

City of Coral Gables City Commission Meeting
Agenda Items J-7, J-8 and J-9 are related
June 12, 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, Cathy Swanson-Rivenbark
Assistant City Manager, Peter Iglesias
City Attorney, Miriam Ramos
City Clerk, Walter J. Foeman
Deputy City Clerk, Billy Urquia
Assistant Economic Development Director, Leonard Roberts
Historic Preservation Officer, Dona Spain
Parks and Recreation Director, Fred Couceyro

Public Speaker(s)

Gene Prescott
Steven Gonzalez
Alex Markel

Agenda Items J-7, J-8 and J-9 are related [1:40 p.m.]
Presentation of recent evaluation of Biltmore Hotel.

A Resolution authorizing the City Attorney and City Manager to negotiate and draft an agreement with The Biltmore Hotel Limited Partnership (the “Hotel”) in regards to the City-owned property located at 1200 Anastasia Ave, Coral Gables,

FL to redirect up to 50% of the Hotel's rental payments towards capital improvement necessary to preserve the Hotel's historic landmark designation.

A Resolution authorizing the City Manager to negotiate an extension to the golf course Management Agreement with The Biltmore Hotel Golf Management LLC, with regards to the City owned property located at 1210 Anastasia Avenue, Coral Gables, FL.

Assistant Economic Development Director Roberts: (INAUDIBLE) have a presentation there.

Vice Mayor Quesada: I don't think your mike is on.

City Manager Swanson-Rivenbark: It's okay. We'll...

(COMMENTS MADE OFF THE RECORD)

Assistant Economic Development Director Roberts: Okay, so the City leases The Biltmore Hotel to The Biltmore Hotel Limited Partnership. The lease has been in effect since 1986 and has been amended a couple of times, one of which resulted in (INAUDIBLE). One of the requirements of the lease is to operate the hotel and the premises as a luxury first-class destination resort hotel and conference center in the manner in which other similar class destination hotels and conference centers are operated. The luxury standards (INAUDIBLE) World Travel Guide. The City wanted to verify the hotel meets the luxury standards, so the City worked with The Biltmore, and they selected HCI Consulting to provide a full assessment of the luxury standard, compare the financials and capital expenditures to other hotels. The owner of HCI, Thomas O'Neill, has a degree in real estate development vesting. He is an MAI certified appraiser and expert witness in hotel matters and has over 40 years' experience in the hotel industry. The lease states the lessee and the City should select three hotels for comparable hotels that are historic and considered luxury first class. The consultant reviewed several hotels' descriptions with three most notable being the Breakers Hotel that was built in 1896, the Vinoy Park Hotel, in St. Petersburg, built in 1925, and the Waldorf Astoria, in Boca Raton, built in

1926. Unfortunately, data was not available for many of the hotels, including these three, so the consultant selected seven hotels as comparable with data that was available through Smith Travel Guide. He determined that these hotels were comparable based on the hotel classification, performance indicators (INAUDIBLE) operations. Part of the review process included reviewing the guest reviews on a variety of websites, such as Facebook, Trip Advisor, Expedia, Hotels.com. Out of the 106 reviews, the consultant noted that 100 percent recommended The Biltmore. The overall guest rating was 4.44, with the lowest score attributed to the hotel's location and the highest score attributed to the hotel's value.

Vice Mayor Quesada: What does that "since last month" mean? How much it's gone up or down in the last month, I guess?

Assistant Economic Development Director Roberts: Yeah.

Vice Mayor Quesada: From...

Assistant Economic Development Director Roberts: Yeah, so that -- yes. They rate it on a monthly basis, so that's increased over the ratings from one period to the other.

Vice Mayor Quesada: Got it. So, it's actually gone down, the location score.

Assistant Economic Development Director Roberts: Yes.

Vice Mayor Quesada: Got it.

Assistant Economic Development Director Roberts: Forbes Travel Guide rated the hotel four-star in 2018 based on its 900 objectives and standards. The leading hotels of the world, LHW, is one of the world's largest luxury hotel collections and ranked The Biltmore 9 out of 20 luxury hotels in Florida and provided a score rank of 82.2, while the average score rank was 82.3. The

last testing of that was done in January 2017. The consultant made five out of its seven visits as a mystery appearance. He used the audit tools provided by LHW to inspect and verify the rating. Based on his testing, he scored the hotel a 91.6, significantly higher than LHW's rating of 82.2. An idiosyncrasy of the audit methodology is that each criteria carries the same weight. So, a perfectly served cup of coffee would have the same weight and score as a more complex tasting offer from the Palm d' OR restaurant. The scoring is primarily based on guest experience and less on maintenance issues. His individual observation noted there was maintenance deficiencies and scored those areas lower. But, the overall rating still maintained a luxury standard and concluded that they're at minimal risk of losing their designation. And here's the dates that he provided those testings. The consultant also concluded the hotel performed in line with the comparable hotels, except for the operating and capital costs, which were significantly higher. The industry's average capital reserve rate is approximately 3 to 4 percent of revenues. The hotel's average capital expenditure has been 8 percent in the last 25 years. One contributing factor is a higher cost of repairs versus replacement, as a requirement by the historical landmark designation. Higher occupancy translates to higher maintenance costs, so one strategy the hotel implements is sacrificing occupancy to maintain a lower maintenance expense. This chart shows a projection of the capital reserve based on 4 percent over the next five years, which results in a \$12.5 million shortfall for their capital expenditures they had projected. And due to lender constraints, reserving more than 4 percent of capital would impact the company's cash flow. This chart shows the projection of capital reserve at 6 percent and the City contributing half of its received over the next five years, resulting in a \$2.9 million shortfall, substantially less than the \$12 million. Here are some images of the lobby renovations that are completed. The City's Historic Preservation Officer and Arva Parks reviewed the design before the work was started.

