

CITY OF CORAL GABLES
Economic Development Board
EXCERPT Meeting Minutes
Wednesday, August 1, 2018, 8:00 a.m.
2121 Ponce de Leon Blvd., Suite 720, Coral Gables, Florida 33134

EDB MEMBERS	J	F	M	A	M	J	J	A	S	O	N	D	COMMISSIONERS
	'18	'18	'18	'18	'18	'18	'18	'18	'18	'17	'17	'17	
Carolina Rendeiro	X	P	P	P	P	P	X	E		X	P	E	Mayor Raúl Valdés-Fauli
Olga Ramudo, Chair	X	P	P	P	P	P	X	P		X	P	P	Commissioner Michael Mena
Stuart McGregor	X	P	P	P	P	E	X	E		X	P	P	Commissioner Patricia Keon
June Morris	X	P	P	P	E	P	X	P		X	P	P	Commissioner Vince Lago
Elizabeth Patino	X	E	P	P	E	P	X	P		X	P	E	Vice Mayor Frank Quesada

A = Absent E = Excused Absence P = Present X = No Meeting Ph = Present by Phone - =Former Board Member

STAFF AND GUESTS:

Leonard Roberts, Interim Director, Economic Development Department
 Belkys Perez, Marketing Coordinator, Economic Development Department
 Francesca Valdes, Business Development Coordinator, Economic Development Department
 Mariana Price, Administrative Assistant, Economic Development Department

Meeting Motion Summary:

A motion to approve the sale of 7350 Coral Way passed unanimously.

Ms. Ramudo brought the meeting to order at 8:20 a.m.

1. 7350 Coral Way, Former PBA Site (Action)

Mr. Roberts presented the current status of the negotiations of the City-owned property at 7350 Coral Way. He presented the following information:

7350 Coral Way Sale
 PROPOSED DEAL TERMS

Background:

On June 27, 2002 the City executed a lease agreement with the Police Benevolent Association, Inc. (“PBA”), a Florida Not-for-Profit entity for the 4.16 acres (approx. 180,000 SF) located at 7350 Coral Way, Miami, FL 33155 (the “Lot”) for a term of 30 years. The City also entered into an Interlocal Agreement with Miami-Dade County dated October 9, 2006 to make available 80 parking spaces for non-exclusive use of the County’s park located at 7360 Coral Way, Miami, FL 33155 (the “Park”) in perpetuity. This Interlocal Agreement was part of the terms of the Waterway Neighborhood Agreement (the “Neighborhood Agreement”). The Neighborhood Agreement established certain operational restrictions on the City’s use of a portion of its current

Public Works facility located at 2800 SW 72 Ave, Miami, FL 33155 with the intention of preventing disruption of the surrounding residents' quiet enjoyment of the neighborhood in order to facilitate the City's industrial use of the site. The PBA operated an outdoor gun range on a portion of the Lot for many years, but in recent years the Lot has not been used by the PBA. The Coral Way frontage portion of the Lot continues to be operated as public parking for the park visitors. As a result of the gun range use, the site has lead contamination; an estimate to remediate the lead was proposed in 2008 for an amount of approximately \$700,000. On March 16, 2016, the City Attorney's Office, in conjunction with special counsel, issued an opinion that the PBA Lease has been abandoned and terminated by operation of law and the terms of the agreement.

The City would like to market the site for sale and use the proceeds to help develop future projects located in the City of Coral Gables; for instance, the development of Garage 7. The City ordered an appraisal on the site in January 2017 and it was valued at \$12 Million without the parking restriction or lead contamination. The City's parking director has determined it would take a minimum of 25,000 SF (13% of the site or \$1.7 Million of the appraised value). He also determined it could cost approximately \$20,000 in the open market to produce a parking space or (\$1.6 Million). Based on these estimates, the Lot's net value would be approximately \$9.6 Million.

The City marketed the site for 6 months and due to the tremendous level of activity, the City requested an extension of time to negotiate with the three highest bidders. Today, the City has a firm offer of \$10.4 Million with a \$500k deposit and a backup offer for \$10.4 Million with a lower deposit. Both offers are cash and allow for 60 days' due diligence and a 30-day closing period; while many of the lesser offers requested the Lot be subject to entitlement approvals in order to close. The City staff believes these offers are above market value.

Questions for the Economic Development Board, and suggested answers:

1. Is the proposed use in keeping with the City's goals and objectives?
Yes, the use falls within the City's goal of Community Focused Excellence and objective of attaining world class performance levels. Selling this asset outside of the City and investing the proceeds into the City will help to achieve this objective.
2. What is the economic impact to the City including, i.e. is the proposed use in keeping with a public purpose and community needs, such as expanding the City's revenue base, reducing City costs, creating jobs, creating a significant revenue stream, and improving the community's overall quality of life?
The sale price of \$10.4 Million will allow the City to reduce any additional debt the City would have to obtain in order to build the Garage 7 therefore allowing the City to maintain its AAA rating by the three credit agencies.
3. Are there alternatives available for the proposed disposition, including assembly of adjacent properties and can the project be accomplished under a private ownership assembly?

There are alternatives for sale of the site, but the City would not have access to the proceeds necessary to keep its debt service down in order to build Garage 7. The property has sat vacant for many years without utilization and this sale would allow enhancement to the area which will add to the County's economic growth.

Board members discussed the questions and answers.

Ms. Patino made a motion to approve the sale of 7350 Coral Way as per the suggested questions and answers. Ms. Morris seconded the motion, which passed unanimously.

The meeting was adjourned at 9:18 a.m.

Respectfully submitted,

Mariana Price, Administrative Assistant - Economic Development Department