

**City of Coral Gables City Commission Meeting**  
**Agenda Item H-3**  
**May 13, 2014**  
**City Commission Chambers**  
**405 Biltmore Way, Coral Gables, FL**

**City Commission**

**Mayor Jim Cason**

**Vice Mayor William H. Kerdyk, Jr.**

**Commissioner Pat Keon**

**Commissioner Vince Lago**

**Commissioner Frank Quesada**

**City Staff**

**Interim City Manager, Carmen Olazabal**

**City Attorney, Craig E. Leen (Absent)**

**Assistant City Attorney, Bridgette Thornton**

**City Clerk, Walter J. Foeman**

**Deputy City Clerk, Billy Urquia**

**Director of Economic Sustainability, Cindy Birdsill**

**Public Speaker(s)**

**Barry Abrahamson, Consultant for the City**

**Willy Bermello, Developer**

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H-3 [Start: 1:28:40 p.m.]

Discussion regarding request for proposal for the City owned garages 1 and 4 on Andalusia Avenue.

Mayor Cason: We are going to move to Item H-3 since we have some people whose time is very valuable as is ours, but let's move to – this is the proposal moving forward on City-owned Garages 1 and 4.

Interim City Manager Olazabal: We are going to have a discussing regarding the draft proposals for the RFP for Garage 1 and Garage 4. Cindy you can come forward.

Ms. Cindy Birdsill: Good afternoon. So you have the draft RFP that is being presented, we know that the Commission asked us to come back and have a discussion about this before we finalize it. We do have Barry Abrahamson here, who is our consultant, who works very hard to put this together, so he is here to answer any of your questions as well.

Mayor Cason: OK. Come on up.

Mr. Barry Abrahamson: Barry Abrahamson, President of Abrahamson and Associates. I'm very pleased to be here. I'm given to understand that I'm not going to make a presentation; I'm just here to be a resource if you have questions.

Mayor Cason: Do you think you can run through your memorandum, your points you think we should discover, so that the audience that's watching and doesn't have this could...

Mr. Abrahamson: Sure. Staff requested that I prepare a memo on a couple of points that had come up as Commissioners were reviewing the draft RFP. The two issues were whether all of the public parking should be located on the Garage 1 site and Garage 1 is the parking garage between Salzedo and Ponce, and the RFP as drafted basically calls for all of the public parking to be located on that site, or whether there should be some public parking that should be on the Garage 4 site. There is currently 354 spaces in the Garage 4 between Salzedo and LeJeune and I believe there is 282 in Garage 1, and it was considered more efficient generally to relocate all the public parking into the Garage 1 site. So that's one question, and then we'll talk about that momentarily. The second was whether we should be allowing a sale of the garage for parcel which is conceived of it being purely for private development?- or whether we should stick with the previous habit of the City, practice of the City, which is to only land lease parcels for development and a sale is only an option?- it certainly could be leased or sold, if that's the way the RFP is drafted, but there may be a desire to pull back from that sale option and we'll discuss that. So first, just running through the memo and trying to be even more brief than I was in the memo, on the subject of whether all of the public parking should be on the Garage 1 site versus requiring some of it on Garage 4. The factors supporting locating all of the public parking on the Garage 1 site are that excluding the public parking component from Garage 4, would result in there being at least one parcel that the private sector would consider a nice clean 100 percent private project without being encumbered by the public use, and I should note also as background on that, that transfer of development rights between the two parcels is something that should be allowed under the City's land use regulations. Certainly, I think there would be some authorization required for that, but there is a continuity of parcels given that there is public ownership of the Miracle Theater and the street in between the two so there would be unity of parcels, so that would allow all the transfer of development or all or most of the TDR to be on the garage for site, nice clean site, no public use, that would be one reason for doing that. A

second reason would be that to the extent that the Garage 4 site can be reserved for private use, it maximizes the chance that the combined development rights from both sites can be fully or substantially utilized on that one site, and by doing that you avoid the complexity of having to try to mix private use on top of what would be a very large sizable public parking garage on the Garage 1 site. So both avoid complexity and also maximize the use of those development rights in a nice clean parcel and obviously the more you maximize the use of the development rights the more valuable the development project is, the more valuable the land is and the more the City benefits either from direct compensation or compensation in the form of the developer building the public parking deck funding it for the City which is the way the RFP is written. Also, I'd note that while clearly the folks on that first block from Ponce on the Miracle Mile side, businesses there value the public parking being right opposite them on that block. Garage 1 is relatively approximate and there are no paseos at least currently on that first block between Ponce and Salzedo.

Mayor Cason: And there is no way if a garage was built there that you could get through to Miracle Mile directly. You still have to walk all the way around in front of the garage down the side street and over to Miracle Mile.

Mr. Abrahamson: Right – unless somebody was to...Miracle Mile properties and connect with a paseo.

Commissioner Keon: Or the property owners or the stores would create another entrance at the back so you could access your stores also from the alley as well. So that's also a potential that seems never to have been brought up that the stores may decide to provide entry into their stores through the alley as well.

Mr. Abrahamson: They haven't done so yet, but they could.

Commissioner Keon: I know from shopping on the Mile that oftentimes you can if you say to them I'm going to run in and I want to pick up something or whatever rather than have you search for parking places if you go in that garage. You can go to the back door and pick it up. I know for all of them along there or most of them that I've ever shopped in.

Mayor Cason: But I've always found that generally the best place to find parking on Miracle Mile is that first block, you come there almost anytime, there is not much in the way of restaurants in that part.

Mr. Abrahamson: This is a good segway into the opposing reasons or factors that would support requiring some public parking on the Garage 4 site, and it feeds into obviously it would continue

providing more approximate public parking for the businesses on that first block, that's why...want to do it certainly. It would spread the traffic and utilization of the garage access and egress, instead of having everybody going into and out of one garage. You'd have it as it is now spread between two. It would offer greater convenience to public parking patrons by yielding a greater number of lower level public spaces than if you are simply having those marginal spaces up at the top of Garage 1 site, and it would also reduce what would be a very sizable number of spaces and number of revolutions to get up to that those last spaces in Garage 1. So all those are reasons clearly why it's been raised as an issue and should be considered. There is one other advantage to having some of the public parking on the Garage 4 site and that is that if as we have conceptualized the RFP currently. We are asking the developer to build the public parking on the Garage 1 site first, don't want to take both garages out of commission at the same time obviously, so that we are asking the developer to build, fund the public parking deck on garage one and then after that is complete they deal out to demolish Garage 4 and start to develop their private project. You clearly have a front loading of developer investment and to the extent that you can take some amount of that, defer it to the time when they are going to be developing their private project that has a marginal benefit that maybe mitigates some of the negatives that would otherwise be seen by the developer of having some public parking. There are some other mitigating factors that would indicate that having some public parking on the Garage 4 site might not be that bad, as long as it's not too much. One is that traversing a limited amount of public parking on the part of private users of the Garage 4 development, if they have to go through a limited amount whether that's one level, let's say, may not be so bad if you have to go through four levels of public parking to then get to your private gated entry that starts to feel a little onerous, but maybe one level not so bad, and I say maybe not so bad because there is no science to that, you know shades of gray.

Commissioner Lago: When you say one level could you give me an idea of how many parking spaces would constitute one level.

Mr. Abrahamson: You know that partly depends on how much of that foreplate is used up by vertical circulation for upper uses, but I asked that question of the parking consultant who had the City's parking study, and he said allowing some loss for that vertical circulation maybe in a range of up to 150 spaces, maybe its lower than that, maybe its 100 to 150 depending, so put it in that range. It's also possible and this is based on input from him that at one level you might find the design solution that will allow segregation of that public parking from the private parking. He didn't want to be held to that because it's kind of a tricky design, but he felt that certainly if it was more than one level to segregate it, you definitely be into some alternate ramping and that takes away capacity, it adds cost that ends up being something that you effectively paid for by lost opportunity value.

