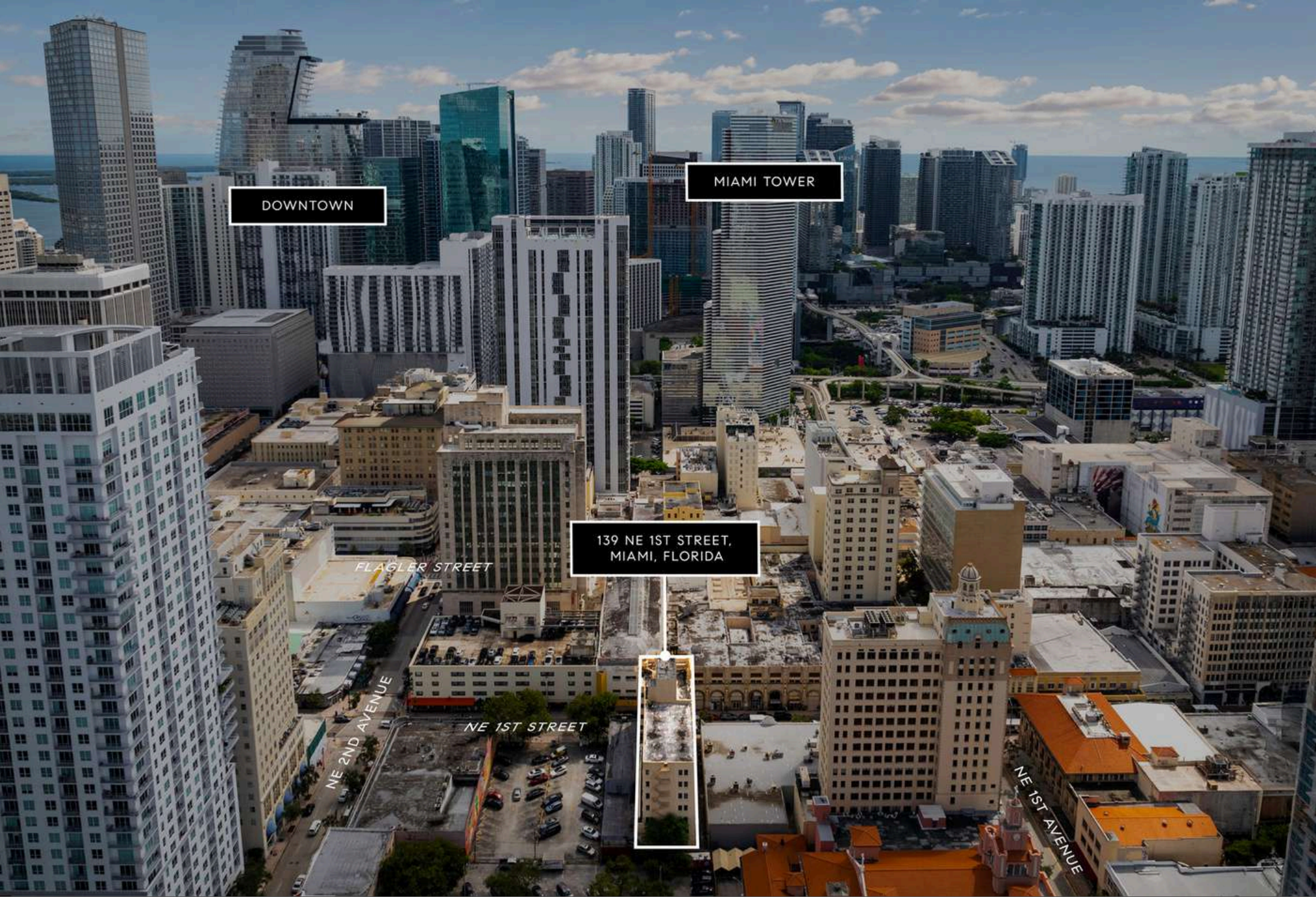


EXECUTIVE SUMMARY

DADE COMMONWEALTH BUILDING

PROPERTY ADDRESS	139 NE 1st Street
Property Type	Approved Hotel Development
Frontage	NE 1st Street
Existing Building Area	43,265 SF
LOT SIZE	7,500 SF
FOLIO	01-0110-040-1100
ASKING PRICE	\$20,000,000
Floor Lot Ratio	24





DOWNTOWN

MIAMI TOWER

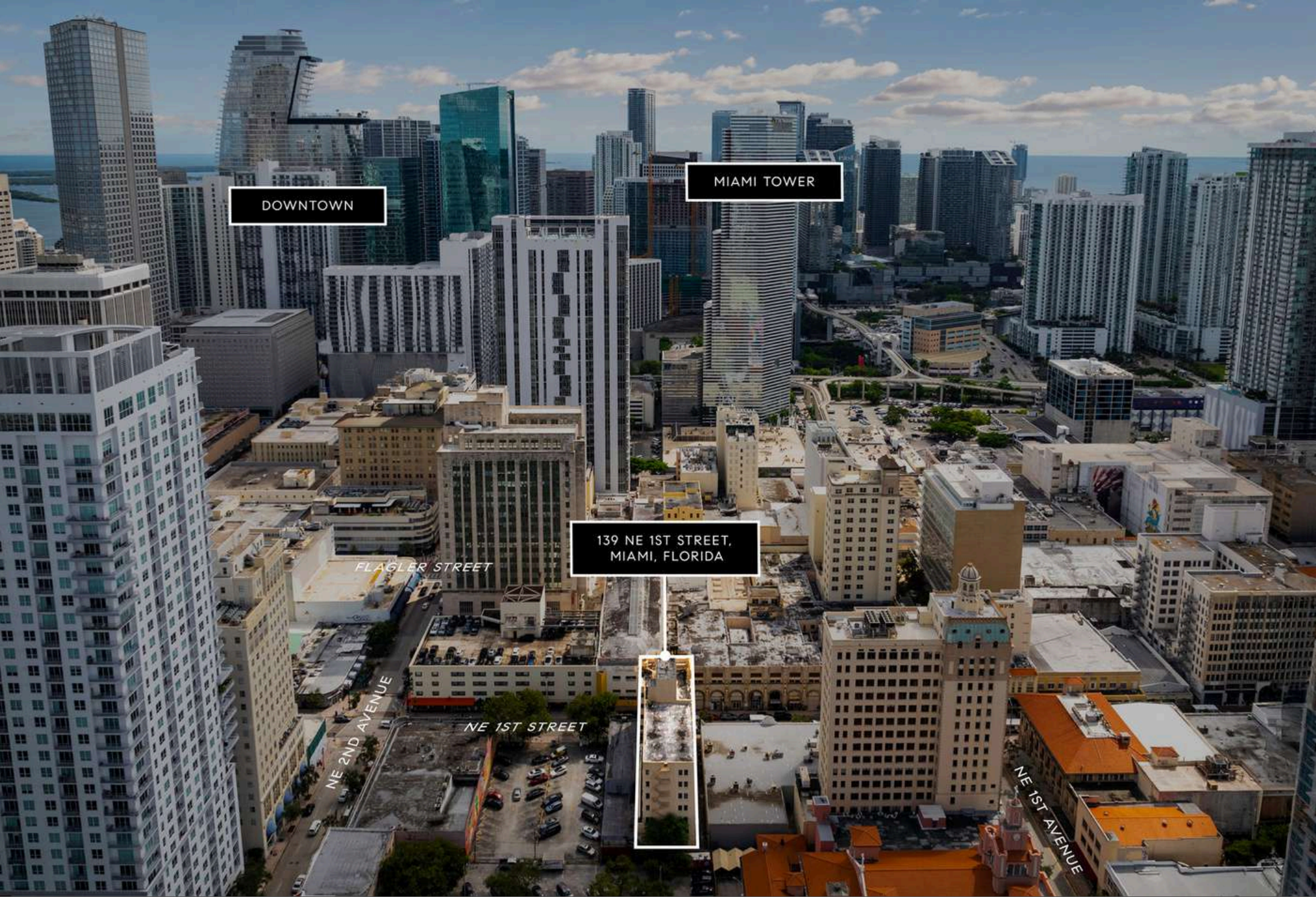
139 NE 1ST STREET,
MIAMI, FLORIDA

FLAGLER STREET

NE 2ND AVENUE

NE 1ST STREET

NE 1ST AVENUE



DOWNTOWN

MIAMI TOWER

139 NE 1ST STREET,
MIAMI, FLORIDA

FLAGLER STREET

NE 2ND AVENUE

NE 1ST STREET

NE 1ST AVENUE

02

INVESTMENT HIGHLIGHTS



INVESTMENT HIGHLIGHTS

EXISTING APPROVALS

The property provides fully approved site planes and boasts rare in-place approvals from both the Historic Preservation Board and the City of Miami, allowing for the demolition of the existing structure, while preserving the original three-story façade, and the redevelopment into a brand-new, 17-story, 163-key upscale hotel. Fully approved plans are in place, with permits pending request, expediting the construction timeline significantly compared to other development opportunities. This makes the project a rare, high-potential investment, offering the ability to break ground months ahead of typical schedules.



