

MIAMI-DADE COUNTY

Negotiations can begin on Miami MLS stadium deal after ethics question answered

BY JOEY FLECHAS AND

ROB WILE

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Rendering of the proposed soccer complex near Miami International Airport.

Let the negotiations begin.

Miami administrators will now begin hashing out the details of a 99-year property lease with Jorge Mas, [chairman of MasTec](#) and one of the investors in Miami's Major League Soccer expansion team, after Miami-Dade ethics officials gave the city the green light Wednesday.

The county ethics commission sent a letter to the city Wednesday morning advising the issue of incomplete lobbyists' registrations had been resolved.

Jose Arrojo, executive director of the [Miami-Dade Commission on Ethics and Public Trust](#)

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The complaint remains open, but the city can begin negotiating the lease for land that will include the stadium and a commercial complex of hotels, retail and office space under the broad terms approved by voters in the November referendum.

Now the city will negotiate with a company that is solely owned by Mas, a fact [first reported by the Miami Herald](#) last week. The disclosure revealed that Mas was the sole owner of the corporation formed to negotiate the lease, Miami Freedom Park LLC — the company listed on the November ballot question. David Beckham, the soccer star and longtime face of the effort to bring MLS to Miami, is not listed as a principal in the business entity that would hold the lease on Melreese.

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Beckham, Sprint chairman Marcelo Claure, SoftBank CEO Masayoshi Son and Mas' brother, Jose Mas, all own stakes in a different corporation, Miami Beckham United LLC, that owns the rights to field an MLS team in Miami. Under MLS' structure, the league owns the teams and investor groups own the rights to operate teams.

Multiple Miami commissioners and administrators did not know the distinction between the corporations involved in the proposal when a majority of the commission voted to hold the referendum, [which passed with 60 percent approval in November](#). Voters approved bypassing the normal competitive bidding process in order to quickly negotiate a lease with Mas.

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The lack of clarity on who owns what upset Commissioner Manolo Reyes, who voted against putting the question on the ballot. Reyes told the Herald Tuesday he was under the impression that Beckham, Son and Claure were all partners on the whole deal, including the development of the city's real estate.

"That's why I voted against it. There was no transparency," Reyes said.

Reyes emphasized that Beckham himself was a high-profile advocate at City Hall in July [when commissioners were considering holding the referendum](#).

During a Spanish-language radio appearance Wednesday morning, Commissioner Joe Carollo said he was under the impression that there was a group behind the Freedom Park proposal.

"When this came out, I was surprised," Carollo told journalists at Actualidad Radio 1040. He added, though, that he felt the most important factor going into the negotiation was if the facility could be developed as promised and if the group could pay fair market value for the land.

Commissioner Willy Gort, who represents the district that includes Melreese and also voted against the referendum, was also unaware of the ownership arrangement. But he felt the bigger issue was the waiving of competitive bidding without properly presenting the details of the proposal to the community.

He said he's had concerns since the beginning, and he has not seen anything so far that would convince him to vote in favor of a lease.

"It's a hell of a real estate deal," he said.

Reyes echoed David Winker, the Miami resident and attorney who filed a complaint with the ethics commission over the lobbyist registration issue. Winker maintained that not disclosing the ownership structure of the group doing business with the city left the public in the dark about who's behind a massive lease of public land.

On Wednesday, an attorney representing Mas told the Herald that Mas is contractually bound to include Beckham and the other team investors in the ownership of Miami Freedom Park later on. [Attorney Richard Perez](#) said Mas' sole ownership of Miami Freedom Park LLC was a "corporate formality" and that Mas will be required to share opportunities such as the Freedom Park deal with his MLS partners.

Those disclosures were made late last week after pressure from the ethics commission and the city — disclosures that are legally required for everyone who registers to lobby but do not appear to be enforced in the city. Officials from the soccer group insisted they were being treated unfairly.

Now, City Manager Emilio Gonzalez and his staff plan to work with Mas on a document that will outline the terms under which Melreese golf course, located on 131 acres of public land next to Miami International Airport, will be radically transformed into Miami Freedom Park — a [\\$1 billion private development](#) that would include a 25,000-seat stadium in a 10-acre corner of the property that would serve as home to [Club Internacional de Fútbol de Miami](#), or Inter Miami.