Mayor Cason: One – four or more or less would do about half of what we have right there now.

Mr. Abrahamson: Half to a third because you have 315 floor spaces, so half to a third. You know depending on the specific use program and design it's possible that, let's say, one level of parking may not detract from the possibility of accommodating all of the two sites combined development rights on the Garage 4 parcel or it's possible that if it did a little bit maybe there'd be some compensatory zoning relief that would allow another floor to, I'm not getting into whether that's what you want to do, but it's a possibility, and I played around. I'm not an architect, but I played around with what could you fit if you try and take all 315,000 square feet of private development rights and put it on this 55,000 square foot site plus the public parking within the zoning limit with the Coral Gables Mediterranean. I believe you can go up to 16 floors. You know if somebody did a, with some step-back, if somebody did a long slab, a barb, a building and it pretty much went up maybe you could have a floor of parking or maybe even two and still do that, that sort of look like the Palace maybe a little bigger. If somebody were doing let's say a two-tower approach and there were smaller towers, then you are obviously cutting into that capacity.

Commissioner Lago: Let me give you another option. I know I'm dreaming, but you never know it may work. How about subterranean parking? First floor subterranean parking as public parking and then the rest of the building for the developer, if that was the route that this Commission would want to go? I know the cost associated with subterranean parking...depends on the partner you have.

Mr. Abrahamson: You know I wouldn't rule that out and....

Commissioner Lago: And that way you avoid the waste in regards to the double helix model, the waste in regards to having another ramp, a separate ramp just for public parking for the 150-200 spaces that you would require to feed the residents and business community on the third block of Miracle Mile.

Mr. Abrahamson: It gets to an issue of tradeoffs; is the cost premium of doing the subterranean parking, how does that weigh against the value of let's say, one more level of private development?- and you know cutting toward something that I'd get at a little bit later in the conversation. You know it's pretty hard to predict with certainty and we can spend a lot of money and time trying to analyze and still not have total confidence. These kinds of calculations I think the best thing is to really set out some things that you absolutely know you have to have, some things that you absolutely won't tolerate, and then allow flexibility so that you can encourage some scenarios, so that you are seeing from the developers how much money or how

much free parking they would give you if they do it this way or if they do it that way, and then you make informed decisions.

Vice Mayor Kerdyk: I have a question for you just for clarification purposes, just so we all understand. As you very well know our Code right now is a 3.0 FAR, 3.5 Mediterranean and if you bring on TDR's it goes up to 4.2 or 4.25 – 4.25, what you are proposing?– what we are proposing, staff, not you proposing is that and we need to perfectly understand this and agree upon this is that we are talking about throwing all – everything from site 1 to site 4, which bulks the building up to close to a 6 percent FAR. Now that maybe good and everything, but we need to make sure from a legal perspective what the precedents are as far as that goes and how that affects us in the long term situation with the City of Coral Gables. I'm not even sure if I'm for bulking it up that much, but I just want to make it clear from everybody, at some point Ms. City Attorney maybe you need to, not at this point, but opine on that after you research it a little bit more to see if there is a precedent that would be set by throwing so much bulk and so much FAR into one site from another site and see how – you don't have to answer that now. When I was reading it, when I was thinking about it, I'm thinking OK, we are just going to be throwing the extra to make up 4.275, I never thought we were bulking the building up close to 6 percent from a FAR perspective, that's big, that's big.

Mr. Abrahamson: The RFP does not mandate that all of the private development would go on Garage 4, it certainly opens the door for someone to propose that, but it's very clear in the evaluation criteria that the City will be considering design and visual impact and honestly in talking about this with the City's Planning staff early on, I tried to get a sense of well, if even at the 3.5, can you fit all that bulk within the height and setback parameters that the City has, and you know the feeling was that look, that requires a level of – and also you'd have to look at how much vertical space are you using up with parking?– if it were residential or office that has different parking implications, its residential it's one thing if they are 1,000 square foot units another thing if they are 2,000 square foot units in terms of how many cars, how many levels is being used by parking. So there has been no determination made as to within your very carefully crafted zoning regulations that do try to get at not having overwhelming buildings, whether you could fit all these transfer development rights onto that one site, but the goal was to maximize the potential that as much of it could be used on that site as possible and also not ruling out the possibility that a developer might come in and say, you know what there is a 6 or an 8 level garage on Garage 1, but I have a use that could make sense to go above that with some additional private parking to serve it, possible. We are trying not to rule anything out, we are trying to let the market show us their creativity and ideas and get us to a point where we can understand the tradeoffs financially and aesthetically, as well as all the rest.

Mayor Cason: I want to ask Cindy up to now have we gone to any developers on this first item?- get any sense from the market?

Ms. Birdsill: Yes, we've spoken with a couple of developers and I think generally the thought was as Barry mentioned, if it's a relatively small amount of public parking, that it wouldn't deter them from wanting to develop the property, and we have developers who are interested in looking at all of these different scenarios we are talking about.

Commissioner Keon: I understand that your desire, your desire for flexibility and for efficiencies and whatever else, but you know as a government and we have a public responsibility there is an issue of effectiveness here also, and I don't know that I necessarily want to give someone the opportunity to build what we would consider to be a very bulky and very massive building, I don't frankly, I'm not prepared to do that. This is not a private....have gone out and said, you know we want to make the most money we can from the development of this particular parcel. We have an obligation to maintain to effect massing in our community and to not create canyons and to do a lot of other things that I think as a public body we have a responsibility to our community. So part of my problem with this RFP is that I think there is too much flexibility in here. It's almost like just tell us what you think you could do with this land, and you know I think that there are some parameters that we should set. Tell us what you can do with this within these parameters. We don't want to see this, we don't want to see that, you know I think we want to see there is a thing in here whether it's between 750 or 1,000 parking places. Well you know what?- if we need 1,000 parking places I want it to be 1,000 places, if 750 is what we need, then I want it to be 750, but I don't want you to say to me you know that we actually decided it was 1,000, but if you can give us 750 and it makes a better deal for you, the private developer, that's what we are going to do. I don't want to see that. I don't want that in a document. I want to know if we need 1,000 spaces, I want 1,000 spaces. You know I think that we – I know I strongly support there being public parking in the 300 Block of Miracle Mile, and how much parking we need...

Commissioner Quesada: You do or you do not?

Commissioner Keon: Pardon me?

Commissioner Quesada: You do or you do not?

Commissioner Keon: I do.

Commissioner Quesada: OK.



Commissioner Keon: I do think we need to have – I think it hurts that section of the Mile not to have any approximate parking to them. All the other blocks have some parking approximating those blocks on the Mile. I think it's in our best interest to try and provide that to them, if we can and I don't see that there is any reason why we can't, and I think then that's what we need to decide, is it for each one of those. I don't know how many businesses along there, I don't know how many stores, do you allocate five stores, I don't know how you allocate parking spaces, you can tell me better than I can tell you that, so is it 100 spaces we need?- is it 200 spaces we need?- is it 150 spaces we need?- before this RFP goes out I would rather we make some determination as to one, whether we want parking on the 300 Block and how much parking do we want on the 300 Block?

Commissioner Lago: You want to solidify a number and not just have some arbitrary number that's been thrown around, is it 150?- is it 200?- is it 300?

Mayor Cason: Is it possible for us to do a survey of the people in the garage across, the one closest to, is that one...

Commissioner Keon: The one by Publix is the 300 Block.

Mayor Cason: Do a survey of the people that park there in a day or a week, where are you going?- find out how many of them are actually parking on the first block on the 400 Block of Miracle Mile.