139 NE 1ST ST | MIAMI, FL



CORE DOWNTOWN
MIAMI LOCATION



SITE PLAN APPROVED



DEMOLITION PERMITS
FOR EXISTING BUILDING



7,500 SF



T6-80-O ZONING



\$20,000,000

INVESTMENT HIGHLIGHTS

Tax Credits

This property is approved to benefit from the Ad Valorem Tax Exemption for Historic Properties, which significantly reduces property taxes and enhances the financial viability of your investment. This exemption is designed to incentivize the preservation of historically significant buildings and can lead to substantial savings for the owner.

Additionally, the property is eligible for the Federal Historic Rehabilitation Tax Credit (HTC), which offers a generous 20% tax credit on qualified rehabilitation expenses for buildings constructed before 1936. Eligible costs include all direct and indirect expenses related to the renovation, such as architectural services, engineering, and legal fees.



TAX CREDITS

The HTC program not only supports the preservation of cultural heritage but also provides an attractive financial framework for leveraging equity investments. With a chosen twenty-four month period for measuring rehabilitation expenses and up to a sixty-month timeline for phased projects, developers have ample flexibility to capitalize on these incentives. Moreover, it's important to note that properties benefiting from HTCs are subject to a five-year compliance period, ensuring sustained investment and adherence to preservation standards.



INVESTMENT HIGHLIGHTS

ZONING

The property benefits from T6-80-O zoning, one of Miami 21's most liberal designations, further enhanced by its position within the Downtown Density Overlay. This zoning allows for up to 80 stories of vertical development, with a base Floor Lot Ratio (FAR) of 35 and a bonus FAR of 44, which translates into a maximum gross building area of 330,000 square feet on a 7,500 square foot lot. Additionally, the zoning permits up to 1,000 housing units per acre, making it ideal for high-density residential or mixed-use development.

The site is perfectly suited for a mixed-use tower that fully leverages these high-density benefits. It is also strategically located within the Flagler Street revitalization initiative, offering superior connectivity to mass transit solutions and major transportation corridors. This prime positioning enhances the property's appeal, aligning with Miami's urban core development vision and offering significant opportunities for investors seeking to capitalize on the city's growth.



139 NE 1ST ST | MIAMI, FL



T6-80-O



MAX HEIGHT
80 FLOORS



MAX HEIGHT W/BONUS
44 FLOORS



7,500 SF



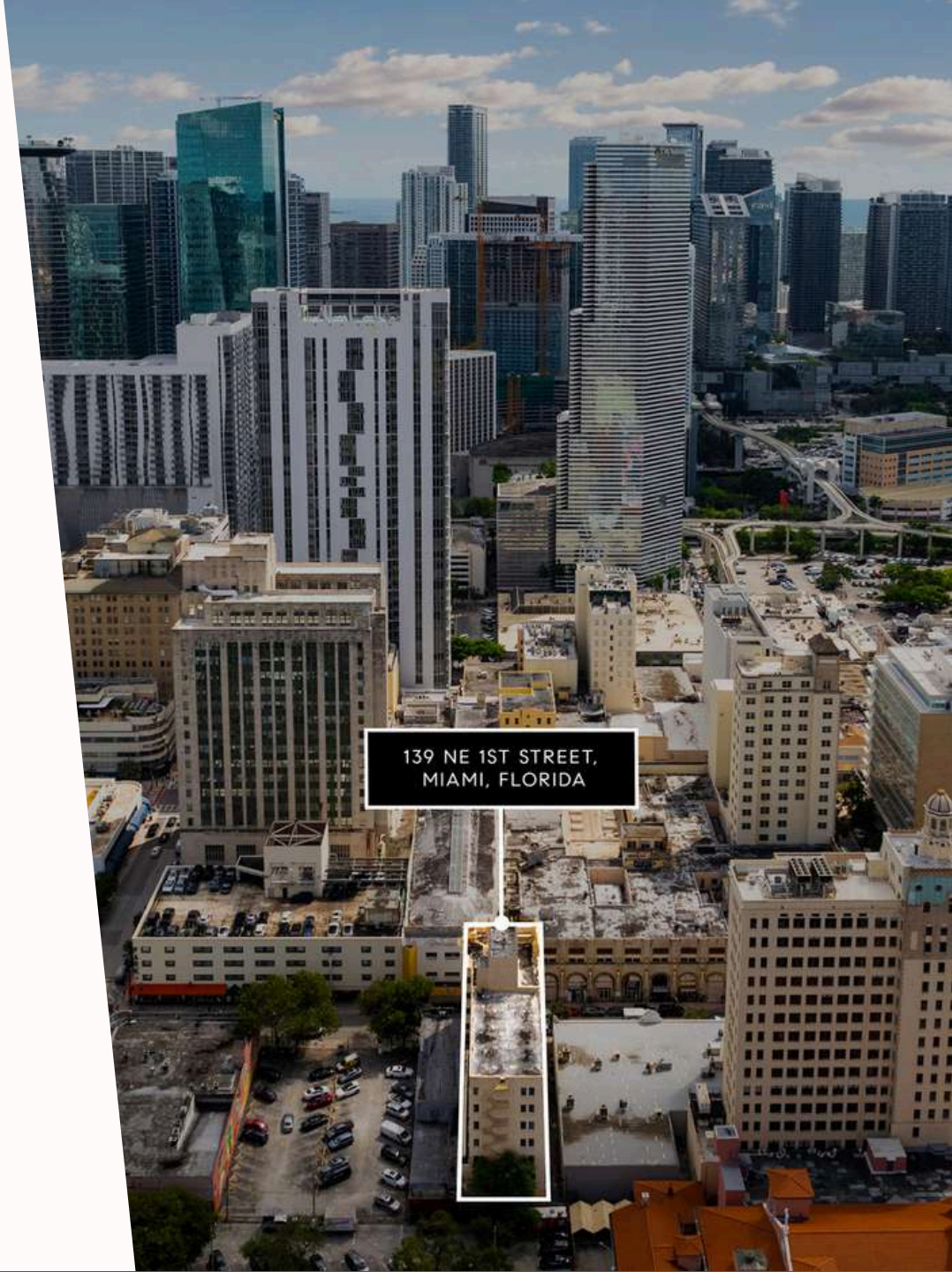
GROSS BUILDABLE AREA
262,500 SF



GROSS BUILDABLE AREA
W/BONUS
330,000 SF

03

PROPERTY OVERVIEW



HISTROY & RESTORATION

The Dade-Commonwealth Building (referred to as the "Property") was constructed in 1925 and originally stood as a seventeen-story steel frame skyscraper. Designed in the Commercial Style of architecture and adorned with Neo-Classical elements, it was one of the first skyscrapers built in downtown Miami. The building officially opened its doors in March 1926, during a period marked by significant growth and migration of businesses to the area. Notably, the Meyer-Kiser Bank Building was among the first to establish itself in the region. Over time, the Meyer-Kiser Corporation relocated, and several other businesses became key tenants, including the Dade-Commonwealth Title and Abstract Co. in 1936. Although the Meyer-Kiser Corporation is no longer operational, the historic building continues to bear its name.

The Dade-Commonwealth Building suffered damage during the hurricane of 1926, leading to its height being reduced to seven stories. Current approved plans include reconstructing the original 17-story structure and restoring the building's storefront facade, as well as its original columns, pilasters, and entablature.



