

City of Coral Gables City Commission Meeting

Agenda Item D-1

October 28, 2008

City Commission Chambers

405 Biltmore Way, Coral Gables, FL

City Commission

Mayor Donald D. Slesnick, II

Vice Mayor William H. Kerdyk, Jr.

Commissioner Maria Anderson

Commissioner Rafael “Ralph” Cabrera, Jr.

Commissioner Wayne “Chip” Withers

City Staff

City Manager, David Brown

City Attorney, Elizabeth Hernandez

City Clerk, Walter J. Foeman

City Clerk Staff, Billy Urquia

Parking Director, Kevin Kinney

Building and Zoning Official, Martha Salazar-Blanco

Public Speaker(s)

Lee Davidson, General Manager of the Village of Merrick Park

D-1 [Start: 9:32:07 a.m.]

Lee Davidson, General Manager of the Village of Merrick Park, to provide a status report on the Village of Merrick.

Mayor Slesnick: We have personal appearances; we have Lee Davidson, our General Manager of the Village of Merrick Park. Lee welcome; and I know you are here to provide us an update status on the Village. This is your first appearance, I believe.

Mr. Davidson: Correct.

Mayor Slesnick: And we welcome you, and I know that you are basically new to the community and to the Village.

Mr. Davidson: Not necessarily new to the community. I'll give you a little background, but I wanted to say first, I appreciate the invitation, and it's a pleasure to be in front of you all. I will tell you that I have been at many various, different municipal meetings, and I have never seen Twinkies given away at any of them (laughter), especially in Boca Raton where I came from, so you've got that over them, so that's terrific. A little background; as I said about the community, Mayor. I grew up in West Miami. In fact my father worked in Coral Gables, and my brother currently lives in Coral Gables with his family; I'm thrilled to be working in Coral Gables at the Village of Merrick Park, and in fact many, many years ago, and many of you probably won't remember because you are too young, I actually delivered the Miami News in Coral Gables.

Some of you are shaking your heads, you remember an afternoon newspaper in Miami that is since long gone, David may remember.

City Manager Brown: A great sports section.

Mr. Davidson: Terrific. I remember doing that quite well.

Mayor Slesnick: I just saw Howard Klineburg just two days ago.

Mr. Davidson: OK. OK. I didn't know him, because I was just a delivery guy, but I'm sure he's an important person.

Mayor Slesnick: He was the editor.

Mr. Davidson: OK. But most recently before coming to the Village of Merrick Park, and I'm kind of still overseeing it, I've managed Meisner Park in Boca Raton, general growth properties. I've managed Burdines stores before they were Macys in Sarasota, in Ft. Myers, North Miami at 163rd Street. I've been in the shopping center industry since about 1992, starting out in Mayfair in Coconut Grove; this was after it was a worthwhile entity. At that time it was kind of on the clearance rack at the time, it first got me into the shopping center industry; joined DeBartolo at the time, and then went up to Palm Beach Mall. I worked there for a while; and worked in Coral Square Mall for about ten years, and that's when it became Simon; and then left Simon and joined General Growth Properties to manage Meisner Park at Boca Town Center. As the Mayor said, relatively new at the Village of Merrick Park, even though somewhat familiar with it. I was assigned to come help out during the Borders build-out with all the commotion going on. My boss asked me just to on a weekly basis to come by and talk to the merchants and just let them know it'll be OK, its going to be OK. We had some noise, we had some jack-hammering, but the final product was going to be a much improved Village of Merrick Park, which I'm assuming many of you have been to and have seen it since the renovation of last year. I started right around Labor Day, September 1 at Village of Merrick Park, but again bouncing back and forth between Boca and here. Usually when I talk to this group and they want updates of what's happening at the Village of Merrick Park, they all want to know what stores are coming, what activity is coming on; Banana Republic, which most of you I would assume are somewhat familiar with, is under construction right outside Nordstrom, on the second level or main level. That should open in November right around "Black Friday" in that period. Obviously they are shooting to be open before the Thanksgiving weekend. Yard House very nice restaurant, even though I've not seen, but I think there is one up in Palm Beach, is under construction right across from Via Padrono, about five thousand square feet. That's schedule to open Spring of 2009. They are about forty percent done. What I've been told its kind of a fun environment, they are kind of known for their beer selection and should be a nice environment. Again, the University of Miami nearby, and all the people that are working in the downtown area, a great place to come have lunch or dinner. So that's on board for Spring 2009. Astoria is also scheduled for 2009, right next to Banana Republic. That's a men's and women's ready to wear location; it's a local owner. He has about four-five stores in the South Florida area. Masso Jewelers is scheduled for November. That's kind of toward the Neiman Marcus end; kind of a smaller store, probably about a thousand square feet; kind of high-end jewelry. That's on board again for next month. So that's most of