Commissioner Quesada: Mr. Mayor, that parking garage is always full. I parked there this weekend and I had to wait in line to get a spot.

Mayor Cason: Were you going to Miracle Mile?

Commissioner Quesada: I was going to Miracle Mile.

Mayor Cason: So the supposition that everybody there, there is no other place other than maybe Publix.

Commissioner Lago: And you can't park in Publix because they would immediately remove you.

Commissioner Quesada: Look there are other things that you can do. You could park behind the Tarpon Bend, you have the Museum Garage, there are several garages, but to get to that area of Miracle Mile really isn't much.



Mayor Cason: So your supposition is almost anyone that parks there is going to Miracle Mile?

Commissioner Quesada: You know what happens?- we have a lot of people – Houston's, Hillstone, we all know this, we drive by any time of the day any time of the week and there are a lot of people there. The idea is, OK, maybe you go out to Houston's, but if you park in that area at the 300 Block or Garage No. 4, you walk by all those stores and you give them opportunity to experience the foot traffic. I have a few questions for you, how limiting is it for us, if we added parking there, because obviously I believe on page 3 of this draft report and the way I see it the first 12 pages of this document are the substantive portions that really concern me, the procedural aspect. I'll leave that to our Procurement Department and yourself. You say page 4, B-1, Garage 4 site shall be available for private development without any requirement for parking beyond that required to serve the uses in that project. When you say required to serve the uses in that project, you are saying just private parking no public parking, am I interpreting you correctly?

Mr. Abrahamson: That was the direction.

Commissioner Quesada: How limiting in your experience in writing these RFP's and dealing with this, how limiting is it for a developer, are we turning off developers?- I'm of a different opinion than Commissioner Keon, I think we should leave it very flexible, let's see what comes in and then we make decisions from there. In this RFP, maybe we put in additional information saying that we are not looking for "Big Box", we are looking for unique design that's going to enhance the character of our City along the lines of what you see within our City. So again, I want to be very flexible in the sense that I don't want to limit anyone, let's just try to get something really special back there. So how limiting do you believe it will be if we require public parking on the 300 Block in parking Garage No. 4? Do you think it's really going to turn off developers?

Mr. Abrahamson: As Cindy said one level of public parking, which could be 100-150, doesn't seem to be a significant issue, OK. I think we can say that with confidence that that's not going to mess things up very much. If you said, well look we want to have 300 spaces there, so it's going to be two levels or maybe more. You know it's very hard to say definitively what that cost the City, what's the price tag of doing that? Now you may feel, and I started off by saying you know, we can write this RFP with whatever parameters the City Commission directs, and if there are things that you absolutely know as a City you want or just won't tolerate then that's really good to say that...

Commissioner Keon: It should be in the RFP.

Mr. Abrahamson:...you don't want to have people proposing things that then you just going to turn around after all that effort and say, well we didn't want that anyway. No that's not a good situation, but all that stuff in the middle where I'm saying, look let's allow flexibility that isn't to allow flexibility for a developer to do whatever they want. Let's allow flexibility to see alternate proposals either by different developers or maybe an individual developer saying, well here's what I can pay you, if I do one level on this site, and here's what I can pay you if I do two levels, and then you can make an informed decision of, is it worth it to you to have that extra level of parking on the Garage 4 site, but if you knew from the start that look, one level just won't do it, you've got to have two levels, then let's say it; and the issue about the 750 versus 1,000 spaces, that was coming from the standpoint of you have 636 spaces between the two garages currently, you are going to lose 70-something spaces on the street. So that gets you a little over 700, and so for replacement with a small cushion that got us to a round number of 750. The 1,000 was a bigger round number, no magic to it, just a bigger round number, and the question of whether you go for 750, 1,000, or something between is how much cushion to accommodate future growth you want to have?- and there is no scientific answer to that, the City's parking consultant did not say, you have to have 1,000 or 900, and the factors that really come into it are the parking supply and the cost, and the direction that we were given by the City Manager at the time, Pat Salerno, was that the City did not want to go out of pocket to pay for the public parking. They wanted the private development to fund the public parking, and I said look, I can't tell you for a fact that these development rights will have a value that is equal to or greater than the cost of the public parking, especially with the up front, front loading.

Commissioner Lago: That's why I spoke with the Interim City Manager right now and I know the Commission shares the same sentiment; we are waiting for an appraisal on both properties right now to see what the value is. I'm not going to cut any deal with anybody, with any developer if I find out that that property Garage 4 is worth a lot more than what I can build my own parking garage for, but that I sell it and keep the proceeds to invest it in our City.

Mayor Cason: Where are we within the process?

Commissioner Lago: That's another thing, but I mean, if we are going to talk about dreaming like I mentioned before about underground parking and our wish list, let's wish, let's wish that we cater lever or over the Miracle Theater, I've heard from a lot of individuals that that site is extremely tight, Garage 1, let's cater lever over the Miracle Theater, we own it, we'll request that the proposed developer harden the existing Miracle Theater property. If we are going to go that route, if we are going to start making requests I think if we are able to cater lever we own the air rights as a City, we can tie that into Garage 1 project and make the project even more attractive, but when you say 1,000 parking spaces is just a number, an arbitrary number, I get a little bit concerned; I get concerned because I'm not a parking expert.

Ms. Birdsill: 2,000 spaces were in that parking study.

Commissioner Lago: I read Tim Haas' study, I got it, but I want to be 100 percent sure because when I walk on the Mile and I run into the street vendors, not the street vendors, but the owners of the Mile or the people who are holding the lease, they come to me and say, please do not take away my parking, because I need that foot traffic, people are not going to park all the way at the end of the Mile and come walking my way.

Mayor Cason: Any idea when we are going to get an appraisal?

Ms. Birdsill: It would probably be about another 3 more weeks, they are working on it, and Barry can elaborate more on this, but the appraisal isn't really going to tell us the value of what the developers are going to tell you. You will just get an idea of the value. From our initial discussions there is not a big windfall in value on that compared to the cost of building a garage, but we'll see what they come back with.

Mr. Abrahamson: Let me just respond to a couple of points if I can keep them in order. First off that 1,000 space, there is nothing scientific, people pick a number like 1,000, but generally it was a number that the parking consultant came up with saying that would accommodate a good amount of future growth. You could say you never have enough parking and want more than that, but that was giving you a good cushion about what you currently have, and the reason that we put in the RFP that's the preferred, instead of just making that absolute it's a lot simpler if you just say, we want 1,000 spaces...

Commissioner Keon: You want 1,000 spaces.

Mr. Abrahamson: Simplicity is great to use.

Commissioner Keon: In an RFP, it is.

Mr. Abrahamson: But the reason for that was that as we discussed the issue of another goal of the City which was not to come out of pocket to pay for public parking and I raised the question, well I'm not sure that based on the few land comps, not an appraisal, not a detailed evaluation I've seen, that the value of the air rights would be enough to cover 1,000, then City Manager Salerno said. Well let's allow some possibility that we can see not authorize in advance that it would 750, but get the proposal from the developer that says, OK, at 1,000 we would perhaps need a subsidy, at 750 you get it for free then the City Commission could make its decision if that was the best we could do, whether to go out of pocket for the increment, or to say, you know

what we can afford it. We don't want to spend the money we'll go with 800 spaces and still have some cushion, but if you know you need 1,000 then say it.

Commissioner Keon: The issue with that for me is, that's a policy issue, it's a policy issue as to whether you decide you want a developer to cover the entire cost of parking or we as policymakers make a decision that this is a need in our community. You know our view is not short term, it should be long term, if we are going to need 1,000 parking places then it should be 1,000 parking places. That's a policy decision, that's not a decision that should be made by the Manager.

Commissioner Lago: Does 1,000 parking spaces even fit on that space without cater lever over the Miracle Theater?