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HOTEL RENDERINGS & FLOORPLANS

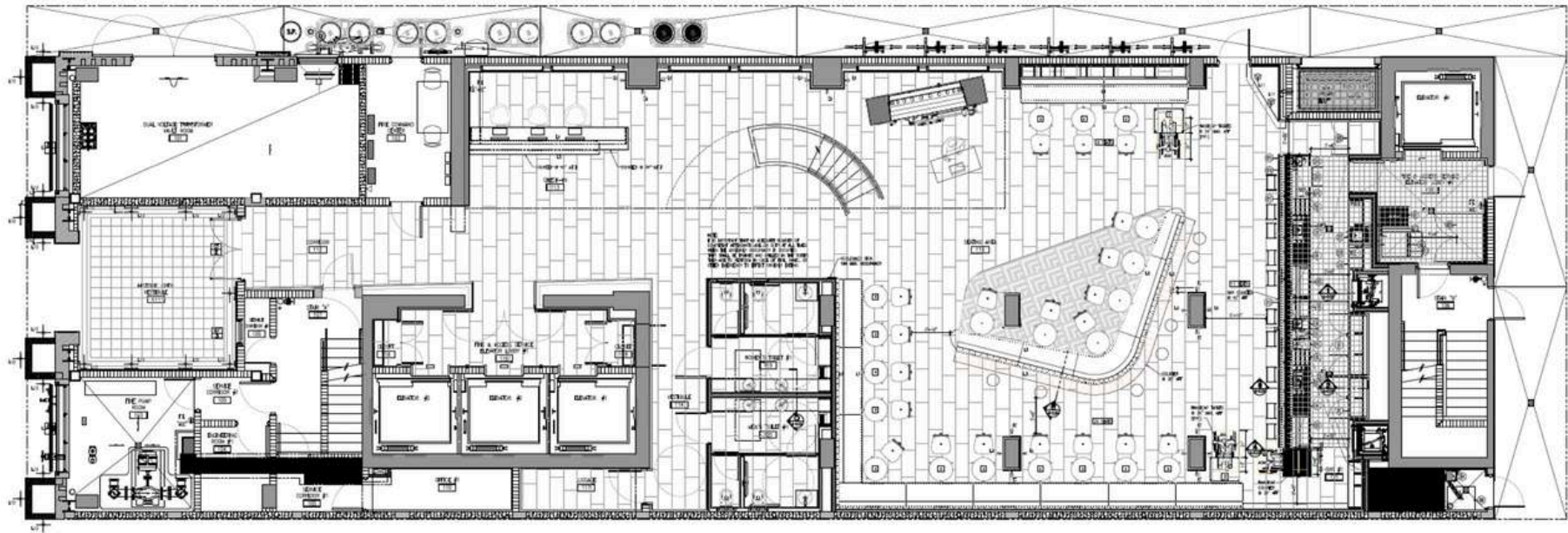




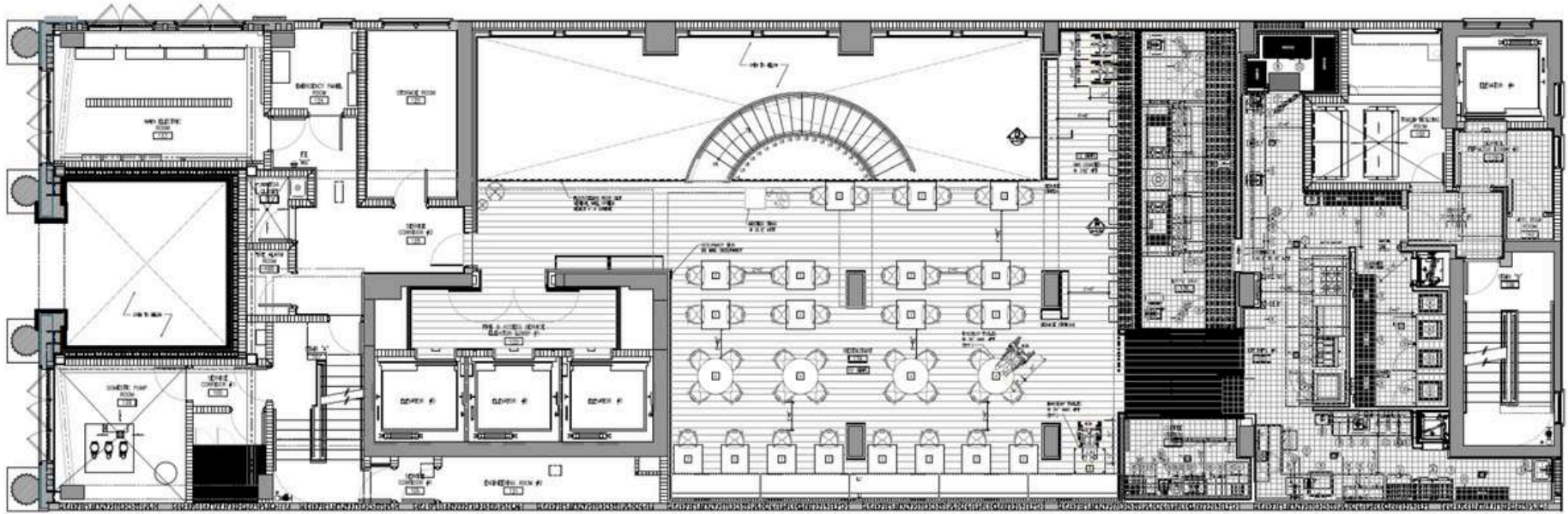
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ANNA MAÑOSA / ARCHITECTURE MED

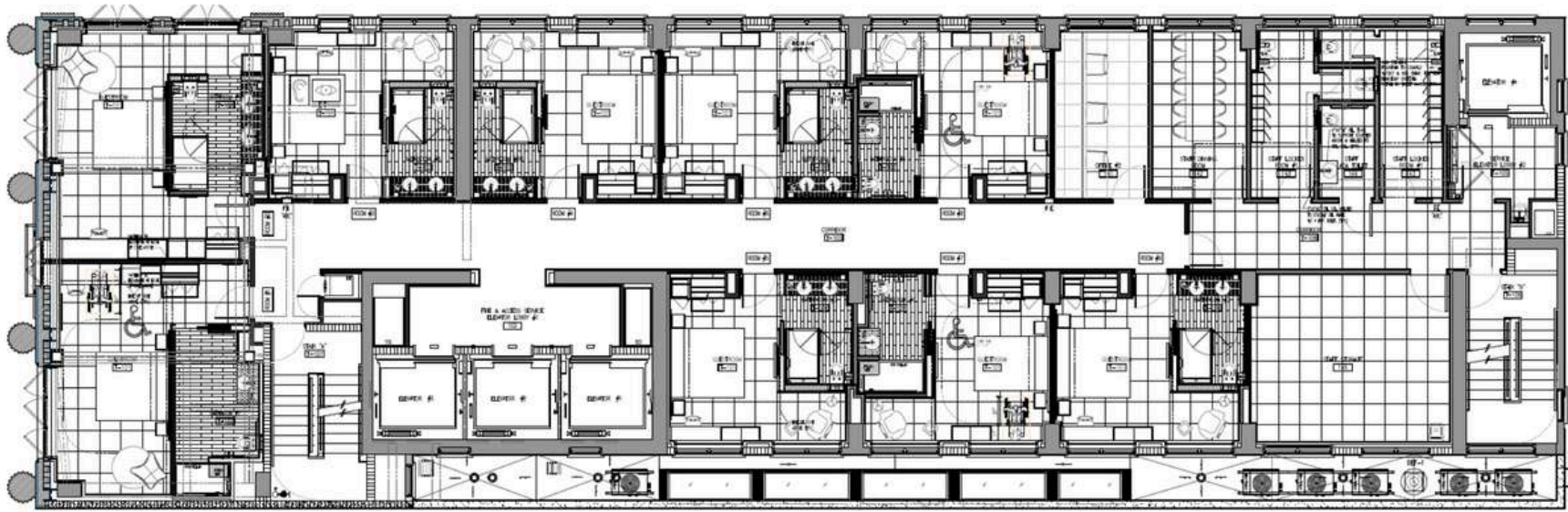




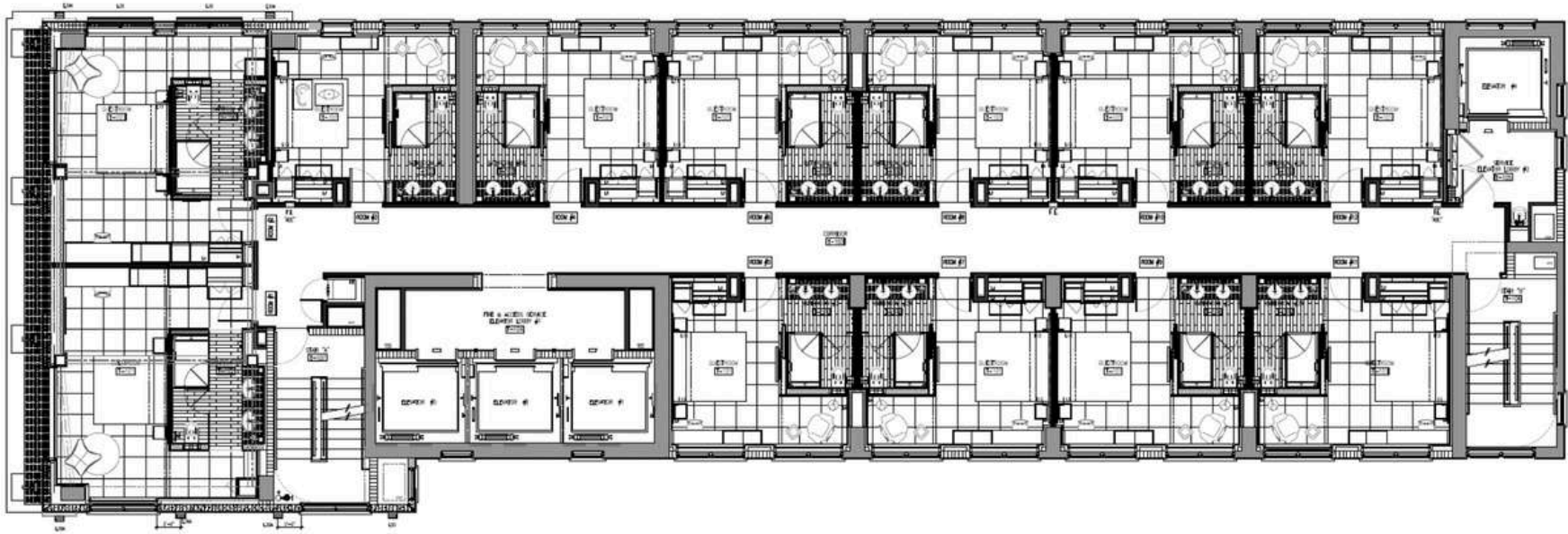
1ST LEVEL
FURNITURE/EQUIPMENT FLOOR PLAN
SCALE: 1/4" = 1'-0"



