



City of Coral Gables  
CITY COMMISSION MEETING  
October 24, 2017

**ITEM TITLE:**

A Resolution authorizing a renewal lease with the United States of America for City owned property located at 3501 Granada Boulevard, Coral Gables, Florida for rental as a residence for the Commander in Chief of the U.S. Southern Command Headquarters.

**DEPARTMENT HEAD RECOMMENDATION:**

Approval

**BRIEF HISTORY:**

A Resolution No. 2012-123, passed and adopted on July 24, 2012, authorized a lease with the United States of America (the "Tenant") for City owned property at 3501 Granada Boulevard, Coral Gables, Florida, for rental as a residence for the Commander in Chief of the U.S. Southern Command Headquarters. The current lease extended the term for a year to year lease up to 5 years at a rate of \$8,850 per month.

Previous to the current lease, the City made significant capital improvements of approximately \$400,000 of which the Tenant paid approximately 30% towards security improvements. The improvements included new kitchen, dining room, floors, bedrooms, bathrooms, windows, and much more. The current lease expires on October 31, 2017 and the Tenant is desirous in extending the term for a year to year for a term of 5 years at a market rate of \$9,100 a month (\$109,200 annually) under the same terms and conditions proposed under the current lease.

The terms of the renewal lease include:

- a. The Tenant will increase rental payments from the current rate of \$8,850 a month to \$9,100.00 per month (2010 rental rate was \$6,499.29).
- b. The new lease will be for 1 year, with the Tenant having the right to renew annually for up to 5 years. Any renewal beyond 5 years will be with a new lease document. As with the current lease, the Tenant will continue to have the right to terminate at any time after the first year upon 90 days' notice, and its obligations are subject to federal appropriations.
- c. The City will maintain all structural portions of the house; including the roof; drainage structures; exterior windows and doors; the garage floor; and electrical, HVAC and plumbing systems, and will continue to provide pest control services.
- d. The Tenant will continue landscaping services and pool maintenance. The Tenant will be responsible for all utilities and trash removal.

The increase in the rental rate to a market rate for the Property is sufficient to cover the debt service, improvements and maintenance of the house. The City has had the honor of making available a home for the commanding general of the Southern Command since 1999 and proposes renewing the lease on the terms provided.

The Property Advisory Board reviewed the proposed terms on October 11, 2017, and unanimously voted to recommend the deal.

**LEGISLATIVE ACTION:**

Date.	Resolution/Ordinance No.	Comments
3/26/13	Resolution 2013-43	Budget Amendment for cost appropriation
9/25/12	Resolution 2012-182	Supplemental Agreement for additional security improvements at Tenant's cost
7/24/12	Resolution 2012-123	Renewal Lease
4/24/12	Resolution 2012-80	Supplemental Agreement for certain maintenance
5/25/10	Resolution No. 2010-97	Renewal Lease
3/9/10	Resolution No. 2010-51	90 Day Lease Extension

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

Date.	Board/Committee	Comments
10/11/17	Property Advisory Board	Recommends approval.

**FINANCIAL INFORMATION: (If Applicable)**

No.	Amount	Source of Funds
001-362-122	<b>\$15,000</b>	Annual inc. of \$3,000 from Nov 1, 2017 to Oct. 31, 2022
<b>Total</b>	<b>\$15,000</b>	<b>Approved By:</b>

**ATTACHMENT(S):**

1. **Proposed Resolution**
2. **Proposed Lease**
3. **Excerpt minutes from the Property Advisory Board meeting of October 11, 2017**