the retail and restaurant activity. We do have a new office tenant that will be under construction, that's Kaplan. They kind of do a...they are going to be on the first floor where Bayview was, right there on Ponce. They are a prep test type of school, so they will be coming in and opening January 2009. From a capital standpoint, I'm hoping many of you have seen the new monument signs that are around the Village of Merrick Park that bring some attention. They light up at night. One of the main issues that I've heard from tenants and shoppers, its just finding a location, because of the nature of it being somewhat enclosed, being off of a main road a little bit, that was always an issue. I appreciate all your help in helping us with that, but those are up and running. I think there was one more sign to be done that's going through the permit process, which is at the entrance to the Ponce garage. So once that's done all the exterior monuments signs would be done. We are also updating our directory, our store listings, that should be done again by Thanksgiving, that would be new updated fixtures throughout the Village of Merrick Park on the different floors that will announce and list all of our merchants and restaurants. That's the most exciting thing that's happening as far as new stores and capital. I'm thrilled that you invited me here. I'll gladly answer any questions if you have any. I'm looking forward to working with David, the Mayor and the Commission.

Commissioner Cabrera: Mr. Davidson thank you for taking up our invitation. When I met you a couple of weeks back during the Donald Pliner event, it was great that we had a chance to chat. One of the things that I'm interested in knowing, and maybe you are not prepared to discuss today, so we can leave it for another day is, how is the Park performing economically or from an overall business standpoint? Can you comment on that?

Mr. Davidson: Certainly, I can give you some general comments. From the standpoint of sales, the sales continue to increase over last year, and I would tell you that, I don't have to tell you that is very challenging in the retail environment between consumer confidence, the mortgage meltdown and everything else, it is challenging. We did benefit from a very strong European tourism during July and August. July and August were two very good months, September was little tougher, a lot of the Europeans went back home, so we were relying a little bit more on the locals. I would anticipate that the Holiday season would be OK I don't think anybody is forecasting anything terrific for the Holiday season just because of the nature of the environment that we are in, but we continue to be a desirable place for merchants. We still get numerous calls of people and merchants that want to be at the Village of Merrick Park, so we are progressively talking to those people. I don't usually like to announce prospective tenants because it doesn't really make sense until the deal is inked and then I'll gladly share with you those tenants that are signed, that have a lease or that have started construction. Business has been pretty good, it can always be better and we invite you all and we invite the residents of Coral Gables to come shop with us, come dine with us, but I still see it as a very viable entity.

Commissioner Cabrera: Well if there is anything that we can do, any type of programming, any kind of synergy that we can create between the City, the Chambers sitting here, the Business Improvement District's executive director is here. If there are things that we can do to work together to ensure that not only the Village of Merrick Park continues to thrive, but our downtown area and our Chamber community. Any kind of programming that can bring those synergies together, I welcome them, because quite frankly I'll tell you, when I asked the manager to invite you to come here, I want to make sure that we stay vigilant with a property like the

Village of Merrick Park, and we don't find out through a newspaper or through word of mouth that you folks are really struggling. We want to be able to work with you not against you, or ignore you, and so a little oversight from our part, positive oversight could be a very positive thing.

Mr. Davidson: Well I appreciate those comments and that invitation, certainly because of the nature of the relationship of the property we want to work very closely, we have to work very closely and we certainly appreciate the support. I will tell you we have a very strong marketing team lead by Maria Llorca who deals very closely with the Chamber, the other components within the City as far as events and energy, because I am a firm believer that you need energy, you need excitement at a venue, it doesn't have to be a carnival, but it has to be something that extends the stay of the shopper, creates some dynamics, creates some energy, gives them a reason to come. I think personally the stores and restaurants are your greatest marketing tools because that at the end will draw the consumer to the location, but certainly we are very aware of reaching out and being part of those other groups.

Commissioner Cabrera: I remember a time before I became a Commissioner, that the previous Commissioner, the one before that, talked about having a shuttle service between Miracle Mile and the Village of Merrick, some way some how it became politicized or something occurred, I don't remember what it was, but I would venture to say that it had a lot to do with politics and that never emerged, and it was a shame, because that would have been a wonderful program to be able to create those synergies that I am talking to you about today; and so there are things like that we can think outside the box. I certainly welcome the opportunity, and again don't be bashful about coming to us anytime that you feel you want to make a presentation in a publicly aired venue, because it just seems like the only time we see the Village of Merrick Park it is when someone on the Commission requests that you come to us, or perhaps the Manager's office sees that it is time for a presentation, and I would like to keep it kind of a closer working relationship, so thanks again.