2ND LEVEL
FURNITURE/EQUIPMENT FLOOR PLAN
SCALE: 1/4" = 1'-0"

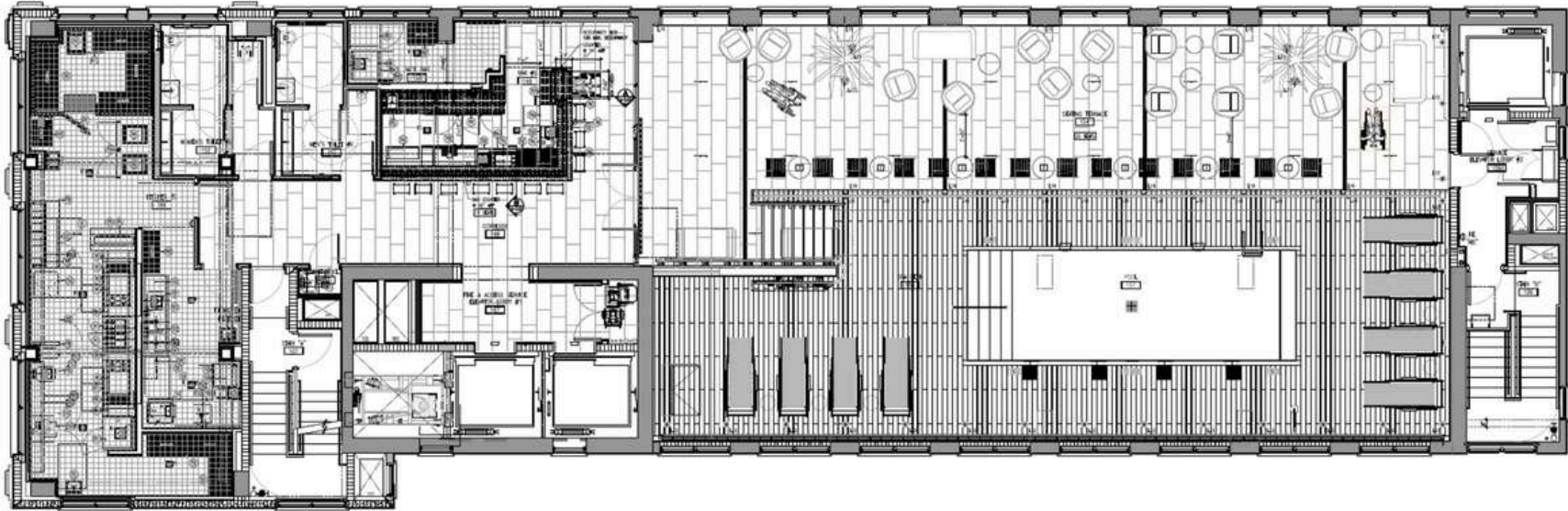


3RD LEVEL FLOOR PLAN
SCALE: 1/4" = 1'-0"



4TH LEVEL FLOOR PLAN
SCALE: 1/8" = 1'-0"



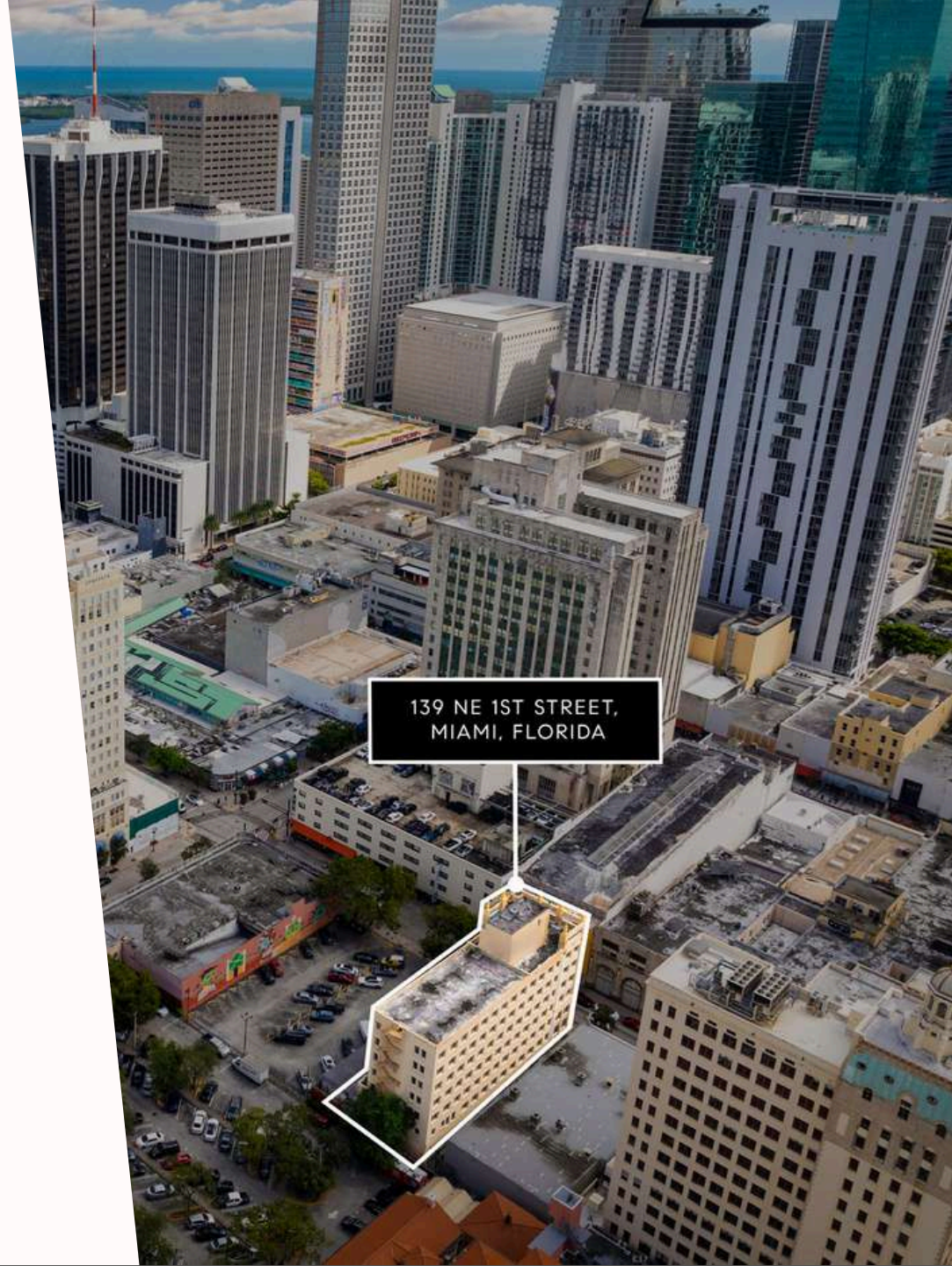


17TH LEVEL
FURNITURE/EQUIPMENT FLOOR PLAN
SCALE: 3/8" = 1'-0"