Mr. Abrahamson: Yes.

Vice Mayor Kerdyk: It does, but you get into the point – the parking study expert testified to us, you get to a point even if you double helix it where people just don't want to go up...that's something that really the parking expert should answer to us again, where is there a point where you just say, that's enough, we can't go any higher, it's 800, 900, whatever that is, and just to tag line on Commissioner, in my opinion this should be done like it's going to be there in 50 years from now and we need to if it cost a little money out of the City's pocket to make it done correctly, to put the parking on the 300 Block or do 800 spaces as opposed to 700, you need to do that. Like you said, this is a long term project and we can have this discussion of sale versus lease. If you want to have that now, but that again looks at the long term perspective, do we sell the property get the money, of course we are very prudent individuals, but maybe the next individuals are not so prudent and spend the money or get the lease and go for 75 years and then Vince's and Frank's great grandchildren can see the benefits of it, which I'm an advocate of, a big advocate of. Those are the kinds of decisions we need to make, and I agree with you, but what happens with these RFP's and Mr. Bermello can tell anybody better than anybody. You get to the point we need to act on this because there will be several people that submit and you are going to have to answer to them why are you not going to allow me to build 5.8 FAR now?- you said that in the RFP. I would really rather define it so that everybody understands...my opinion, just strictly my opinion one more time. If the City doesn't get the amount of money out of it that it would be if they build 5.8 FAR and all that, it's OK, it's OK, because we are going to get 150 spaces over there for the people parking or whatever that may be.

Commissioner Keon: And you also have to consider that you have – this is a building that's going to generate revenue, you have parking revenue, so this is not something that generates no revenue, it generates revenue.

Commissioner Lago: Which currently is one of the cheapest parking in Dade County.

Commissioner Keon: Right – I mean the parking in that garage...but it's not well priced anyway, it cost you more to park at a meter than in a garage, that's a whole different story. Those are things that I want to – and is it 1,000 need?- we can call for 800 in one building and 200 in the other, I mean whatever it is, but we want 1,000 confined parking spaces between these two.

Mayor Cason: Looking out 50 years we have to have a cushion just to replace what we've got right now, unless the cost to build another garage 20 years from now or 10 more years it would be a lot more.

Commissioner Keon: I also want performance standards for these garages included in this RFP. I think it is a travesty that we have no security in our garages, a travesty, ridiculous. The lighting in the garages are not adequate, that we don't have any sort of cameras, we have no ability to communicate with anybody in there, you have no panic buttons in there, you have nothing in those garages that exist now, that is terrible. I would like to see, I want to see safety standards and safety performance, I want to see what we need to ensure that these garages are safe, so that people are comfortable in parking in them, I want to see that included in this RFP.

Mayor Cason: Another thing that ought to be in there too. When you come in it tells you where there is vacant parking, in other words in the top floor, there is a lot of modern technology that tells you there is parking 804, 809, so that you will go up to the top.

Commissioner Keon: There is certain technology we want included in the proposal that will affect the cost for these garages.

Commissioner Lago: Let me ask you another question. Do you think that maybe like what Commissioner Keon was saying in regards to performance standards, we include the fact that it would be beneficial for the project to be LEED to some capacity?

Mr. Abrahamson: I'm sorry, would you repeat that.

Commissioner Lago: For the project to be potentially LEED? I'm asking do you think that's something beneficial? I know that the cost is usually around 3 or 4 percent of the project, but do you think that that is something that developers will shy away from, but I think the City should look at, if we are going to be delivered a product, then we should have something that's sustainable.

Mr. Abrahamson: That's totally a matter of City policy and whether you want to mandate something like that, if you value that and recognize that that...

Commissioner Lago: I'm asking my colleagues.

Mayor Cason: There are solar panels on the roof, brass...

Commissioner Keon: Even the lighting, the lighting be...I also would like to see the stairwells be ventilated, so they don't smell like urine.

Interim City Manager Olazabal: Let talk a little but about process because there is going to be two proposals, there are two stages, so this is kind of the preliminary stage where they could write a concept of what they are planning to do. There will be a second, assuming we move forward with this project, there will be a second RFP where we will be able to put more performance standards.

Commissioner Keon: But I think some of these things greatly affect the cost of the product they are going to deliver to us, so I don't want them to come along and show me this great visual whatever that doesn't include all the things we want and think that then they are going to get it. They have to know coming in that there are certain elements that are required by us in these garages and the rest, yes then I think you can have whatever flexibility and whatever else you want, but I think the things that we demand or we know that we need and have identified as being essential elements should be included in the RFP, and I'm not so sure that, you know when we decide the height of the parking garage will be somewhat limited by the number of revolutions you have to make in order to get to where you want to be. So it may not be as high as we want it to be, and I don't even know why we don't preserve, we have the ability to preserve for the City the development rights above it, because you know maybe you want a place two stories worth of office, you could put a restaurant up there and do whatever, so I don't know why we want to ensure that we are giving it to the developer for in Garage No. 4, maybe that is an element you want to keep for the garage we are going to build that also will generate revenue that helps pay for whatever is in that garage, I mean I'm not so sure about that.

Mr. Abrahamson: We are not mandating that.

Commissioner Lago: Just to go off what Commissioner Keon said, if you take a look at what the City of Miami and Miami Parking Authority has done with their latest parking garage which they opened up about 3 or 4 years ago, it's in downtown, it's next to the courthouse, they have offices on the top two floors and they have the MPA's office there, their main office which by the way it happens to be LEED also, and they've taken the remaining spaces up there. Tim Haas's office is

up there, lawyers offices, so they are having some income that is subsidizing that project, so I think that could be an option, like what Commissioner Keon said. Let's say you don't use all the floors for parking, but we use 2 or 3 floors for office space.

Mr. Abrahamson: There is certainly capacity within the buildable envelope of Garage 1, for a developer to come in even if they were building all 1,000 spaces on that site. There would be additional capacity and higher floor capacity, at least in terms of the users with good views, the negative being that someone would have to drive up and up and up than build more parking on top.

Commissioner Lago: You don't do that, you don't do that. When I go to MPA, I go to that building sometimes to meet with lawyers or architects. You can park on any floor and just go and take the elevator up.

Mr. Abrahamson: That's for the public, that's for the public visitor, the user, your public parking patron, but one thing that would be important is that any private use parking, dedicated private use parking they have to go up. You don't want to take the place of the public, but let me respond to a couple of points.

Vice Mayor Kerdyk: I need to just mention something on that particular site. We spoke, we had Mr. Haas here who was represented here repeatedly and each time he told us, if you going to build a parking garage, build a parking garage so people know it's a parking garage not something that's a mixed use because it is proven that if it's a parking garage people go to it. Whenever there is a mixed use component to it things get complicated and people start identifying that site as an office building with some parking in it. Substantial studies that he has done that says that and that's why we decided to go parking garage specifically on that site and then throw the development rights on something else, because we want people to understand that's our parking lot there, specifically our parking lot.

Commissioner Keon: But you may be able to develop an additional floor that could become City offices too, you could let the Parking Department...

Commissioner Lago: It makes a lot of sense, but just takes a ganger when you get a chance, drive by and check out this building, the MPA building, it's really nice.

Commissioner Quesada: That building that Commissioner Lago is referring to, it's right in front of the federal courthouse. You would never know that there were offices in it at all. So it's actually exactly the opposite, it goes to what you are saying. I didn't know there were offices



there until I parked in there 10 or 15 times, and I'm not disagreeing with you, but you really should check out that building because it is very unique.

Commissioner Keon: It's only one or two floors of offices. I think its two floors of offices.

Commissioner Quesada: You would never know that there are offices in that building.

Commissioner Keon: And that it generates revenue that supports...

Commissioner Lago: And the MPA has their headquarters there, so.

