

**CITY OF CORAL GABLES, FLORIDA**

**ORDINANCE NO. 2017-08**

AN ORDINANCE OF THE CITY OF CORAL GABLES COMMISSION AUTHORIZING THE CITY MANAGER AND CITY ATTORNEY TO NEGOTIATE AND ENTER INTO A PURCHASE AND SALE AGREEMENT RELATED TO A LAND EXCHANGE WITH C/LEJEUNE, LLC, CONSISTENT WITH COMMISSION-APPROVED TERMS, INVOLVING THE CITY'S CURRENT PUBLIC SAFETY BUILDING AT 2801 SALZEDO STREET AND THE VACANT PARCEL LOCATED AT 250 MINORCA AVENUE THAT WILL BE IMPROVED WITH A NEW PUBLIC SAFETY BUILDING AND A PUBLIC MIXED USE PARKING GARAGE STRUCTURE; WAIVING CERTAIN REQUIREMENTS OF THE PROCUREMENT CODE PURSUANT TO SECTION 2-2011 AND 2-583 THEREOF; ALLOWING FOR THE TRANSFER OF C/LEJEUNE, LLC'S OWNED DEVELOPMENT RIGHTS TO 2801 SALZEDO STREET WHICH IS OUTSIDE THE CENTRAL BUSINESS DISTRICT; AND ALLOWING FOR AN IMPACT FEE CREDIT; AND PROVIDING FOR A REPEALER PROVISION, SEVERABILITY CLAUSE, CODIFICATION, AND PROVIDING FOR AN EFFECTIVE DATE.

**WHEREAS**, the Public Safety Building (the "PSB"), currently located at 2801 Salzedo Street (the "Salzedo Parcel"), houses the administrative staff for the City's Police and Fire Departments, the Emergency and Operations Centers, the Information Technologies, Human Resources, and Parking Departments, and the Gables Television Studio, as well as providing 191 City parking spaces and 103 public parking spaces; and

**WHEREAS**, on November 11, 2014, Stantec/FGSS ("Stantec") submitted to the City an engineering study that determined that the PSB needed significant repairs, identified a number of structural issues, and estimated the lowest short-term cost to repair would be \$17,278,800 for limited basic renovations to remedy waterproofing and life safety issues; and

**WHEREAS**, on June 16, 2015, the City Commission adopted Resolution No. 2015-102 authorizing City staff to study the options for addressing the PSB due to the need for significant repairs to address a number of structural issues; and

**WHEREAS**, a PSB Exploratory Committee was established to explore options to renovate, replace or relocate the facility; and

**WHEREAS**, on December 8, 2015, the City Commission adopted Resolution No. 2015-308, authorizing City staff to explore five scenarios to determine the best option for a new PSB; and

**WHEREAS**, on October 25, 2016, the City Commission authorized City staff to proceed with plans to construct a new PSB and Fire Station 1 (the “new PSB”) at the location of City-owned parking Lot 6 at Alcazar Avenue and Salzedo Street and to explore the potential purchase of the adjacent site located at the south side of the 200 block of Minorca Avenue (the “Minorca Parcel”); and

**WHEREAS**, staff subsequently learned that the owner of the Minorca Parcel, C/LeJeune, LLC (“Developer”), had secured investors for developing its site and was not interested in an outright sale, but City staff and Developer negotiated terms for a proposed exchange of the Salzedo Parcel for the Minorca Parcel, which would allow the Developer to honor its commitment to its investors and would allow the City to assemble the Developer’s site with Lot 6 in order to build the new PSB as a rectangle shape as opposed to an “L”-shape, creating greater building efficiencies and allowing the City to build a new parking garage structure on the remaining portion of the assembled site; and

**WHEREAS**, in accordance with Section 2-2014 of the Procurement Code, the City obtained two appraisals for each property that determined the investment value of the PSB site to be \$20,500,000.00 and \$20,475,000.00, respectively, and the investment value for the Developer’s site as an assembled site with the City’s Lot-6 to be \$11,375,000.00; and

**WHEREAS**, on January 10, 2017, the City Commission adopted Resolution No. 2017-12 authorizing City staff to draft an ordinance to be presented for first reading regarding the proposed land exchange and purchase and sale transaction; and

**WHEREAS**, the City and the Developer have negotiated terms for an Agreement of Purchase and Sale between Developer and City (the “Agreement”), substantially in the form attached hereto as **Exhibit A**; and

**WHEREAS**, the following are some of the key terms of the Agreement:

- (a) The City and Developer shall each have thirty (30) days from the execution of the Agreement to conduct their due diligence and such due diligence period may be extended, if necessary;
- (b) Minorca Parcel Closing shall occur, as per the Agreement, following the expiration of the due diligence period and Developer shall be allowed to stay on the Minorca Parcel for a period of four (4) months following the Minorca Parcel Closing;
- (c) Subject to the terms of the Agreement, Developer will convey the Minorca Parcel to the City and Developer will deliver possession of the Minorca Parcel, free and clear of any environmental issues;

- (d) Subject to the terms of the Agreement, the City will convey the Salzedo Parcel to Developer on the date which is three (3) years following the Minorca Possession Date (as defined in the Agreement), unless City elects to stay and pay additional sums for its time on the Salzedo Parcel;
- (e) The City shall receive a cash payment in the amount of \$5,200,000.00, subject to a reduction of such cash payment if the Salzedo Parcel is not conveyed by the proposed final closing date;
- (f) At the Salzedo Parcel Closing, the Developer shall receive the conveyance of the Salzedo Parcel as currently zoned and up to a \$2,000,000.00 impact fee credit;
- (g) The City will allow the Salzedo Parcel, which is outside of the Central Business District, to be eligible to receive transferable development rights;
- (h) Upon the Salzedo Parcel Closing, the Developer agrees that it shall be used exclusively for the development of a market rate mixed-use, or residential, or office building and no other uses;
- (i) The City shall have the right of first refusal to purchase the Salzedo Parcel back from Developer if the Developer intends to transfer or convey the Salzedo Parcel during the first twelve (12) months following the Salzedo Parcel Closing and City shall purchase the Salzedo Parcel for a purchase price of Eleven Million Five Hundred Thousand and No/100 Dollars (\$11,500,000.00) plus the refund of the amount of the purchase price (as adjusted pursuant to the terms of the Agreement) paid by Developer to City in connection with the Salzedo Parcel Closing; and
- (j) There are no broker fees associated with the transaction.