05

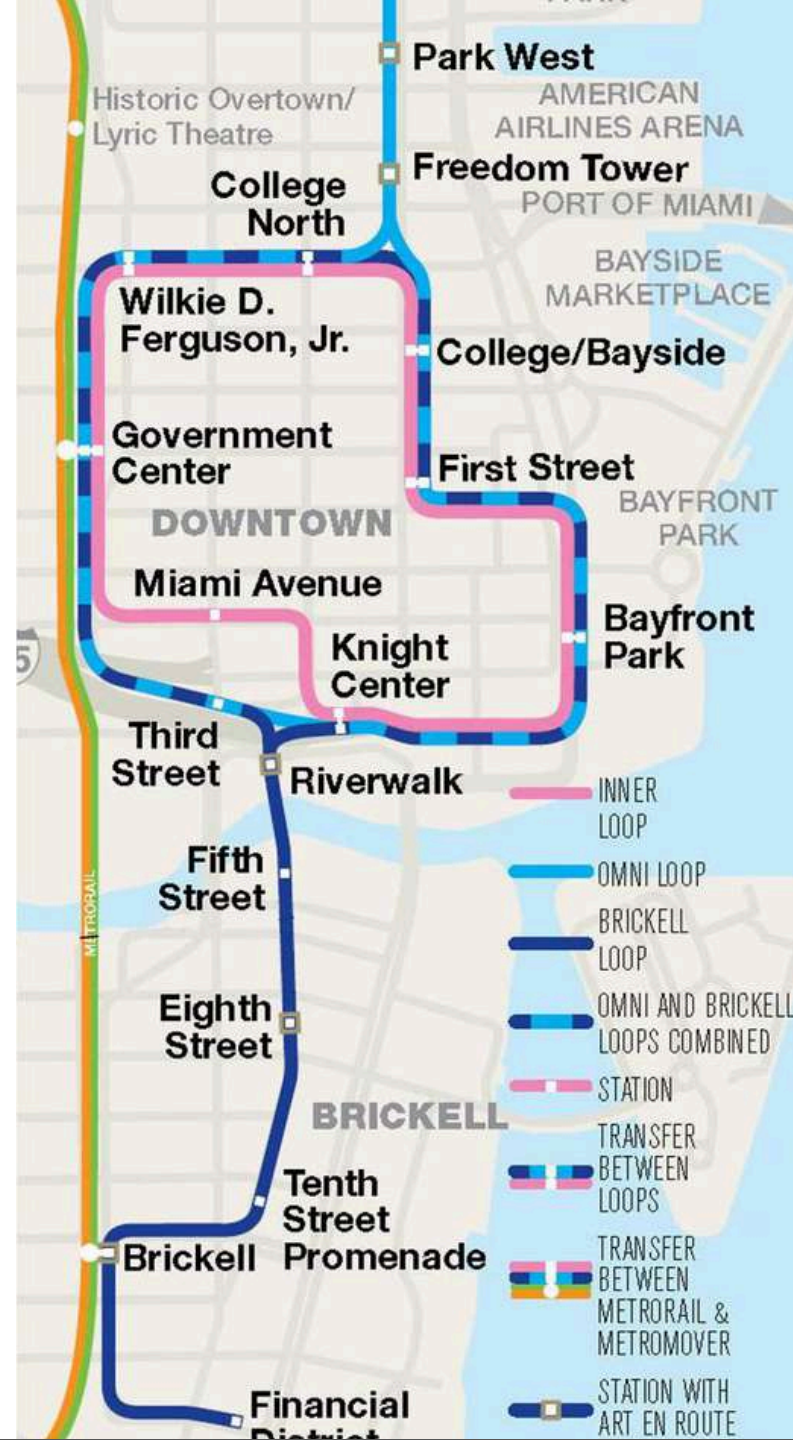
LOCATION OVERVIEW



LOCATION OVERVIEW

CITY OF MIAMI

The Property is located just 400 feet from the First Street Metromover Station, which offers rail access throughout Downtown Miami and Brickell, and a short walk from the Government Center MetroRail Station, which offers rail access throughout Miami-Dade County. It is also located near some of Downtown Miami's top-performing luxury hotels, including the Hyatt Recency, the Kimpton EPIC, the Intercontinental Miami, the JW Marriot Marquis, and the Hotel Beaux Arts.



LOCATION OVERVIEW

Recognized for its dynamic economy, Miami ranks among the top U.S. cities for finance, commerce, culture, entertainment, and education. The city boasts a diverse and thriving population, contributing to its status as a global hub for international trade and tourism. The iconic skyline, which is the third largest in the United States, serves as a backdrop to its bustling streets, filled with a mix of residential, commercial, and hospitality spaces. Miami's cultural attractions are a significant draw, with institutions such as the Museum of Contemporary Art, the Frost Museum of Science, and the Pérez Art Museum complementing countless galleries and performing arts venues throughout the city. The city's neighborhoods, including Wynwood, Little Havana, and the Design District, offer unique experiences that celebrate art, history, and gastronomy, appealing to a wide range of visitors.

Miami's key entry points for trade, business, and travel include Miami International Airport, which handled approximately 52.3 million travelers in 2023, marking a 3.2% increase from the previous year. This makes it one of the busiest airports in the United States. Additionally, the Port of Miami is the busiest passenger seaport in the nation and has consistently been recognized as the "Cruise Capital of the World," welcoming 7.5 million cruise guests in 2023, representing an 11% increase over the previous record. With a continuous influx of domestic and international visitors and new residents, Miami is poised to maintain its impressive track record well into the future.



139 NE 1ST ST | MIAMI, FL



The ongoing development and revitalization of key areas within Miami further enhance its appeal as a hotel development opportunity. With major events like the Formula 1 Miami Grand Prix and the upcoming FIFA World Cup in 2026, demand for hospitality services is poised to increase, creating favorable market conditions for new hotel projects. The Dade-Commonwealth Building, with its historic charm and strategic location in Downtown Miami, presents a unique opportunity to capitalize on the city's growth trajectory and the ever-increasing influx of tourists and new residents.

In summary, Miami's exceptional combination of cultural vibrancy, economic vitality, and tourism potential makes it an ideal location for hotel development, offering significant opportunities for growth and profitability in the hospitality sector.

