

City of Coral Gables City Commission Meeting
Agenda Item J-3
September 25, 2018
City Commission Chambers
405 Biltmore Way, Coral Gables, FL

City Commission

Mayor Raul Valdes-Fauli
Vice Mayor Frank Quesada
Commissioner Pat Keon
Commissioner Vince Lago
Commissioner Michael Mena

City Staff

City Manager, Peter Iglesias
City Attorney, Miriam Ramos
City Clerk, Walter J. Foeman
Economic Development Assistant Director, Leonard Roberts

Public Speaker(s)

Edmund J. Mazzei

Agenda Item J-3 [11:57:35 a.m.]

An Ordinance authorizing entering into a Purchase and Sales Agreement for the sale of the City-owned parcel located at 7350 Coral Way, Miami, FL 33155 to the highest bidder, Miami Development Fund, LLC, a Florida Corporation; providing for a repealer provision, severability clause and providing for an effective date.

Mayor Valdes-Fauli: Alright, Mr. City Manager, J-3.

City Attorney Ramos: J-3 is an Ordinance authorizing entering into a Purchase and Sales Agreement for the sale of the City-owned parcel located at 7350 Coral Way, Miami, FL 33155 to the highest bidder, Miami Development Fund, LLC, a Florida Corporation; providing for a repealer provision, severability clause and providing for an effective date. This is an Ordinance, it will come on two readings due to the amount of the value of the sale and for that reason we also need a four-fifths vote.

Mr. Roberts: This site is at 7350 Coral Way which is outside of Coral Gables, it's close to our Public Works facilities and next to the Brothers for Rescue's Park right off Coral Way and 72nd

Avenue. The City had signed a deal with the Police Benevolent Association back in 2002, the PBA use the site as a gun range and in 2003 the City entered into an interlocal agreement with the County to allow up to 80 known exclusive parking spaces to be available to the park users, while the park was in operation. In 2016 the City Attorney had issued an opinion that because of the lack of use of the site the lease was abandoned, and so the City pursued opportunities to maximize the advantage of the site. We put together a marketing package and obtained two appraisals, one at \$11.7 million which did not take into consideration the site does have lead contamination from the actual bullets that were used in the gun range; and secondly, the AD non-exclusive parking spaces. The other appraisal was \$9.9 million, which did take into consideration the parking, but not the lead contamination. So, when you weigh out the cost of lead contamination and the parking, you are looking at a value roughly under \$10 million, at appraised value, I'm sorry. After our marketing initiatives, we received a million views from the different sites that we posted it on. We have a sign on the actual site, lots of attention. As a result, we received several letters of intents. We went through a highest and best offer allowing the bidders to bid the price. We ended up within ask the offer price greater than the \$10 million asking price. We have an offer right now for \$10.4 million from the Miami Development Fund, LLC. They are requesting to put \$150,000 down for the initial due diligence period, which is roughly 30 days and an additional \$400,000 after that due diligence period. The other component is that we would enter into, the deed would be a restrictive covenant that would allow the 80 parking spaces to be available for the park users, as long as the park is in use and to close 30 days after. So 60 days which is, in my opinion, pretty fast process for a site this large with the restrictions attached to it. So it went before the Property Advisory Board; the Property Advisory Board voted three out of four to sell the site and their recommendations is use of proceeds to reinvest back into Coral Gables to purchase real estate or to reinvest back into the City. It went to the Economic Development Board that voted for it unanimously to sell, and it went before the Budget Advisory Board. At the time it went to the Budget Advisory Board, we did not have the second appraisal handy, so they deferred and the opinion related to it. So, staff is requesting authorization from you to go forward with the sale. It's a cash sale for \$10.4 million. We have vetted the buyer and we have reviewed his financials and feel very confident that we can close.

Mayor Valdes-Fauli: And this used to be the PBA shooting range.

Mr. Roberts: Correct.

Mayor Valdes-Fauli: That doesn't...

Mr. Roberts: Yes, it has lead contamination from that and so...

Mayor Valdes-Fauli: And we don't have any use for it, because our shooting range is now within the Police Department.

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Purchase and sales agreement with Miami Development Fund, LLC

[Date]

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Mr. Roberts: Right.

Commissioner Lago: And the buyer is assuming that responsibility.

Mr. Roberts: The buyer is assuming that responsibility for the 80 parking spaces and for the lead.

Mayor Valdes-Fauli: We have Mr. Ed Mazzei who wishes to speak. Welcome sir.

Mr. Mazzei: Good morning Mayor, Commissioners, City Attorney, City Manager. My name is Edmund J. Mazzei, Mazzei Realty Services.

Mayor Valdes-Fauli: Excuse me, are you new to Coral Gables?

Mr. Mazzei: No sir. I'm a member of the Coral Gables Property Advisory Board.

Mayor Valdes-Fauli: And a very distinguished resident of Coral Gables.

Mr. Mazzei: I'm a business person in Coral Gables. I live in Miami-Dade County. I came to Coral Gables in July of 1971, so I've been around Coral Gables, I've been in business in Coral Gables since 1982. As I mentioned, I'm a member of the Property Advisory Board, but I'm here speaking as an individual, as a commercial real estate broker, and as a businessman in Coral Gables. I strongly support the sale of this property that is outside of Coral Gables, and I know the history when it was part of Coral Gables; and that money can be better used by the City of Coral Gables for real estate within Coral Gables. So, my recommendation is that you approve this sale.

Mayor Valdes-Fauli: Thank you Mr. Mazzei.

Mr. Mazzei: Thank you.

Mayor Valdes-Fauli: Comments or do I hear a motion?

Vice Mayor Quesada: So moved.

Commissioner Keon: I'll second it. It was my understanding when we discussed this at one point, the proceeds from this, I know it says here, to purchase real estate in the City.

Mayor Valdes-Fauli: I can't hear you very well.

Commissioner Keon: Oh, I'm sorry. I thought it was my understanding when we discussed the sale of this property initially and I know it was to go to purchase real estate in this City that we had looked at it for Garage No. 7.

Mr. Roberts: Correct.

Commissioner Keon: OK. So, this money is being earmarked for that purpose.

City Manager Iglesias: That is correct.

Mr. Roberts: Yes.

Commissioner Keon: OK. Thank you. I just wanted to make it clear on the record that it's not available for anything else, if that's the case. Thank you.

Mayor Valdes-Fauli: It has been moved and seconded. Will you call the roll please?

City Attorney Ramos: This is a public hearing item.

Mayor Valdes-Fauli: Mr. Mazzei...will you call the roll please?

Vice Mayor Quesada: Yes

Commissioner Keon: Yes

Commissioner Lago: Yes

Commissioner Mena: Yes

Mayor Valdes-Fauli: Yes

(Vote: 5-0)

[End: 12:04:28 p.m.]