Mr. Davidson: Fair enough.

Vice Mayor Kerdyk: I just have one quick question with regards to parking in general, and I am not sure if it is you or the City that were controlling the parking spaces in the office building where Bayview is, but apparently The Collection was renting several spaces there, is that the City or is that?

City Manager Brown: The Collection had a deal between The Collection and the Village of Merrick Park.

Vice Mayor Kerdyk: And right now they are not renting any of the spaces.

City Manager Brown: No that has all been dissolved.

Vice Mayor Kerdyk: So do we have a lot of spaces available to lease out there?-or is it for the Village of Merrick Park for just general parking, for people that are in the neighborhood that

need parking? In other words, I know some office buildings in the location there very foreseeable location there that are looking for additional parking spaces, are those available now?

City Manager Brown: The City has 180 spaces available for leasing in one building and 220 spaces available in the other building.

Vice Mayor Kerdyk: And are those occupied right now?

City Manager Brown: They are not all occupied.

Mr. Davidson: I know The Collection, that agreement was terminated, so The Collection is gone, so those spaces are available.

City Attorney Hernandez: No they are not, The Collection had to terminate because they were in violation of our Code, and you were potentially in violation of the lease, so we can look at your question Commissioner, but...

Vice Mayor Kerdyk: I heard something about this and I am trying to figure out exactly where everybody stands.

City Attorney Hernandez: Right, The Collection is gone because they weren't supposed to be there in the first place.

Vice Mayor Kerdyk: Right, would you give me a memo on that.

City Manager Brown: We worked out an agreement with The Collection to remove them in over a two year period but the accelerated in less than a year.

Mr. Davidson: I think they have been gone for quite a while now.

City Manager Brown: They have been gone for 6 months, I believe.

City Attorney Hernandez: Yes.

Vice Mayor Kerdyk: Well maybe you can give me a memo of exactly what the availability of those parking spaces are if any. Alright.

Commissioner Cabrera: I think Mr. Kinney had a comment to make.

City Manager Brown: Kevin.

Parking Director Kinney: Good morning, Kevin Kinney Parking Director. It is fairly simple. There were about 400 spaces that are required to be used by the public within the vicinity of the Village of Merrick Park. At the last time I checked with the operator for the garage, they had about 20 leases, so there's about 380 spaces available.

Vice Mayor Kerdyk: And the spaces are broken up into two locations right? The one is the office building that has about 220 and then their parking garage has the other 180 of them is that how that is?

Parking Director Kinney: Is either that way or...

Vice Mayor Kerdyk: Alright, whatever, alright.

Parking Director Kinney: Yeah, they were split up into two different directions, the reason The Collection was in violation is that is not one of the permitted uses.

Vice Mayor Kerdyk: Thank you very much, I have one other question I would like to ask you, with all of these mixed-use projects that are coming up in that vicinity, how do they bode for your overall project? The mixed-use projects that are in your neighborhood. Do you see a big plus for your project in general from these people shopping and patronizing your facility?

Mr. Davidson: Well I am not familiar with all of them at this point, but I would say in general as you create more synergy and more competition in the area that generally is a positive impact, because if you want to bring...Is like when you go to buy a car and you see seven dealers in a row, you think, Gee why does one stay next to the other, well if you don't like this dealer you don't have far to go to the next dealer. It is the same way thing in retail to a great degree, it is like the man who wants to buy a suit, I use this example a lot. If there is one place in the mall that you can buy a men's suit, men usually don't want to go there because if they don't like it, if they can't find what they want now they are lost, they have to go somewhere else. So having multiple choices is a big plus, I don't view additional competition as a bad thing.

Vice Mayor Kerdyk: I am all over the board here today, but Mr. City Manager can you tell me where we stand on the Berkowitz project down on that same location there. Does anybody know?

City Manager Brown: The last I heard was that it was in for redesign and they had decided to go, at least my information now, was to build as an as of right project.

Commissioner Cabrera: Why don't you explain a little further what the Vice Mayor is asking for so people understand.

Vice Mayor Kerdyk: Yes, the location.

City Attorney Hernandez: David, Martha is here if you want.