Mr. Abrahamson: And the RFP as currently drafted does allow that possibility of air rights, private air rights development above the public parking garage. So we welcome proposals and your ability to then weigh the pros and cons financially and otherwise of one approach versus the other. In terms of that increment between 750 and 1,000, you raised a good point that you know the parking generates revenue and that's one thing that the parking consultant has said is look, and I don't know you'd say this with certainty for the marginal spaces, because the first 750 are going to be pretty heavily utilized. The last 250 or however many plus so, because they are at the margin, but overall your parking, the net revenues after operating expenses is enough to pretty much cover debt service on public bonding and construction. So it's not like if you had to go out of pocket because the private development wouldn't pay for that last 250, it's not like you've just given away \$5 million, you are going to get revenue and that might cover it.

Mayor Cason:...parking revenue toward the debt payment.

Mr. Abrahamson: I'm sorry – yes, if you went that route with debt. A couple of other points on the parking standards. As the Interim Manager has said, this is a two-stage process and I think it's going to be very much a meaningful two-stage process, not just in terms of, Oh you do the first stage in short list, whose the best, but in terms of really getting a feeling for what people are conceptualizing and it's a real opportunity for the City to react to things. We kind of like where they are going, we don't like where they are going, or maybe even have some back and forth. Well would you consider doing this in the next stage?- and one of the things that we have thought of certainly was to put very detailed parking standards and specifications – operational equipment, all the rest. We did not do that at this point because we don't have the parking consultant under contract. We want the parking consultant to really develop sort of a state-of-the-art kind of list of specifications. We also felt that at this stage it was not going to be a huge order of magnitude issue for developers whether they responded, how they would conceptualize, we recognize that there are marginal cost involved with how exactly you do the parking, so we satisfied ourself to basically say the new public parking garage it must be designed as two-bay,

double thread, helix, but our parking consultant said it was necessary to have a reasonable number of revolutions and in all other respects for ease of use for an appeal to the public parking; and then we said when we put out the stage two request we are going to give you detailed specifications. If the City wants to authorize, and I don't get a cut of the parking consultant fees, but if you want to authorize him to do that now to come up with those specifications and we could put it in here that's fine, but we felt it could be deferred without hurting the RFP.

Ms. Birdsill: Well we are working on putting a contract together right now. There is no specific timing or magic to the timing when we bring him on board, but we were anticipating in the two-stage process that first proposals are really qualifications and with a generalized idea of what the developers might want to build then we do the short list and then it becomes a much more intensive proposal for the developers who are putting their proposals together. We'll have to see their proformers, we need to see the concepts, and that was where we were going to give them a lot more of the details such as bonding insurance, everything like that.

Commissioner Keon: I'm not concerned with bonding insurance and all those things you can take care of later, but the specifics of what you want absolutely included in these garages I think that it would be a good thing to include it. I'm not going to tell you that you need a security or safety button every four feet, but it needs to be built with the state-of-the-art safety with whatever, I don't know if its cameras, I don't know if its buttons, I don't know, whatever it is, but you know those words and you know what that going is and I think it should be included in here so that they know going in this is not a cheap garage.

Mayor Cason: And as well as the notification to people where they can park so it will induce them to go up and use the last quarter of the parking spaces. Anything else that anybody wants to put in, in terms of the...

Vice Mayor Kerdyk: I would like to add and I mentioned it one other time to bury the power lines, they need to be buried the power lines need to be buried, and certainly somebody needs to come up with a landscaping scheme on both sides of the street. I don't know how you are going to do that, but this is going to be very, very important how you deal with the logistics here, because as you may or may not know the Publix site as we've discussed many, many times is in front of DRC now, so it's moving forward expeditiously and that is going to have to coordinate logistics as far as when we, how we bring out the staging of these different sites because that's going to be another huge project right in that same area there. I'd like to hear what everybody has to say because this is a material issue. Do we want to sell, possibly entertain selling that site?

Commissioner Quesada: Bill before we get into that because that's a whole new topic.

Vice Mayor Kerdyk: Sure.

Commissioner Quesada: Can we come back where we were as other items we want to see?- I'm sorry I cut you off, that's a whole other area for me. So as far as amendments to this draft, substantive portions other than the acquisition vehicle, what I would like to see is at a minimum that there is one floor of parking, I don't think we were specific, we discussed it, the minimum of one floor of parking at the 300 Block...

Commissioner Lago: If that equates to 150.

Commissioner Quesada: So we would want to know what the number would be, is it 100 parking spaces?- is it 150 parking spaces?- and I don't even want to set that in stone because I still want to run that by some of the business owners because I'm just saying it because I want something there.

Commissioner Keon: The B.I.D. (Business Improvement District) can maybe tell us, the B.I.D. can help us with the parking, but I think somebody needs to tell us about how many spaces we need on the 300 Block.

Commissioner Quesada: OK. So then for the next meeting we'll have, Cindy if you can have find out what staff feels is an adequate number for the parking garage, the 300 parking garage, I want to see if the rest of the Commission agrees with that.

Vice Mayor: Yes – 100 percent.

Commissioner Quesada: Also on page 7, the first full paragraph you say, additional property or air rights contiguous to the offered property may be incorporated into the proposal. City is prepared to all air rights development cater leveraging up to 10 feet over the north – to the north over the public alleyway abutting each property, and also I read it in conjunction with the last paragraph on page 8, where it says the City is willing to entertain a proposal that entail unifying the two sites. I really want to promote this. I like the fact that they are in there specifically pointed out, but I really would like to see a developer really take advantage of those two provisions that you have in the proposal, so I'm not going to ask you to revise it in any kind of way, I just want the rest of the Commission know and any other individuals who may be watching today that that's something I really want to see them maximize the use of all that property we have there.

Commissioner Keon: I do too. I would like to – somebody needs to be responsible also for the refurbishing and the cleaning up of those alleys. I don't know whether you make that part of the

government or we do that afterwards, but I'd like somebody to explore that cost. I'd rather see them have to resurface and redo the alleys.

Commissioner Quesada: More importantly than that and there has been a lot of people who approached me on these RFP's, we've had a lot of conversations about them, and since I'm the representative to the B.I.D. and the Chamber we've had a lot of conversations as well and one of the ideas that's been thrown around is those alleyways essentially there should be zero experience that any kind of customer coming to Miracle Mile, there should be no occasion where an individual has to walk through an alleyway. You shouldn't see the line cooks smoking a cigarette before you walk into the restaurant on the front side. We shouldn't have that. So one of the ideas that we discussed at least in the B.I.D. is some of those property owners that own property on that portion of Miracle Mile maybe we do a long term lease with them. Maybe we purchase that property from them so that we have a nice paseo directly into that side of the Mile. That goes for both ends because it's a very unpleasant experience if you are going to get a haircut at Razzle Dazzle and you walk in by dumpsters before you go into get your hair cut, or a woman gets a manicure or those types of things.

Commissioner Keon: That there should be an opportunity.

Commissioner Quesada: Exactly. So I think we really want to promote and I don't know how we work this into the actual RFP, is a requirement that the end-user experience has in no way come into contact with the alleyways, is that fair?

Mr. Abrahamson: I don't know how you not experience the alleyway, but hopefully the alleyway experience can be better.

Commissioner Quesada: Well you know it's a perfect example, I know you worked on Merrick Park; Merrick Park if you park on the second floor in their parking lot there are stairs that come down right next to Yard House and Crave, you actually come right out of the parking lot into the middle of Merrick Park, so it's that kind of experience, you are not walking through any back alleys. I don't know how we would do it there, but put in the RFP as a desire.

Mayor Cason: Ask the developer how they might do that.

Mr. Abrahamson: Their creativity and hopefully they will come up with some good solutions, we'll give them that challenge.