**WHEREAS**, although the financial terms of the proposed agreement are not considered market rate, the deal does provide substantial economic and safety benefits to the City, that in Staff's opinion, outweigh any concerns with the real estate terms; and

**WHEREAS**, the Property Advisory Board reviewed the proposed purchase and sale transaction on December 14, 2016, January 4, 2017, and February 1, 2017 and did not recommend the terms as a market rate deal, but did acknowledge the community benefits associated with the proposed transaction; and

**WHEREAS**, on December 20, 2016 and February 2, 2017 the Budget & Audit Advisory Board; on January 9, 2017 and February 1, 2017 the Economic Development Board reviewed the proposed purchase and sale transaction; and on January 26, 2017 the Parking Advisory Board reviewed the proposed building of Garage 7; and these boards unanimously recommended approval to the City Commission; and

**WHEREAS**, the City Attorney has opined that City-owned property is not subject to the Zoning Code (see CAO 2016-023); and

**WHEREAS**, because the transaction involves City-owned property, the City has greater regulatory authority in order to serve a public purpose; and

**WHEREAS**, the proposed transaction serves a broader public purpose because it will facilitate the construction of the new PSB with greater building efficiencies and a new public parking garage structure, as well as limiting the uses for the development of the Salzedo Parcel, thus serving multiple important public purposes; and

**WHEREAS**, sections 2-2102 and 2-2104 of the City Code contemplate a waiver or credit of impact fees in circumstances that would fulfill a public purpose (see also CAO 2016-075); and

**WHEREAS**, the City Commission has weighed and balanced the competing interests and finds that the proposed purchase and sale transaction serves a public purpose and the best interests of the City; and

**WHEREAS**, once the Salzedo Parcel is conveyed to the Developer, the Zoning Code will apply, except to the extent it conflicts with the provisions of this Ordinance and the Agreement it authorizes; and

**WHEREAS**, pursuant to Section 2-2019 of the City Code, this Ordinance requires a 4/5 majority vote on first and second reading for passage;

**WHEREAS**, the City Commission finds it is in the best interests of the City to waive other requirements of the Procurement Code pursuant to sections 2-583 and 2-2011, which also requires a 4/5 majority vote, and such waiver is permitted to serve the best interests of the City and public because, among other things, the Developer's site is uniquely located as to allow the City to square-off a new PSB in order to create a more efficient, state of the art building and build a new parking garage structure north of Alhambra where none currently exists and the City Attorney opines this is an appropriate reason; and

**WHEREAS**, the City Commission finds that it is in the best interests of the City to proceed with the purchase and sale transaction pursuant to the Agreement;

**NOW, THEREFORE, BE IT ORDAINED BY THE COMMISSION OF THE CITY OF CORAL GABLES:**

**SECTION 1.** That the foregoing "Whereas" clauses are hereby ratified and confirmed as being true and correct and are hereby made a specific part of this Ordinance upon adoption the hereof.

**SECTION 2.** That the City Commission does hereby authorize the City Manager to negotiate and execute an Agreement of Purchase and Sale by and between C/LeJeune, LLC (the "Developer") and City, in substantially the form attached hereto as Exhibit A, with such modifications as approved by the City Manager and the City Attorney.

**SECTION 3.** The City Commission does hereby authorize, after the closing on the conveyance of the Salzedo Parcel, the transfer of the Developer's owned development rights to the Salzedo Parcel, which is outside the Central Business District, under the terms provided in the attached Agreement.

**SECTION 4.** The City Commission does hereby authorize a future impact fee credit under the terms provided in the attached Agreement.

**SECTION 5.** Any other requirements of the Procurement Code are waived pursuant to sections 2-583 and 2-2011 of the City Code.

**SECTION 6.** The City Manager and City Attorney are authorized to make edits or corrections to the Agreement prior to execution in order to effectuate the Commission's purpose.

**SECTION 7.** All ordinances or parts of ordinances that are inconsistent or in conflict with the provisions of this Ordinance are repealed.

**SECTION 8.** If any section, clause, sentence or phrase of this Ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction, then said holding shall not affect the validity of the remaining portions of this Ordinance.

**SECTION 9.** That this Ordinance shall become effective immediately upon its passage and adoption herein.

PASSED AND ADOPTED THIS TWENTY-EIGHTH DAY OF MARCH, A.D., 2017.

(Moved: Lago / Seconded: Slesnick)

(Yeas: Slesnick, Keon, Lago, Quesada, Cason)

(Unanimous: 5-0 Vote)

(Agenda Item: E-3)

APPROVED:



JIM CASON  
MAYOR

ATTEST:



WALTER J. FOEMAN  
CITY CLERK

APPROVED AS TO FORM  
AND LEGAL SUFFICIENCY:



CRAIG E. LEEN  
CITY ATTORNEY