City Manager Brown: That would be better.

Vice Mayor Kerdyk: Alright, as she comes up let me explain the location, the location is on the corner of Ponce and US-1 there is a large track of land which was associated with Deel Ford. I guess it is the eastern portion of that property.

City Manager Brown: The parking lot of Deel Ford.

Vice Mayor Kerdyk: Yes, the parking lot there, initially there was a big box retail project that was going there and there was all sort of possible variance issues, and I have not heard anything else about the project the last six months, and since we are talking about not only the Village of Merrick Park, but that whole location down there maybe you can embellish where we stand there.

Martha Salazar-Blanco: On that project just last week, it went to the DRC and it received some comments from some of the departments such as Fire and Police and some of other departments, however it did not receive any comments from Zoning or Public Works or Public Services, because we have not finished our zoning analysis, but the project is coming back and it has not been presented to the Board of Architects as of yet, but they are coming back.

Vice Mayor Kerdyk: What is their concept? Is their concept the same that it was?

Martha Salazar-Blanco: No it is not, it is totally different, the architecture is different, everything is different.

Vice Mayor Kerdyk: So it is not the big box retailers.

Martha Salazar-Blanco: Not at all.

Vice Mayor Kerdyk: Alright good.

Mr. Davidson: Is this the property that you are talking that is just due south of the west garage that is kind of the triangle.

Commissioner Cabrera: Yes, Sir.

Mayor Slesnick: No.

Commissioner Cabrera: That is the Deel Ford site.

Mayor Slesnick: We are talking about the parking lot on US-1, this is south of the eastern end.

[inaudible]

Vice Mayor Kerdyk: It is very close to where your sign is on US-1, just on the western portion of that, where that sign is on Ponce. You have a sign on Ponce and US-1.

Mr. Davidson: Right.

Vice Mayor Kerdyk: It is just to the west of that area.

[inaudible]

Vice Mayor Kerdyk: You need to know about that project because it is going to affect you. One way or another, but it is good to hear that is not going to be a big box retailer. Is that correct?

Martha Salazar-Blanco: That is correct, it is totally different.

Vice Mayor Kerdyk: Because initially we were going to have Target and several other stores.

Commissioner Cabrera: Mass merchandisers.

Vice Mayor Kerdyk: Mass merchandisers, I don't know if it fits into your overall scheme, but whatever it is, it has changed dramatically; and I would like you to get a memo to the City Manager so he can disseminated out to the Commission, so we would know exactly where that project is and what it consists of.

Commissioner Cabrera: You know to piggyback on that and since you are not aware of what may be occurring it wouldn't hurt the City to reach out to the Village of Merrick Park and make them aware of all of the potential projects that are going to go on immediately next to you, because I got confused about a completely different project that is also scheduled to go up that is very very close to your border, or to your property line, and I sure would like you to be well informed on it.

Mr. Davidson: Right.

Commissioner Cabrera: By the way since I took the floor away from the Vice Mayor and this is very near and dear to his heart, we are going to embark upon at some time before, I don't know; the next five years a trolley advertising program and I want you to be aware of it, if there is an opportunity we would certainly invite the Village of Merrick Park to be one of its advertisers.

Mr. Davidson: Absolutely.

Commissioner Cabrera: It would be inside the trolley not outside the trolley, we have been working on it since the beginning of the trolleys, and I think it will come into fruition at some point in time in the next I don't know.

Vice Mayor Kerdyk: Maybe even make a presentation.

Commissioner Cabrera: Good, good maybe in the next I don't know if we are lucky in the next six months.

Mr. Davidson. Ok. Terrific.

Commissioner Cabrera: Thank you, Sir.

Mr. Davidson: Any other questions?

Mayor Slesnick: I was just going to say to Commissioner Cabrera, that you talked about the shuttle that had been proposed, I was hoping that the trolley would serve.

Commissioner Cabrera: Well it has, but it really hasn't, it hasn't been marked as a trolley as a shuttle, it is a natural shuttle service and it is used by students and workers, but it doesn't get the priority that originally the thought process when the Village of Merrick Park when it was first coming to fruition had, which was a special shuttle between the Mile and the Park, but Mr. Slesnick is absolutely correct, the trolley does function in that capacity, but it is not been fully utilized to market you and the mile.

Mr. Davidson: No I am sure we would gladly participate in it.

Commissioner Withers: May I ask a question about the parking garage? Thank you. I am sorry I should have recognized you for being here, but it has to do with the City owned parking. I understand that The Collection deal that Merrick Park was in violation of their lease with us, I am sure there is still a need by The Collection to house their automobiles there would the City be allowed to enter into an agreement with The Collection for our 380 unused spots there?