Last year, in the run-up to a ballot question asking voters to endorse the framework of a lease, lobbyists and principals behind the soccer team failed to disclose the ownership of the company that would lease 73 acres of the property for a soccer stadium, soccer fields, and commercial complex of hotels, retail and office space. The group has pledged to redevelop a portion of the land into a 58-acre public park.



Partners of the Inter Miami MLS team Jorge Mas and David Beckham, exchange a “fist bump” during the announcement of the team last January.
Miami Herald

Perez emphasized the current arrangement is temporary; there is no lease yet, and therefore no tangible business interest to share with the other investors. Perez said all team investors have “an absolute interest” in Miami Freedom Park, and that Mas has taken the lead because of his and his family’s lifelong connection to Miami — he’s the son of Jorge Mas Canosa, founder of infrastructure giant MasTec and notable Cuban exile who carried major business and political clout, particularly as chairman of the Cuban American Foundation.

The estimated \$1 billion price tag on the development of Miami Freedom Park would likely be split along the lines of the investors’ stakes in the team: Claure owns a 37.5 percent stake; Jorge and Jose Mas together own 37.5 percent; Son owns 15 percent; and Beckham owns 10 percent.



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Soccer legend David Beckham celebrates his election victory to bring a soccer team to Miami

By [Charles Trainor Jr.](#) 

Making a deal

The commercial aspect of the deal has drawn criticism that the soccer group is now in position to get a sweetheart real estate deal from the city. Mas has countered that the proposed rent structure is fair and based on two independent appraisals of land that is contaminated. Voters approved a rent plan that entitles the city to either the fair market value of an annual lease as determined by two independent appraisers (\$3.6 million annually), or 5 percent of gross rent revenue collected from tenants at the site.

Mas would also be on the hook for an estimated \$44 million in city, county and state taxes, and he has pledged to cover the cost of environmental remediation — [Melreese was built on land where the city used to dump ash from an old municipal incinerator](#). He also has pledged to pay for every penny of infrastructure work required to prepare the site for development. This includes underground infrastructure, utility work, road improvements and a pedestrian bridge over the Tamiami Canal to connect the park to the Miami Intermodal Center.

On Wednesday, Gonzalez, the city manager, said he expects to hold Mas to his word and to see the overall monetary benefit to the city “increase substantially” by the end of the negotiation. Carollo has also stated he expects a lot more money to the city before a deal is signed.

“My expectation is the Mas group is going to pay for everything,” Gonzalez said. “If at any point the soccer team comes back to the city and says they need \$10 million for whatever, it’s a deal breaker. It has to be a deal breaker.”

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Gonzalez said the city is considering hiring a consultant to assist city administrators with the negotiation.

Even once a lease is drawn up, it would require approval from four of five commissioners. With Reyes and Gort opposing the project, it could be a long shot.

Mas remains confident. He told the Herald he remains fully committed to realizing the Miami Freedom Park plan, which he

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The city of Miami voters spoke loud and clear in overwhelming fashion, he said. And no matter the delays or obstacles we will deliver this project to our residents.”

Gort’s seat on the commission will be open during this November’s city elections because he is term limited. Reyes is running for re-election. The Freedom Park plan will likely be a campaign issue if a lease is not approved before the vote.

When asked if he’s considered waiting to bring a lease to the commission when at least one new elected official will be in office, Mas suggested he wants to work as fast as possible — but he intends to stick around if a lease isn’t ironed out quickly.

“We have instructed our team and lawyers to ‘GO’ and bring this before the commission as soon as possible with the exact deal and benefits voters approved,” Mas said. “We fully anticipate that the commission will listen to the voters and residents, but reiterate we are in this for the long haul if necessary.”

**JOEY FLECHAS**

Joey Flechas covers government and public affairs in the city of Miami for the Herald, ranging from votes at City Hall to neighborhood news. He won a Sunshine State award for revealing a Miami Beach political candidate’s ties to an illegal campaign donation. He attended the University of Florida.

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Rob Wile covers business, tech, and the economy in South Florida. He is a graduate of Northwestern’s Medill School of Journalism. He grew up in Chicago.

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**Peter Ehrlich**

There are so many red flags. Public officials should be creating more public parks. They should NOT be destroying an existing public park. So no City officials knew one billionaire would own 100% of the proposed new corporate entity lobbying to get a 99 year lease on 73 acres of public park land? Will this become another Marlins Stadium disaster? Taxpayers are out over \$3 Billion on that 2009 scam.

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