North East View



X MIAMI

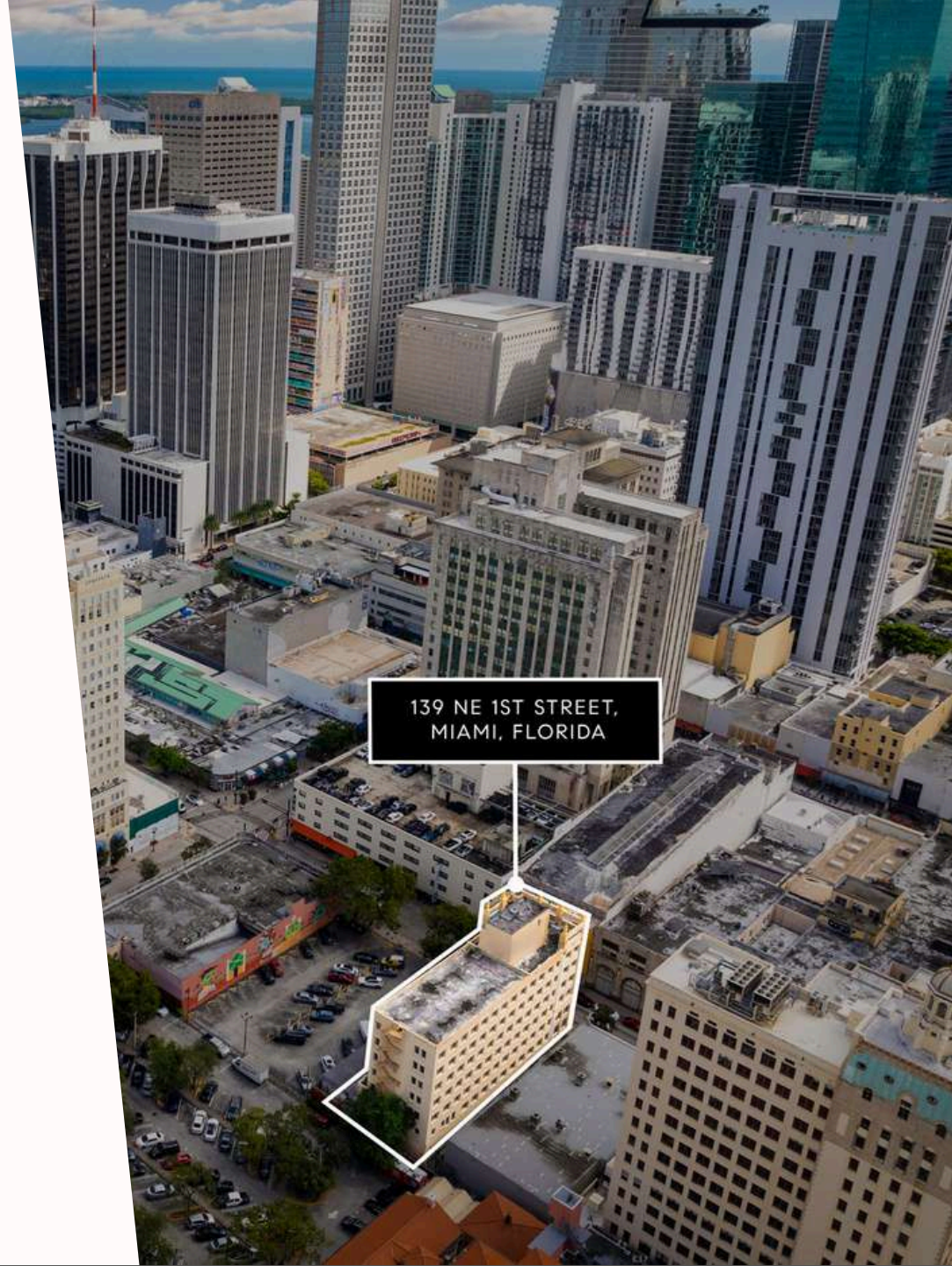
VIZCAYNE NORTH

MIAMI DADE COLLEGE

139 NE 1ST STREET,
MIAMI, FLORIDA

06

ECONOMIC DRIVERS



FLAGLER RENOVATION PROJECT

Transforming Flagler Street from Biscayne Boulevard to the Miami-Dade County Courthouse. Key upgrades include eliminating on-street parking in favor of valet stations, widening sidewalks, and creating a curbside, festival-friendly street with bike racks, benches, and outdoor dining spaces. These changes are designed to attract new businesses and allow for future vertical development. The first two phases, from Biscayne Boulevard to East 2nd Avenue, began in May 2021 and were completed by August 2022.

These enhancements, combined with Flagler's revitalization, make the surrounding areas highly attractive for new hotel developments, offering increased foot traffic and a vibrant urban experience.

139 NE 1ST ST | MIAMI, FL



MIAMI WORLDCENTER

Overview: Miami Worldcenter, one of the largest urban development projects in the U.S., is transforming 27 acres of downtown real estate into a vibrant mixed-use district. This project includes high-end retail, luxury residences, hotels, office space, and dining/entertainment options. The development is home to the CitizenM Miami Worldcenter Hotel and other hospitality venues aimed at capturing business and leisure travelers

Impact: Miami Worldcenter's proximity to the Miami Beach Convention Center and downtown business district makes it a focal point for event-driven tourism. It is expected to increase foot traffic and demand for hotel accommodations in the area, especially among high-spending international visitors and corporate travelers.



JULIA & HENRY'S

139 NE 1ST ST | MIAMI, FL

Julia & Henry's, a seven-story culinary hub, recently opened in Downtown Miami, featuring 26 vendors showcasing a diverse array of local, national, and international cuisine. Located in a historic landmark initially built in 1936 as a Walgreens Drug Store, and later home to La Epoca, the space was transformed by Stambul Development in 2018. The venue honors Miami's history and Art Deco architecture while providing a contemporary dining experience. Julia & Henry's promises to be a cultural epicenter and a destination for locals and tourists alike in the heart of the city.

BAYSIDE MARKETPLACE

Bayside Marketplace is a bustling open-air shopping, dining, and entertainment destination located along Miami's stunning Biscayne Bay. It features over 150 shops and restaurants, ranging from well-known national brands to unique local boutiques, offering a diverse retail experience for all visitors. In addition to its vast selection of stores, Bayside Marketplace offers a wide variety of dining options, from casual eateries to upscale restaurants, catering to different tastes and preferences.

The marketplace is not just a shopping hub but also an entertainment hotspot. Visitors can enjoy live performances, boat tours, and waterfront views, making it a prime attraction for both locals and tourists. Its vibrant atmosphere and strategic location near Downtown Miami's major attractions, such as the FTX Arena and the Port of Miami, further elevate its appeal.

For hotel development, Bayside Marketplace's close proximity offers a significant advantage, attracting guests seeking a comprehensive Miami experience with easy access to shopping, dining, and entertainment.

139 NE 1ST ST | MIAMI, FL

Miami's Booming Business Landscape: Downtown Miami has solidified itself as a major business hub, particularly in sectors like finance, technology, and international trade. Miami's low tax rates, strategic location as the gateway to Latin America, and appealing lifestyle have attracted a growing number of corporations and headquarters. This influx of businesses is a key driver of demand for hotel stays, particularly in the upscale and luxury segments.



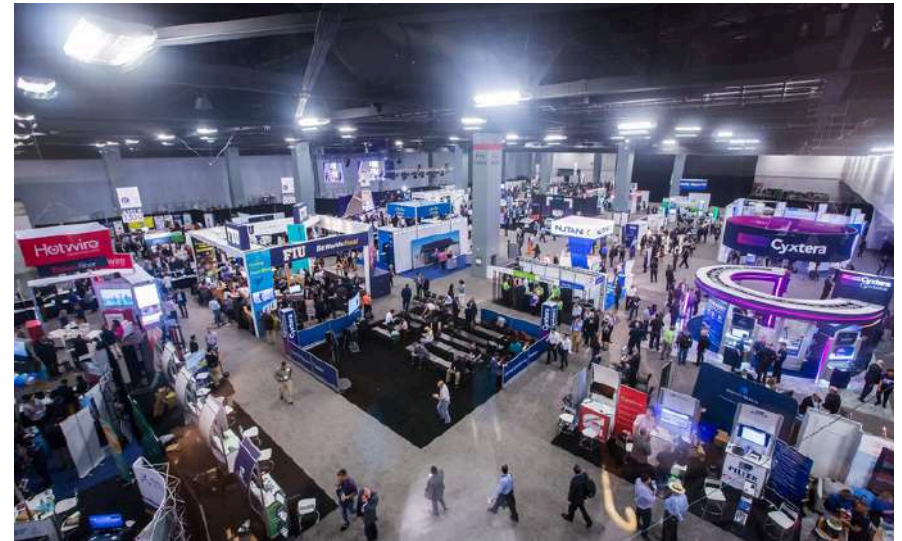
Finance and Investment Firms:

Citadel, one of the world's largest hedge funds, moved its global headquarters from Chicago to Miami in 2022, marking a significant shift in the city's corporate landscape. Citadel's relocation is indicative of a broader trend of financial services companies moving to Miami to benefit from lower taxes and a business-friendly environment.

Other prominent financial firms, such as Blackstone and Goldman Sachs, have also expanded their presence in Miami, further increasing the demand for high-end accommodations for executives, clients, and conference attendees

Tech Sector Growth

Miami is rapidly emerging as a tech hub, attracting tech startups and venture capital firms. Initiatives like eMerge Americas, a technology conference that positions Miami as the tech gateway to Latin America, bring thousands of tech professionals to the city each year. The growing tech sector is creating a steady stream of corporate travelers, especially during tech conferences, product launches, and investor meetings



International Trade and Shipping

Miami's proximity to Latin America and the Caribbean makes it a vital hub for international trade, particularly in industries like logistics, import/export, and shipping. PortMiami, the "Cargo Gateway of the Americas," plays a significant role in driving corporate travel, as international businesspeople visit Miami for trade negotiations, conventions, and maritime conferences

EVENT DEMAND

139 NE 1ST ST | MIAMI, FL

Conferences and Conventions: Downtown Miami's reputation as a convention destination has grown significantly, with major venues like the Miami Beach Convention Center and James L. Knight Center attracting large-scale conferences, conventions, and trade shows. These events, which often bring in thousands of attendees, create strong demand for hotel stays, particularly in the midscale and upscale market segments.



Art Basel Miami Beach:

Art Basel, held annually in December, is one of the most prestigious international art fairs, attracting collectors, artists, and art enthusiasts from around the world. Art Basel brings more than 80,000 visitors to Miami each year, many of whom book upscale hotel accommodations for several days. The event generates significant demand for luxury hotels in Downtown Miami



Miami International Boat Show:

The Miami International Boat Show is another large-scale event that attracts tens of thousands of visitors annually, many of whom stay in Downtown Miami hotels. The event appeals to affluent travelers and business professionals in the marine industry, further boosting demand for high-end accommodations

Conferences and Conventions: Downtown Miami's reputation as a convention destination has grown significantly, with major venues like the Miami Beach Convention Center and James L. Knight Center attracting large-scale conferences, conventions, and trade shows. These events, which often bring in thousands of attendees, create strong demand for hotel stays, particularly in the midscale and upscale market segments.