Parking Director Kinney: We actually do not manage the space, we just get paid, or how they are used, and the parameters that we have on those 400 spaces where they have to be the smaller business surrounding the Village of Merrick Park available for their employees long term monthly parking leases. So that is why The Collection didn't fit into that, because it was a mass storage ... if we change what our 400 spaces could be used for.

Commissioner Withers: Is it a revenue sharing or is it a pure lease? I know that the original deal with Merrick Park was at a guaranteed an internal rate of return of 9 percent, or something we would probably never see, but my point is if there is a need if there is a revenue opportunity that will help some of our businesses be more viable and we have 10 percent of our capacity used, and we have 90 percent of our capacity available, is there a downside to allowing them to do that in your opinion?

Parking Director Kinney: If we were comfortable that the businesses surrounding Merrick Park were being adequately served and we still had a large supply of those 400 spaces, I think that just from a management perspective of the spaces it would make sense for us to lease them

Commissioner Withers: I am not talking about maybe a long term, but maybe a temporary waiver of that for you know, and as the businesses do develop around there, and do we need to use some of that capacity, we just take that availability, or that ability to lease to The Collection out. I don't drive a car from The Collection, I don't lease a car from The Collection, so I am not regardless...

Parking Director Kinney: I guess the only thing I would mention is since I have been here we have almost 200 people on the street in what we call the business village, which is surrounding Merrick Park I have solely been trying to push those people into the garage, so that the on-street spaces are available for short term parking; and we did a rate increase last year, which helped a

little bit, but we are at the point where I probably still this day have a 140 people that they would rather park on the street.

Mayor Slesnick: Now wait, just to clarify the discussion you are talking about long term parking on the street.

Parking Director Kinney: Right.

Mayor Slesnick: They don't turn over.

Parking Director Kinney: My preference specially in a retail area would be that those are spaces that turnover. So I think if we can get, we need to make sure we keep trying to move those people off-street, but it could be that there is a point where there are extra spaces in the garage I can tell you just in the year and eight months since I have been here I think there has only been twice where I have seen any kind of third parking facility get anywhere close to us.

Mayor Slesnick: I think what the problem was and Mr. Withers has pointed was that when this came up the first time there was a lack of knowledge on the part of the City, at least the Commissioners, we did not understand how The Collection had gotten there, what the deal was, and they were alleged to take up all the spaces, we couldn't answer that because we didn't know, I mean if it was a reasonable arrangement which was publicized to the people that need to know and done on a regular business spaces where they are limited the numbers and so forth.

Commissioner Withers: Absolutely.

Vice Mayor Kerdyk: Or on a month to month basis.

Parking Director Kinney: The way our Code they could not use their retail spaces to park for The Collection, but our 400 spaces if they truly are available and we do not have another use for them we could allow it.

Commissioner Withers: Why not?

Vice Mayor Kerdyk: But I think it is good that you hold some out because you have a 100,000 square foot building going across the street from the office, you have 300,000 square foot site being built at the Deel Ford site, we are going to be talking about the DYL site, that is another 300,000 square feet. You have the Green Building that is outside the City of Coral Gables that has another 100,000 square feet that might be looking for people to park in the vicinity. So you need to have that latitude to at least the opportunity, but if you do it in a month to month basis it might be ok.

Mr. Davidson: These 400 spaces that you are referring to, these are currently just open to the public anybody can park there.

Vice Mayor Kerdyk: Well permit.

Mayor Slesnick: Well they are imaginary, they are in the building and they are suppose to be held for public purpose, so that we have control to a certain extent.

City Manager Brown: [inaudible]

Mayor Slesnick: Kevin maybe you should meet Mr. Davidson and go over this whole arrangement.

Vice Mayor Kerdyk: You'll be in a lot of meetings.

Mayor Slesnick: While you are here I wanted to thank, the Village of Merrick Park made a very interesting and I thought a very clever gift to the City for Christmas and that was that you all are supplying carolers, professional carolers, to do performances at City related functions at no charge, and that came through your public relations people and that was a very interesting and nice thing; and I know that the Merrick House has already taken advantage of that and the Garden Club and other groups and I think for our boards and party we are going to be using them to. That is very kind and a very interesting gesture.

Mr. Davidson: Our Pleasure, any other questions.

Mayor Slesnick: The chamber my want to look into that, Thank you.