Commissioner Quesada: A 99 year lease or a purchasing of a parcel on Miracle Mile to create that paseo, I think is the ideal scenario.

Commissioner Keon: Right.

Commissioner Quesada: Might not be feasible, might not be possible but that is the ideal scenario.

Commissioner Keon: I have another question. Why is this on page 7, right before zoning it says, the extent of the proposal relies on any additional private property, the commitment of that private property shall be a key consideration in evaluating the proposal. What are you looking at?

Ms. Birdsill: The Garage 4 on that same block is Keyes Realty; they have expressed interest in having their property part of the development of that site, so they would be willing to discuss that with whatever developer is selected. There is a parcel on Miracle Mile that's for sale that's right in that block as well. I don't know what the intention of that owner is, but to the extent that somebody can make the parcel better by acquiring adjacent property, I think that that would be something that we would want to consider positively.

Commissioner Keon: Right. I just thought it was interesting as you are preparing the RFP that you would already know that.

Ms. Birdsill: We know that the Keyes Realty is very interested in including their parcel.

Mr. Abrahamson: It's a fairly standard kind of provision we've had in previous RFP's.

Commissioner Keon: OK. On page 20 of this it talks about the exception to the RFP, what does that mean?- it takes exception to any of the terms of this RFP?- unless the RFP specifically states the exceptions may not be taken to a particular item. That's kind of like – I don't see anything in here that it says that you can't take exception to, so it strikes me as a free for all.

Ms. Birdsill: Well if anybody needs a variance of any type for what they are proposing we want them to make that very clear, that was the intent of that.

Commissioner Keon: OK. Then from a policy perspective, is it our intent to grant variances?- I mean and once you do does it say if you have one particular person that proposes something that requires a lot of variances but it looks great, and you have another person that's gone through the expense of proposing an RFP because the assumption is you are not going to get variances or whatever else, do you then go back out to the other proposers and say to them, oh listen, you know what, go ahead and think about variances, go back and do it again? You know what?- you

need to be getting – your RFP needs to be clear enough that you are not advantaging someone over another.

Mayor Cason: But couldn't this come out of the concept stage? You certainly want certainty when you go out for the RFP, but I understand this is two stages and the first part you are going to be bouncing these ideas on bottom line requirements and then see how they come back and at that point I would assume if somebody says, I need a variance to do this.

Commissioner Keon: But what is the cost for, Mr. Bermello, what is the cost to prepare an RFP?- what does it cost the firm to prepare an RFP?- to respond to this RFP?- what does it cost you?

Mr. Bermello: It depends on the...the requirements of the RFP...[inaudible – off mic]...

Commissioner Keon: It's a very expensive proposition. I really want to get the best pool or to get a real pool and to be able to have them be – the designs are going to differ, but the elements should be comparable. I'd like those elements spelled out. You know I don't think it's a good thing to have people proposing spending that kind of money on proposals that are going to require...whatever, and I don't think it's fair to all of the people that are proposing. I think everybody needs to be able in general to be proposing based on the similar criteria. Now what they propose that's up to the quality of the proposer, but I think that the elements should be consistent enough that everybody knows what they are proposing on.

Commissioner Quesada: Commissioner Keon specifically what would you like to add to the RFP?

Commissioner Keon: You know I want to designate the number of parking spaces, you know. I know we want to know – like Bill had said, if we want to, if we do two floors of parking, I think we need to determine that, I want to see that in the RFP; how many parking spaces we want?- public parking spaces on the lower levels for the Garage 4, and whatever number we need, but I think we need 1,000 parking places. I think we should aim for 1,000 parking spaces. We always have a great need for permit parking also, so it gives us a little cushion.

Commissioner Quesada: I don't disagree with you, I'm just not certain at this point that's why I asked for the additional information, so we can discuss it at the next meeting.

Commissioner Keon: I would like to see that. I would like to see something that alludes to the level of safety elements that we want in these garages. You know, I have a question about the ground floor use because it asks for the ground floor use for these garages to be made available for as a mixed use or whatever. I would like us to give some thought to and I would think your

Planning Department and your Development Department kind of knows what there is a demand for in this community. What do we likely to fill those ground floor spaces with?- and if it happens to be restaurants, I'd like to know that, that part of that ground floor is built up, so that they can accommodate a restaurant, because we know that there are a lot of requirements by restaurants that are not requirements by a boutique. So I want us to give serious thought to that because we want a tenant that's going to be – we want a tenant that's always going to be there and restaurants seem to come and go so there are elements that when you build into the development are not as expensive as if you cannot go back and add them later, you can't do it, so I'm asking you, should we build out a portion of that garage to accommodate restaurant space?

Ms. Birdsill: From my department's point of view I think that some of the restaurant space with the City Manager right now has been more challenging than straight retail spaces. I also would love to have the Commission consider whether you'd want to have a non-profit use on the first floor. There are several non-profits looking for space...

Mayor Cason: Miami Jazz Cooperative has been looking for years.

Ms. Birdsill: Who?

Mayor Cason: Miami Jazz Cooperative for example.

Ms. Birdsill: And the Spanish Cultural Center would like to come back to the City, so there are easier uses than managing a restaurant that would just be my personal preference.

Commissioner Keon: OK. Well now I'm asking you. I want something that's going to be full and it's going to be rented and we are not always looking. So do we do this?- I'd like you to consider that before we come out, do you want it built in?- is it built in, if its built in at the time it doesn't preclude the use of other things but it will likely not be able to be built in.

Commissioner Lago: For example, grease traps that are one example of requirements for restaurants. For example, gas for cooking, another example, but we all agree in regards to that issue, I think it's going to be a requirement that we are going to have to look into and hopefully we can incorporate that into the RFP as it move forward. I would like to see, as I mentioned before, LEED aspect to this project, we've got 1,000 parking spaces requirement – what else?

Mayor Cason: State-of-the-art security and letting people know where they can park.

Commissioner Lago: Commissioner Quesada's statement in regards to the alleyways.



Vice Mayor Kerdyk: Power lines, streetscapes on both sides of Andalusia.

Commissioner Keon: I'd like to not lose the public parking places on the street.

Commissioner Quesada: The timetable related to the Publix project as well as streetscape. There has to be considerations in the timing and the build-out. They have to be I don't want to say flexible, because hopefully that's – everything in the way before we get to building this out or vice versa they don't overlap, but that's consideration also. We don't want to create a traffic nightmare so that everything is being built out at the same time.

Commissioner Lago: What you're saying is MOT considerations, that's what you'll need – MOT considerations.

Commissioner Keon: The way that this is designed or the way that this RFP is constructed it is heavily front end loaded. I don't know, you can tell me, what does that do to our pool of responders?

Commissioner Lago: You are going to have a pool of responders which have a vested interest in this community and have done multiple projects of this magnitude.

Commissioner Keon: I think it's going to require people with very deep pockets, so I'm saying to you, they have very deep pockets, so is it limiting the number of responders?- is it targeting just a couple of responders?- I don't really know. I don't know.

Mayor Cason: Do you have any sense of how many people might be interested in this from what you've heard?

Ms. Birdsill: I have a list of at least 50 people who have asked to be notified, so there is a wide range of people who is interested in the project.

Commissioner Keon: They are interested but I'm asking you how many people do you think have the deep pockets to do this of those that you notified?

Ms. Birdsill: There are a number of them that do, there are some regional developers, there are some local developers, people who are familiar with this community, I don't have an exact number.

Mayor Cason: Alright, do you want to move on to the second part, lease versus sell?

Mr. Abrahamson: Should I run through this or do you just want....

Mayor Cason: Go ahead – it's for the audience as well.

