



City of Coral Gables
CITY COMMISSION MEETING
May 10, 2022

ITEM TITLE:

Resolution. A Resolution of the City Commission of the City of Coral Gables, authorizing entering into a Lease with Doctors Hospital, Inc., a Florida non-profit corporation, for the platted right-of-way on University Drive bounded by the surface parking lot at 5151 University Drive, Coral Gables, FL for a period of five (5) years, with one (1) additional renewal option, unless terminated or extended, at the City’s discretion, as provided for in the Lease.

DEPARTMENT HEAD RECOMMENDATION:

Approval

BRIEF HISTORY:

Pursuant to Resolution 26281, dated November 10, 1987, the City Commission authorized for the City of Coral Gables (the “Landlord”) to enter into a lease agreement for municipal surface parking Lot 24 located at 5151 University Drive, Coral Gables, FL 33146, Folio No. 03-4119-006-0200 (the “Valet Lot”), that was assigned to Doctors Hospital, Inc. (the “Tenant”) on July 1, 2006 (the various agreements in place are collectively referred to as the “ Existing Lease”). The Valet Lot is on the northwest corner of University Drive and Pisano Ave, across from the Doctors Hospital, which is currently owned by the Tenant and is also an affiliated hospital of Baptist Health South Florida, Inc. (“Baptist”). The Valet Lot is used by the Doctors Hospital to provide free valet service for patients and visitors. The initial 30-year lease term expired on December 30, 2017. On May 9, 2017, Baptist executed their automatic additional 30-year renewal right, effectively renewing the Existing Lease for the Valet Lot until December 30, 2047.

In 2019, pursuant to Resolution 2019-13, the City Commission directed the City Manager and City Attorney to enter into a Purchase and Sale Agreement (the “PSA”) for the sale of the Valet Lot to the Tenant as proposed under Resolution 2017-212. On February 12 and February 26, 2019, pursuant to Ordinance 2019-11, (As Amended), the City Commission approved the PSA authorizing the City Manager and City Attorney to make necessary changes to the legal description. Between September 10, 2019, and January 14, 2020, the City Manager provided the City Commission with several updates and was granted additional time without a set deadline to continue the negotiations with Doctors Hospital regarding the sale of the Valet Lot and the leasing of the abutting right-of-way.

Landlord and Tenant have agreed on terms for the PSA that includes a \$3,500,000 purchase price and are terminating the Existing Lease. Landlord and Tenant are seeking

authorization to enter into a New Lease (the “Lease”) with the following terms and provisions:

- Premises: A certain “As-is” portion of parking asphalt, comprising approximately 2,898 square feet, within the platted right-of-way of University Drive at the Valet Lot.
- Tenant Improvements: Tenant will conduct improvements to the Valet Lot (the “Tenant Improvements”) and has, through City of Coral Gables’ conditional use and site plan approval process, obtained approval in conformity with the plans entitled “Proposed Valet Parking Lot Plan” and “Landscape Overall Planting Plan” which are also attached as exhibits to the PSA.
- Landlord Right of Termination: Landlord shall have the right to terminate this Lease, for any necessary reason upon at least sixty (60) days written notice to Tenant, or sooner if the termination is deemed urgent by Landlord.
- Tenant Right of Termination: Tenant’s intention is to terminate the Lease as soon as the Tenant Improvements are completed. Upon the City of Coral Gables’ issuance of a certificate of occupancy for the Tenant Improvements, Tenant shall have the right to issue a written termination notice for the Lease that will be effective thirty (30) days from the delivery of the notice.
- Term: Five (5) years, unless terminated or extended, at the City’s discretion, as provided for in the Lease.
- Base Rent:

LEASE YEAR	BASE RENT PER YEAR	BASE RENT PER MONTH	Per SQ. FT.
Year 1	\$ 17,480.40	\$1,456.70	\$6.00
Year 2	\$ 18,004.81	\$1,500.40	\$6.18
Year 3	\$ 18,558.36	\$1,546.53	\$6.37
Year 4	\$ 19,111.90	\$1,592.66	\$6.56
Year 5	\$ 19, 665.45	\$1,638.79	\$6.75

- Renewal Term: Provided that Tenant has been working diligently toward the completion of the Tenant Improvements, Tenant shall have the option to renew the Lease for three additional (3) years, but the renewal term may also end two (2) months following the completion of the Tenant Improvements. The Base Rent during the renewal term will be as follows:

LEASE YEAR	BASE RENT PER YEAR	BASE RENT PER MONTH	Per SQ. FT.
Year 6	\$ 19,985.92	\$1,665.49	\$6.86
Year 7	\$ 20,597.74	\$1,716.48	\$7.07
Year 8	\$21,209.55	\$1,767.46	\$7.28

- Security Deposit: \$1,449.00
- Use and Occupancy: Tenant acknowledges that Tenant's use and occupancy of the Premises for a public purpose are a material inducement for Landlord to lease the Premises to Tenant. The Tenant will use and occupy the Premises for the no other use or purpose that the public use as a surface parking lot for Tenant's to provide free valet service for patients and visitors.

Pursuant to Section 2-1089 of the City Code, the City Commission can waive any provision of Chapter 2, Article VIII that may not have been technically followed, when it finds such waiver to be necessary in order to proceed with a purchase, sale, or lease which is in the best interest of the City, and that such waiver serves the public interest to the extent that any provision of this section was not complied with, the City Commission is being asked to waive requirements of the Procurement Code which requires a 4/5 supermajority vote.

LEGISLATIVE ACTION:

Date.	Resolution/Ordinance No.	Comments
9/28/21	Resolution 2021-286	Budget Amendment for Proceeds Allocation
9/8/20	Resolution 2020-199	Proceeds of Sale Allocation
1/14/20	Resolution 2020-20	Extend Negotiations without deadline
11/12/19	Resolution 2019-339	Extend Deadline for Negotiations
10/8/19	Resolution 2019-302	Extend Deadline for Negotiations
9/10/19	Resolution 2019-267	CM Proceed with Negotiation
2/12/19 & 2/26/19	Ordinance 2019-11	Approval of Purchase and Sale Agreement
1/8/19	Resolution 2019-13	Approval to enter into a sales agreement
8/28/18	Resolution 2018-223	Request for Sale
2/13/18	Resolution 2018-23	Request for Sale - deferred
10/10/2017	Resolution 2017-299	Negotiate a 99 Year Lease
10/10/2017	Resolution 2017-298	Request for Sale - rejected
8/29/2017	Resolution 2017-212	Request for Sale - deferred
8/22/2006	Resolution 2006-152	Assignment Approval
11/18/2003	Resolution 2003-206	Assignment Approval
11/10/1987	Resolution 26281	Lease Approval

ATTACHMENT(S):

1. Draft Resolution;
2. Draft Lease Agreement;