Miami Music Week and Ultra Music Festival:

Held in March, Miami Music Week and the Ultra Music Festival draw hundreds of thousands of electronic music fans and industry professionals. These events create a spike in demand for hotels, particularly in the midscale and upscale segments, as visitors seek proximity to downtown's nightlife and event venues. Many hotels offer special packages and promotions to cater to attendees during this period



Formula 1 Miami Grand Prix:

Launched in 2022, the Formula 1 Miami Grand Prix has quickly become one of the city's marquee sporting events. Held at the Hard Rock Stadium, this event brings an international crowd of motorsports enthusiasts to Miami, many of whom seek premium accommodations in Downtown Miami for its proximity to nightlife, restaurants, and cultural venues

BRIGHTLINE

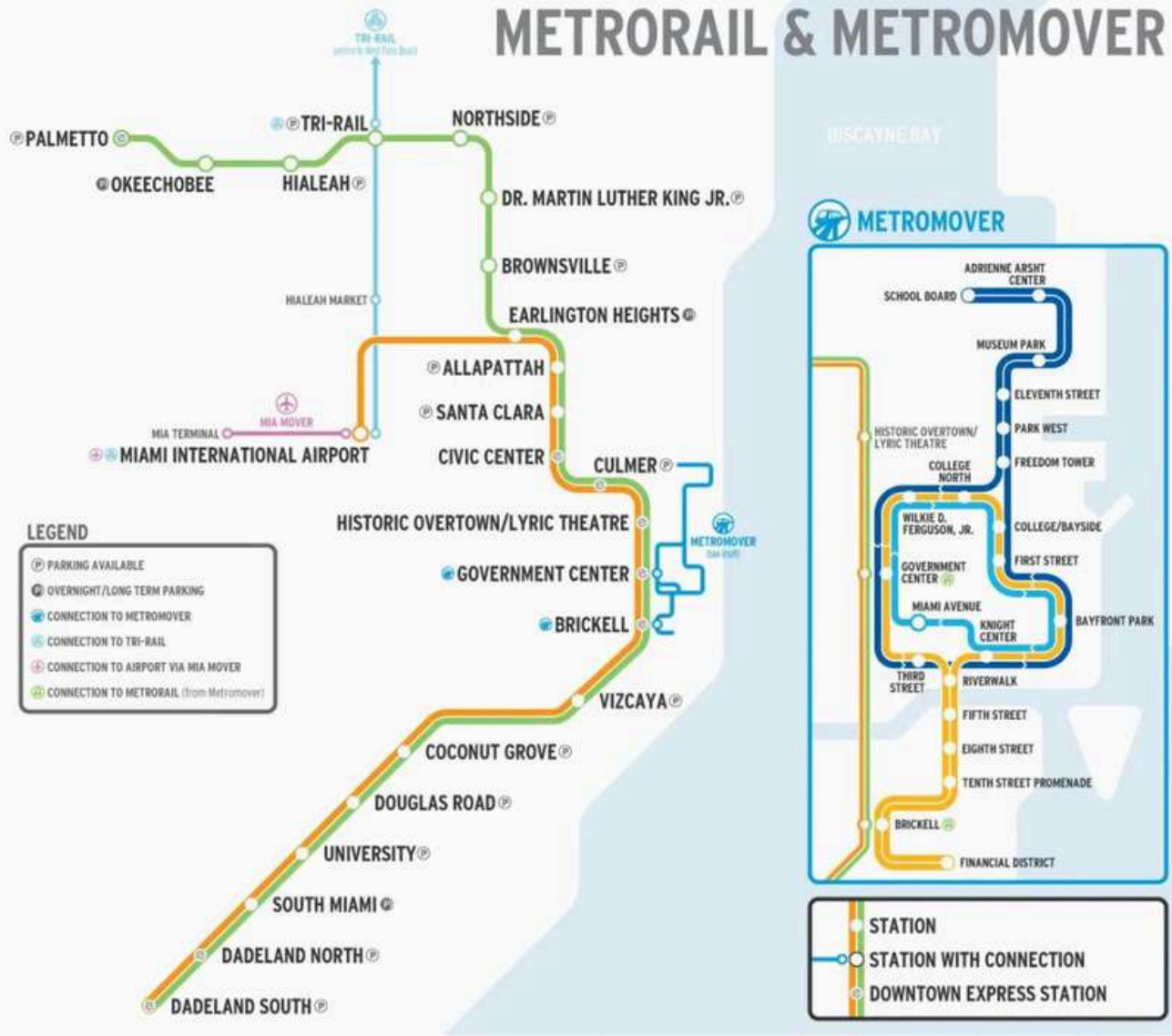
139 NE 1ST ST | MIAMI, FL

The Brightline is a high-speed rail service that connects several major cities in Florida, including Miami, and its MiamiCentral Station is located in the heart of Downtown Miami. This station provides excellent access to key areas like the Kaseya Center, popular museums, and multiple public transportation connections such as the Metrorail, Metrobus, and MetroMover

In 2024, Brightline continues to expand its reach, especially with the newly opened service to Orlando, which has significantly boosted ridership. Brightline reported 2 million riders in 2023, with ridership expected to grow even further this year. The MiamiCentral Station plays a vital role in this expansion, offering passengers an efficient way to travel between South Florida's business districts and tourist hubs. Brightline's Miami station makes the surrounding areas even more appealing for development, especially for hotel investors, as the convenience of high-speed rail directly linking Downtown Miami to other major cities enhances the region's accessibility and attractiveness to both tourists and business travelers.



METRORAIL & METROMOVER



The Metromover is a free, automated people mover system serving Downtown Miami, Brickell, and the surrounding areas. Spanning 4.4 miles, the Metromover system connects 21 stations and operates in three loops: the Inner Loop (Downtown), the Brickell Loop, and the Omni Loop. It is a highly convenient mode of transportation for residents, workers, and tourists, with trains arriving every 90 seconds during rush hours and every 5 to 6 minutes outside of peak times.

As of 2023, Metromover carries approximately 6.98 million passengers annually with an average of 21,900 daily riders. It serves as a critical connector to key areas such as Bayside Marketplace, Brickell City Centre, and the Adrienne Arsht Center for the Performing Arts. The system is also connected to other major transit systems like the Metrorail and Metrobus, offering seamless transit options throughout Miami.

The Metromover's free service and frequent connections to major office buildings, retail centers, and cultural attractions make it a valuable asset for businesses and hotels, enhancing the overall appeal of Downtown Miami as a prime location for development. Additionally, a \$153 million overhaul of the system is underway to ensure improved reliability, reduce service disruptions, and extend its lifespan.

www.miamidade.gov/transit 311 (305.468.5900) TDD: 305.468.5402

MiamiDadeTransit @IRideMDT @IRideMDT MDT TRACKER / MDT TRANSIT WATCH

Unofficial Map by Peter Dovak
pdovak.com

07

DEMOGRAPHICS



DEMOGRAPHICS

	2 MILE	5 MILES	10 MILES
MEDIAN AGE	38.3	40.5	41.9
MEDIAN HH INCOME	\$92,150	\$83,219	\$84,256
MEDIAN PROPERTY VALUE	\$482,303	\$454,805	\$424,737
EMPLOYED POPULATION	164,807	837,132	786,743