Mr. Abrahamson: OK. So obviously there are factors supporting only allowing land lease. It's been the City's long standing preference to retain ownership by disclosing of sites for development under long term land lease, and the reasons for that is that the City has a longer time horizon than developers or real estate investors, but I would say and I said parenthetically at least for rental properties. You know it's another thing when people are buying condos. We'll get to that, but for a standard income rental property the timeframe for investment is just not as long. The City should be looking 100 years down the line and more. A land lease enables the City to exert greater ongoing control and while a land lease has some wrinkle to it. It may limit the market of developers and investors. The City has long standing experience that there is certainly has been a sufficient pool of developers and investors who are willing to partner on those deals, and the City has substantially realized its land value on those deals; and the other thing is that the land lease allows long term opportunity for both revenues and participation in upside down the line. So those are all the reasons that I think you and I would consider that sort of the base case, why you would just sort of assume you'd do it that way. The factors supporting allowing the possibility of a sale, not mandating it, but the possibility for you to entertain when you see proposals and specifically only for the Garage 4 site, would be that it's possible that the use that could generate the greatest value which would provide the maximum funding for parking or maybe more could be high end residential condominium project, and a land lease would likely pose a significant impediment to financing and marketing a condo project. People want to buy a condo fee simple. They get a little more leery when they are saying, they are buying the condo but 99 years you know, it's gone. You know condo projects have been done here or there maybe for like 100 percent sites, not necessarily in this market. I can't say that I can think of one, the appraiser mentioned one and it was a bad deal that may have been a bad deal for other reason, but I think you at least have to consider the possibility that developers might not propose condominium projects, which again is the highest value project, possibly, and if they do, which I wouldn't rule out if they do, they are going to significantly discount the price they can pay for the land, because they feel that their condo purchasers are going to discount the price that they are going to pay, and in Cindy's conversations with developers and I believe Pat's before her. You know there was sort of this strongly expressed disinclination to look at even doing the project for those who are going to do a condo project, if it was on a land lease, doesn't rule out the possibility, but it's very problematic, and again, to me this is all about high end condos. To me this whole question about whether you'd sell the land, it's all tied together with whether high end condos are use you want and maybe provide the highest land value, and the other thing to consider is that typically they provide a much stronger real estate tax than what might be a comparable rental project, because the property appraiser's look at the condo sales and that's

their comps, and if a condo sells for a million dollars they value it versus valuation purposes of a million. With rental properties there is usually a pretty big discrepancy between the actual market value and even though the property appraiser's, the assessors are supposed to value it full market, its mass appraisal, things get blended out and tends to be significantly less. Again, it's a dollar issue, you know against a qualitative issue of retaining ownership. The other thing that I'd say getting to the control issue with both during the long operating period and reuse is that if you have high end condos that's a use that tends to police itself in a sense in that the condo buyers of high end condominiums are very unlikely to let that building go downhill, and then if you look at 100 years from now when a land lease would be up, you could have the thought, well maybe we'd want to do something else with the property, which seldom happens if the building is maintained because the value is there and the building. It's hard to imagine that 100 years from now if there was a high end condominium project and it was still viable and still contributing tax dollars and people spending money that the City even if it had the ability would want to knock it down and build something else. All that's not to say that you may not just have this base line feeling that we won't sell land. So it's really totally up to you, but if you do allow the possibility we could add into the RFP what we don't have now, which is an expression that the City prefers land lease to sale so that a developer coming in would recognize that if they were proposing condos and said that they could only do it purchasing the land, that they'd really have to make a case, and we could also put in the RFP sort of the factors or considerations that might mitigate it, which would be probably financial and I don't think you could specify it but it's one of those shades of gray, if we get a lot more money than we might be willing to compromise that, but if you don't want to compromise it at all. Say it now and let's make it simpler and let's not have developers come in and spend a lot of money, as you were saying, only to find out that they were doing it for nothing.

Mayor Cason: Bill what's your thought as a realtor?

Vice Mayor Kerdyk: I think everything he said is spot on. The fact is it becomes a philosophical decision. I think I have expressed my concerns about selling the property. I'm a long term holder, I think that, that's good for the City of Coral Gables, I think it's a different horizon than an individual owner, I think that we have been successful when we have done it before, land leases that we've done before, and I feel that, that's how I'd like to see it to stay a land lease.

Mayor Cason: You advocating putting in "we prefer" or it "must be"?

Vice Mayor Kerdyk: Well, I would always probably say – I would advocate putting in land lease, I mean that's what I would advocate, but I can listen to prefer.

Commissioner Lago: I wouldn't advocate toward prefer.

Commissioner Keon: I like prefer in the event of high end condos.

Commissioner Lago: I think we should be clear because we don't want this to be an exercise in futility.

Commissioner Quesada: I guess I disagree with all of you. I don't want to – I think the developer should take that risk there, whether it's going to be a land lease or whether we sell it. I think two different ways; number one, I think my opinion, the idea of a project there is actually an apartment project just because I want to see foot traffic on Miracle Mile. I think it's good for the businesses, I think it's good for that location in the City, and when you have condos, the fear I have is you see so many condo buyers in South Florida now that are coming from all over the world and its either a savings account for them and they are parking their money and the building maybe empty, it may or may not, it's just been my uneducated experience of what I've been seeing, but I think that's what we would do, but again at the same time I don't want to prohibit a potentially spectacular project and a developer tells us, you know something?- we would have done something spectacular there, but because you wanted land lease the numbers don't work for us so it's not going to happen. I'm looking for the greatest project that we can get, that's the heart of our downtown. I want to keep it open, even though in my opinion, my uneducated opinion on this is that I think apartments are the – residential rental apartments is the best project for our downtown Coral Gables. I don't want empty...

Mayor Cason: We'll go with "preferred" and see what comes.

Vice Mayor Kerdyk: I'm good with "preferred". I'm good with that.

Mayor Cason: OK. Anything...

Commissioner Keon: We have the ability to condominiumize if we were to – if you condominiumize like the parking part of, like we said we wanted two floors of parking in this building that you could condominiumize that, and that would mean payment to City and the rest would go to the, the rest you could sell to a developer?

Mr. Abrahamson: Absolutely.

Commissioner Keon: OK. So would we include that in an RFP?- or that's just for discussion later on?

Mr. Abrahamson: The RFP doesn't have that because it wasn't contemplating public parking, but clearly if you were to allow a sale and the City were to require public parking, if you wanted to own that public parking and control it, you would let the developer develop it and then have a condominium and you would own that condominium, would be one way to do it.

Commissioner Keon: OK. Do you include that in an RFP?- or does that...would you consider that?- would you consider that?

Commissioner Quesada: Yes.

Commissioner Keon: OK. I'd like that considered.

Commissioner Quesada: Absolutely that makes sense.

Commissioner Lago: We should meet again, obviously incorporate all these comments.

Mayor Cason: Are you going to put these in and circulate it again so we don't lose – remember we only have one meeting left in May, one June, one July, one July, and one August, so we need to get this out.

Vice Mayor Kerdyk: One hundred percent.

Mayor Cason: OK. Thank you very much. Mr. Bermello you want to say something?

