



**City of Coral Gables  
CITY COMMISSION MEETING  
September 25, 2018**

**ITEM TITLE:**

A Resolution approving the general terms and authorizing the City Manager and City Attorney to negotiate an agreement with Coral Gables City Center, LLC (CGCC) for the redevelopment of Municipal Parking Garages 1 and 4 in which CGCC proposes a shared project compatible with the surrounding neighborhood consisting of developer owned residential and office mixed-use buildings, City-owned public parking garages, and no debt obligation required from the City. *(This resolution requires a 4/5 vote because of the value; if an agreement is reached with CGCC an ordinance will come back to City Commission for two readings).*

**DEPARTMENT HEAD RECOMMENDATION:**

Approval.

**BRIEF HISTORY:**

For several years, the City of Coral Gables has been interested in pursuing the redevelopment of Municipal Parking Garages 1 and 4, with a focus on the following key objectives:

- Replace what are currently two obsolete parking garages that have operational deficiencies, with new state-of-the-art parking garages (above and beyond recent cosmetic improvements).
- Provide public parking spaces to meet the future needs of Downtown businesses.
- Introduce appropriately scaled mixed uses that would include mixed retail and potential residential units onto Andalusia to support the City's goals for a vibrant, walkable Downtown.
- Pursue a holistic approach to these objectives that balances parking, planning, design, economic development, community and financial considerations.

To achieve these objectives, the City Commission approved Resolution No. 2013-91, dated May 28, 2013 authorizing a Request for Proposal (RFP) for the redevelopment of Municipal Parking Garages 1 and 4. On May 27, 2014, through Resolution No. 2014-102, the City Commission authorized staff to issue Phase I of a request for proposal (RFP). On January 26, 2016, the City Commission approved Resolution No. 2016-30 inviting all five proposers that responded to Stage I of the RFP to submit more detailed proposals in response to Stage II of the RFP; as authorized by Resolution No. 2016-32 of the RFP.

An Evaluation Committee composed of several City boards evaluated the proposals and along with staff recommended contract negotiations with CGCC. In accordance with Resolution 2017-23, dated January 24, 2017, the City Commission did not approve CGCC's proposals, but rather authorized negotiation with Coral Gables City Center, LLC based for a period of up to six (6) months, and providing the City Manager the authorization to extend for up to an additional six (6) months. The recommendation is that should those negotiations fail, the City is authorized to negotiate with the second ranked firm, TC Gables, LLC, for an additional period of up to six (6) months. The City also reaffirms its right to pursue alternative courses of action.

The six (6) months negotiation period started on November 6, 2017 to allow CGCC and the City to reach agreed upon terms by May 5, 2018. The City provided an update to Commission on February 27, 2018, three public workshops followed, June 4, August 27, and September 18, 2018 to provide the City Commission with an update on the status of negotiations. In addition, the City had a workshop discussing the demand and supply of public parking in the Central Business District on September 11, and a sunshine

meeting on September 21 to further understand the details of the project. Staff also had several negotiation sessions with the developer; these various communications resulted in the City Manager granting incremental extensions with the latest one expiring on September 30, 2018 (City Manager is authorized to further extend until November 5, 2018 at his discretion) and bring forth an agreement for City Commission to consider for approval. The approval will take into consideration the following main project attributes:

1. Number of public parking spaces
2. The size of the project
3. Ownership structure (e.g. City to own public parking)
4. the project financing (e.g. City obligation to pay debt service)

Based on these attributes and the original criteria, CGCC proposed general business terms the City would consider as a basis for entering into an agreement for development of the Garages. The proposal includes a project that includes the following:

### **Parking**

The minimum number of public parking spaces owned by the City in the Project shall be 620. The City is unclear if CGCC will be providing public access to the portion of CGCC's private parking garage on the G1 or G4 site on evenings and/or weekends. The Garages will be managed in a manner and practice consistent with, and typical of, Class A office, residential and retail space.

### **Size of the Project**

#### ***Garage 1:***

- Retail (ground floor) size TBD
- Public parking (multi-level) allocation between garages TBD
- 732 private parking (multi-level) spaces allocation between garages TBD
- Private offices of approximately 117,000 SF (multi-level)
- Massing and floor area (compatible to the neighborhood)
- Building height shall not exceed 190' 6"

#### ***Garage 4:***

- Retail (ground floor) size to TBD
- Public parking (multi-level) allocation between garages TBD
- The 732 private parking (multi-level) allocation between garages TBD
- 236 Private residential units (multi-level)
- Massing and floor area (compatible to the neighborhood)
- Building height shall not exceed 190' 6"

### **Ownership:**

The Project shall be structured as a vertical subdivision so that the City may maintain fee simple ownership of the G1 public municipal garage spaces and the G4 public municipal garage spaces portion of the Project (the "**Public Component**").

CGCC shall maintain fee simple ownership of all Project components not included as part of the Public Component, including but not limited to, the private garages, private retail, Residences and Offices (the "**Private Component**").

### **Financing:**

CGCC proposes to develop the sites without any City financing, but request the City pay \$300,000 annually from the revenue generated from the garages over 30 years at a 2% escalation. To the extent CGCC and the City negotiate modifications to the project that changes either parties financial viability

would result in [further] participation of the other parties' revenue participation; for instance, if the reduction in the size of the project becomes cost prohibitive to CGCC, the City would share its parking revenues to make the project more viable.

City Staff is seeking direction from the City Commission based on the terms provided.

**LEGISLATIVE ACTION:**

<b>Date</b>	<b>Resolution/Ordinance No.</b>	<b>Comments</b>
May 28, 2013	Resolution No. 2013-91	Approved RFP Consultant
May 27, 2014	Resolution No. 2014-102	Authorized Issuance of RFP, Stage I
January 26, 2016	Resolution No. 2016-30	Invited Proposers to Participate in Stage II of RFP
January 26, 2016	Resolution No. 2016-32	Authorized Issuance of RFP, Stage II
January 24, 2017	Resolution No. 2017-23	Approved negotiations with CGCC

**ADVISORY BOARD/COMMITTEE RECOMMENDATION(S):**

<b>Date</b>	<b>Board/Committee</b>	<b>Comments</b>
08.04.16 & 12.01.16	Parking Garage RFP Evaluation Committee	Recommended approval of top ranked proposer, Coral Gables City Center, LLC

**ATTACHMENT(S):**

1. Draft Resolution