\$92,150
MEDIAN HH
INCOME



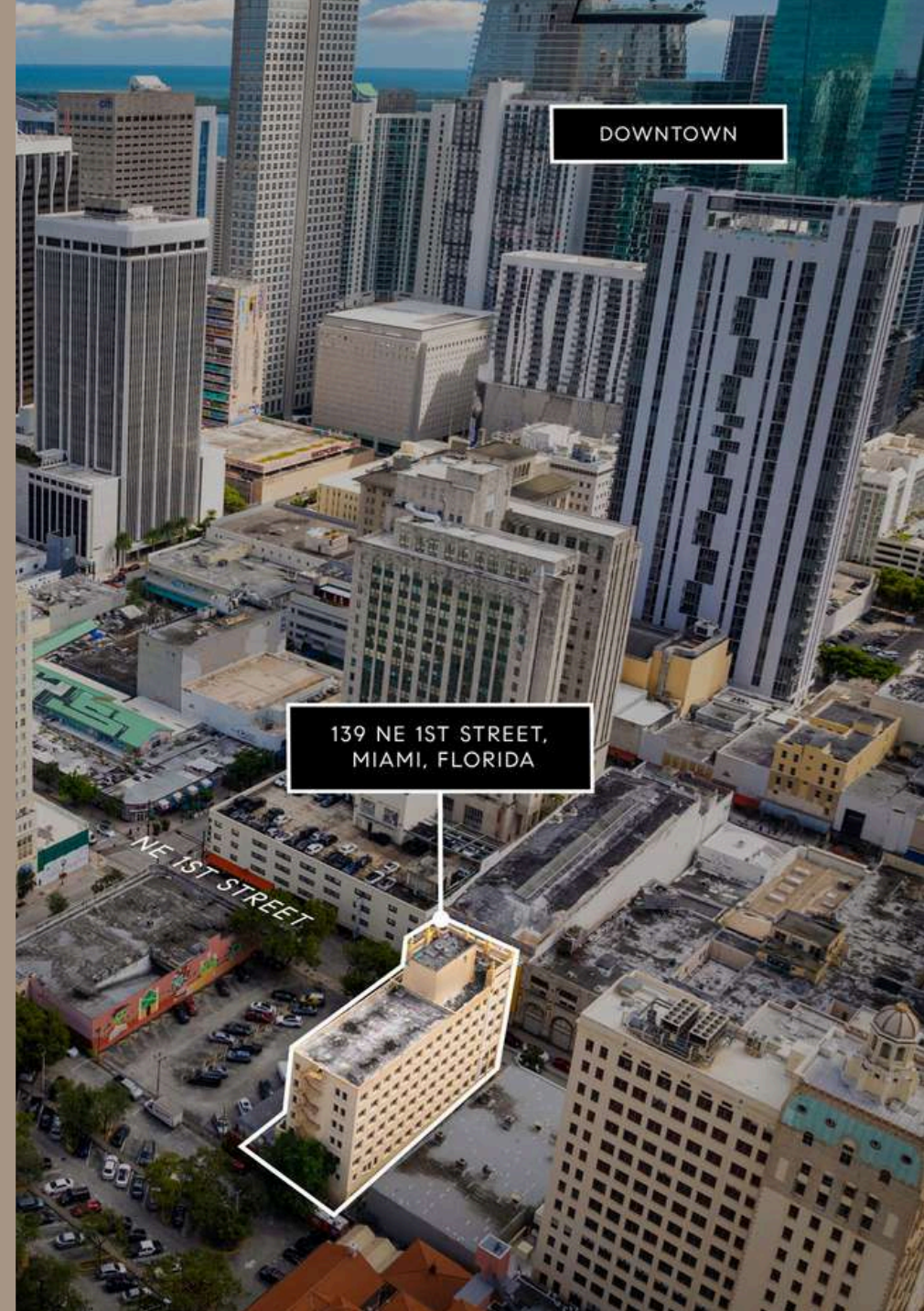
\$482303
MEDIAN
PROPERTY VALUE



164,807
EMPLOYED
POPULATION



38.3
MEDIAN
AGE

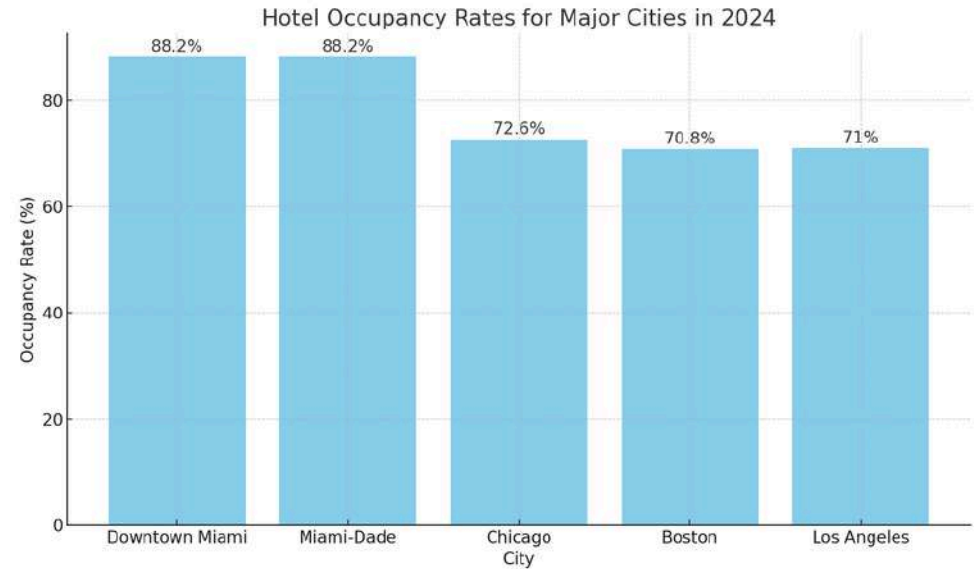
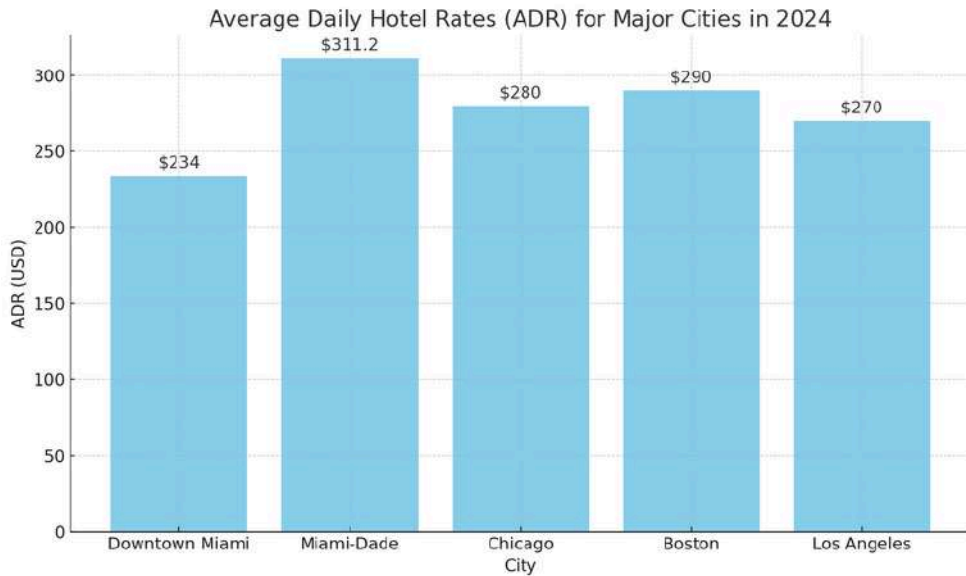


08

MARKET OVERVIEW



Downtown Miami is currently experiencing a dynamic shift in its hotel market, characterized by both robust demand and significant new development. As of early 2024, Miami-Dade County stands out as the highest-performing hotel market in the United States, with an impressive occupancy rate of 88.2% for the week ending February 24, 2024, marking a nearly 3% increase year-over-year. The region's performance is bolstered by a thriving tourism sector, driven by major events, cultural attractions, and the city's vibrant nightlife.



Key Performance Indicators:

- Average Daily Rate (ADR): In February 2024, the average daily rate for hotels in Miami-Dade dipped slightly to \$311.20, compared to \$313.65 the previous year. This minor decline reflects competitive market conditions
- Revenue per Available Room (RevPAR): Despite the drop in ADR, RevPAR increased to \$274.44, showcasing a 3.7% year-over-year growth. This indicates strong revenue performance, driven by high occupancy levels.

Occupancy Trends:

Downtown Miami is seeing an increase in demand, with occupancy rates expected to reach 75.1% in Q2 2024, a notable 10.1% increase from the previous year. This growth is largely driven by corporate and group business travel, which is projected to rise by 21.65% compared to 2023

Average Daily Rate (ADR) Growth:

The average daily rate (ADR) for hotels in Downtown Miami is projected to increase to \$258 in Q2 2024, up by 7.9% compared to Q2 2023. Luxury and upscale properties are expected to benefit the most, with ADR figures for premium segments such as Bar/Rack rates expected to exceed \$323 during peak months.

Revenue per Available Room (RevPAR):

RevPAR, a key performance indicator in the hospitality industry, is also expected to grow significantly. Forecasts show a RevPAR increase of 18.8% for Downtown Miami in Q2 2024, reaching \$194. This is a strong rebound compared to 2023, when a surge in new hotel supply put pressure on rates and occupancy

Demand Drivers:

Corporate and Business Travel: Miami's growing appeal to businesses—especially as companies like Citadel relocate to the area—continues to fuel corporate travel demand. Corporate negotiated rates are expected to increase by 5.7% in 2024, indicating a strong recovery in business-related stays.

Tourism and International Visitors: While international tourism has not fully returned to pre-pandemic levels, Miami remains a top destination for leisure travelers from both domestic and international markets. The city's status as a gateway to Latin America and its vibrant cultural scene draw millions of tourists, adding to hotel demand.

Supply Growth:

The increase in supply has tempered some of the market's pricing power, with over 2,200 hotel rooms under construction and expected to open between 2023 and 2024. While this influx of new rooms is exerting downward pressure on occupancy rates, the long-term demand for upscale and luxury accommodations continues to grow, particularly with major events like Art Basel and Formula 1 drawing visitors.

In summary, Downtown Miami's hotel market is poised for continued growth, with rising ADRs and strong demand from both corporate and leisure sectors despite increased competition. Investors and developers can expect steady improvements in market performance as demand catches up with the new supply of hotel rooms.



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