Mr. Willy Bermello: Thank you Mr. Mayor. For the record Willy Bermello, resident of Coral Gables, 2601 Granada Boulevard. Before I make some comments on what I really came here to say on this topic, I just wanted to after hearing the deliberations. I wish by way that the industry would be aware of the document and your comments. I think you would probably benefit from what others in the industry would think about what you are considering in doing, but three things I must mention quickly before just getting to my point. As a resident I was appalled to hear you talk about bulking up the FAR ratios that you were mentioning using TDR's. TDR historically, started in the northeast New York, was utilized to save history, not to destroy it, and as I'm sitting here and you know usually developers and architects. You know the thought of they want bigger and how could I be saying that?- but it doesn't take someone with a lot of IQ to realize that when you take the maximum development that you can put in one property and put it in another property, you bulk up and change the character of an area, and frankly within your footprint and your height and your setback. That's what really determines the bulk, so unless you are enticing someone to come and say you want more height and 16 stories I really don't know what we are doing. I think you are going to attract quality development and you don't have to

give anything away, I don't think you have to entice people to come to the Gables. There was a recent article that showed some of the areas that were probably immune to the recession, not that we were at all hit, but it showed those places that did much better than others. Coral Gables is one of them. Please don't undo the things that made this place special. Second point – selling versus leasing: I think some people would come out of their graves if you start selling land that's public, just a warning; and I will say another thing and I think Commissioner Quesada is correct. The rental market, the apartments, the young people, working, housing that attract people that are going to be walking the streets shopping and it's not your investors from Venezuela or Brazil that are here maybe three months out of the year, that we want them too by the way, but I think what you are trying to do is activate Miracle Mile; and I'll give you a couple of examples because I happened to have been involved with two projects. Obviously, the first housing project near Miracle Mile is one that we designed for Pan American Realty and later Armando Molina and then Related, which is where Ruth Christ is at just behind Houston's and that's on public land and that's on a leasehold, but we also developed what used to be the Service Merchandise or the Coliseum property for those of you that's been here longer, and that's on a leasehold and that is condo, we condominiumized that. We sold 157 apartments above a Publix and next to offices, so you can have both products.

Commissioner Quesada: Were those sales difficult because of the 99 year lease?

Mr. Bermello: You know, I'll tell you Commissioner Quesada, I initially thought it wasn't going to work, but I was proven wrong because the market was very strong and the Gables brand is very strong, and I thought that not legally, but that the market would push back and I was dead wrong. We originally sold at least every apartment there and then we converted into a condo, and that is the only one that I know of in South Florida and we have a mixed use because we have a Publix, and we have trucks, and we have people, etc., and it still works. I would like for you to take those ideas and hopefully open this so you get some other people commenting on what you are doing, and I congratulate you in going forward. Having said that, 15 years ago we participated in a similar process, none of you were here except Bill Kerdyk, and as a result of that our group was selected for the site of 245 Andalusia, right next to the Miracle Theater parking garage. We went through a similar process to what the City Manager just described. There was a RFQ, we went through qualifications. We later submitted a proposal with definite plans and a financial offer to the City was basically a 99 year lease and at that site we were basically replacing existing parking with you and adding housing and additional parking for the housing. Subsequent to that there was a change in the Commission and there was a new set of Commissioners and they put the project on hold, and then we go to 2004; 2004 there was a workshop, similar to probably what you are going to do now, actually April 13, 2004, and there was a resolution 2004-75, where basically the City had worked with the developers to plan a definitive course of action, because in fact the new Commission really did not want to have



housing mixed use with parking garages, with the parking garages the propositions that we had submitted originally, and at that time the Commission said we would like for you to consider just going with only parking; and on May 4, 2004, the Commission at that time brought the issue back on May 11, 2004, and at that Commission, and this was the important one, they vote Section 2-459, subparagraph (a), which to me doesn't mean a lot, but in Ordinance 2003-6, what they did was they wanted the developers that were chosen, in our case including us, to declare us prequalified so that within the next five years any future development on that subject property. In our case 245 Andalusia, the City Manager would first negotiate with that developer. That was the spirit when they at that point put everything on hold. They said wait a second, you guys have spent a lot of money, you acted in good faith, and just because we changed our minds right now in terms of where we want to go for the time being, and we don't want to do anything right now, we want to give you the option, if you want it, within the next five years that you are already prequalified, you don't have to go through this song and dance again. You can come back to us, if you want to, and we'll negotiate with you as a prequalified developer, that was in 2004. 2008, March 27<sup>th</sup> to be exact, at that time David Brown was the Manager. When we started it was Jack Eads, but at this point now it was David Brown, and I sent a letter to David exercising our right to negotiate for the development of the property at that time. Why?- because at that time the then Mayor Slesnick who originally stopped the process now was interested in moving forward; and we started to – I personally started to negotiate and have discussions with the Parking Director of the City to prepare a plan and numerous drawings were prepared, brought to the Commission for review, and everything was going fine and dandy until there was a new City Manager, for reasons that I won't get into here, Pat Salerno came; and after that Mr. Salerno for whatever his reasons were he simply did not return calls, did not answer e-mails, and there was total silence until now, so I'm appearing again before you based on that special resolution to tell you that we have a vested interest and I would ask that whatever you do, at least particularly with 245 Andalusia that before you put out an RFP that you first deal with us. In compliance and in being faithful to the original intent which was given to us in that resolution, you could probably go against your own resolutions, but there was a resolution that was given with a lot of wisdom, which was these people responded back in 1999, they spent a lot of money, which we did, you ask how much?- over \$500,000, but it's not just the money we spent, it's the unrealized revenue and unrealized potential of why you enter into, because no developer goes through a process just to spend money at the end of the day they want to develop the project. So, I would ask this Commission that you strongly consider, at least with respect to 245 Andalusia, carving that out and instructing the Interim Manager to meet with us and finalize negotiations that we started for the second time back in 2008, and which were interrupted when Manager Salerno came on board. So in closing, I want to thank you for listening to me this afternoon and allowing me to put this on the record and I'd be more than happy to answer any question that you have.



Commissioner Quesada: I have one request. Can you put a package together and submit it to our City Attorney and to each one of us and our City Manager and the City Clerk with documentation showing what you believe to be the vested right in this. I had heard something about this in the past from our past City Manager. I was never shown anything, never shown any documentation, so I think maybe I wasn't getting the full story at that time. So if you could please give us a synopsis of the full story and the supporting documentation establishing your vested rights as you mentioned so that our City Attorney can review it, our Interim City Manager can review it, so that we can review it. Obviously there are a lot of things we need to clear up, but it's a big ask at the same time, it could be a big wrong as well. As we sit here I'm not sure, so if you could please provide that to us so we could calmly review it.

Mr. Bermello: Commissioner Quesada we certainly will.

Commissioner Keon: I'd like the City Attorney to particularly...

Commissioner Quesada: Yes, what I mentioned is the Commission, the City Attorney and the City Manager.

Commissioner Lago: First off thank you for being so patient and coming today. I would like to second what Commissioner Quesada said in reference to – I was looking for a timeline, a breakdown of – because you stated on multiple occasions over the last ten minutes that you did not receive any responses, that the City was unresponsive. So if you could do me a favor and please show me include in that package a timeline the moment that you began or since this process commenced to where basically time stood still and you received no response from the City of Coral Gables. So please send that over, make sure that the Commissioners, along with the City Manager and our City Attorney, which is not here today, receives a copy of that for our review.

Mr. Bermello: Take into account that my comments were really directed to only one person, everybody else was basically very cooperative, but at some point if someone doesn't return your e-mails you don't continue sending e-mails every week. You kind of get the idea that you are not getting a response. So we will prepare the package and have it for the Manager and the City Attorney...

Mayor Cason: And us as well.

Mr. Bermello: It's intended for you.

Commissioner Lago: I would request that you make a copy for all five of us, so make 7 copies, 8 copies, one for the City Clerk also please, and we'll put it on the record.

Mr. Bermello: We'll make all 8 copies and have that with a timeline so that you get the gist of what I just described for you in very short words.

Commissioner Keon: When can we expect this RFP to come back to us Cindy?- will it be at the next meeting in two weeks?- or...

Ms. Birdsill: Will be in June...[inaudible – off mic]...

Commissioner Keon: OK. Thank you.

Mr. Bermello: Thank you very much.

Mayor Cason: Thank you very much.

Commissioner Lago: Thank you sir.

Commissioner Keon: It's always nice to see you.

[End: 2:59:58 p.m.]