



City of Coral Gables
CITY COMMISSION MEETING
July 9, 2019

ITEM TITLE:

Resolution. A Resolution of the City Commission authorizing the City Manager to enter into two lease amendments with the Palace Management Group LLC with regard to City owner property at 1 and 2 Andalusia Avenue.

BRIEF HISTORY:

On July 14, 2008 the City entered into simultaneous ground leases with The Palace Management Group, LLC ("Developer"), for City-owned properties located at 1 and 2 (previously 45 and 50) Andalusia Avenue, Coral Gables, Florida, entitled Lease and Development Agreement and Parking Garage Lease and Development Agreement respectively, for the development, construction and operation of a senior housing facility and garage.

The City and Developer has since entered into multiple amendments to the Leases, and specifically the Third Amendment to both Leases, required that the Developer establish a pledged escrow account (the "Pledged Account") in favor of the project's lender and the City to be utilized as a reserve account to pay the annual assessments of the Community Development District ("CDD") in the event that the Developer failed to do so.

The Developer has paid all of its monetary obligations to the CDD and the City on time and neither the City nor the lender have ever had to draw funds from the Pledged Account in the nearly eight years in which it has been in place.

The project's lender released its right to the Pledged Account on April 27, 2017 and the City believes that it is appropriate to waive its remaining rights to the Pledged Account.

Additionally, it should be noted that given the limited scope of this amendment to release the remaining rights to the Pledged Account, this item was not presented before the Planning and Zoning Board and therefore is being waived by the City Commission.

EXHIBIT(S):

- A. Resolution
- B. Fifth Amendment to the Parking Garage Lease and Development Agreement
- C. Fourth Amendment to the Lease and Development Agreement