Commissioner Keon: Leonard, could you go back one. On the paper that we have, it says capital funding based on 4 percent reserve and City's contribution.

Assistant Economic Development Director Roberts: So, the first one is 4 percent and the second one is 6 percent.

City Manager Swanson-Rivenbark: Is your mike...

Commissioner Keon: We don't have one that has -- we don't have one...

City Manager Swanson-Rivenbark: Is your microphone on, Commissioner?

Commissioner Keon: That has -- I'm sorry. We don't have one that has 6 percent on it, do we? Capital funding based on 4 percent reserve. This one says capital funding based on 4 percent reserve with City's contribution.

City Manager Swanson-Rivenbark: So, I'm watching it on my laptop, and I see the capital funding based on 4 percent reserve, and then the next page being with City funding and how it has reduced. It may not have been printed, but we're happy to make copies of...

Assistant Economic Development Director Roberts: I apologize for that.

Commissioner Keon: Yeah. Is that right?

Assistant Economic Development Director Roberts: One of them is for -- the first one is for 4 percent, and the second one that was provided by the consultants on 6 percent, and I have a copy right here.

Commissioner Keon: Okay. The copy I have says -- and City's -- it's still 4 percent with City's contribution.

Assistant Economic Development Director Roberts: I'm not sure what happened there.

Commissioner Keon: Did you give me an old paper?

(COMMENTS MADE OFF THE RECORD)

Commissioner Keon: Okay. Okay, thank you.

Mayor Valdes-Fauli: Thank you.

Vice Mayor Quesada: Thank you, sir.

City Manager Swanson-Rivenbark: I'm fine. I don't need one.

Assistant Economic Development Director Roberts: So, if you look at that slide, it shows -- the 4 percent shows a \$12.5 million shortfall. And with a 6 percent reserve and the City contribution, roughly a \$3 million shortfall, which 6 percent would be substantially larger than what the norm is and so that would be kind of hard for them to achieve, especially with their lender requirements.

Commissioner Keon: Okay.

Assistant Economic Development Director Roberts: The hotel has a budget of about \$8.3 million, roughly \$30,000 a room towards the room renovations. And here's a picture of the before and after rendering. The windows project is budgeted to about \$5.5 million, which includes hurricane impact windows and that meets historic requirements.

Vice Mayor Quesada: Which I certainly know is an issue. I know we got a number of complaints during Irma with water coming in.

Assistant Economic Development Director Roberts: The door outside was restored. And, one of the outcomes from this testing has been the hotel's request for contribution towards their capital,

which brings me to the next agenda item. But before we go on, any questions related to the assessment?

Vice Mayor Quesada: Nope.

Mayor Valdes-Fauli: You have next here in the capital costs, structural issues that we should -- that we could take care of because of the property and it belongs to Coral Gables. And then, regular hotel maintenance whether it's a new hotel or an old hotel, like rooms, room hallways, room bathroom refresh, banquet space, lobby décor. That has nothing at all to do with the historic nature of the property. That is the operation of a normal hotel; and you know, what are they going to use the money that we may be giving them for?

Assistant Economic Development Director Roberts: So, that brings me to the next...

Mayor Valdes-Fauli: And who's going to supervise that?

Assistant Economic Development Director Roberts: And we're going to discuss that right now. So, the US Department of Interior designated the hotel as a national historic landmark and requires them to comply on a biannual basis with a certain historic preservation within the monument. And so, the City received a list of their \$23 million approximately of line items of capital expenditures. Dona, myself and The Biltmore reviewed that list and determined roughly about \$10.5 million of that \$23 million pertained to the historic monument.

Mayor Valdes-Fauli: Where is that?

Assistant Economic Development Director Roberts: Where is the list? I can provide the list.

Mayor Valdes-Fauli: Because it's not this list.

Assistant Economic Development Director Roberts: No. It's...

Historic Preservation Officer Spain: I don't think it's part of your packet. But they had a detailed list, and I went through it because some of the items -- such as the furnishings of the lobby was something that they would have done anyway. They had fallen in disrepair, so that wasn't counted.

Mayor Valdes-Fauli: The rooms, the lobby.

Historic Preservation Officer Spain: The rooms weren't counted, you know. They replaced the baseboard, which did need to be replaced, but they took original fabric -- original baseboards out and added ones back in. I didn't count that.

Mayor Valdes-Fauli: I'd like to see that list.

Historic Preservation Officer Spain: Absolutely.

Mayor Valdes-Fauli: I'd like to see the list (INAUDIBLE).

Historic Preservation Officer Spain: We went through it with them and didn't allow anything that was just regular maintenance. But, there were some things that went above what an ordinary hotel would have to do...

Mayor Valdes-Fauli: Like what?

Historic Preservation Officer Spain: Because of the historic nature of it.

Mayor Valdes-Fauli: Like what?

Commissioner Keon: Windows.

Historic Preservation Officer Spain: The -- pardon me?

Commissioner Keon: The windows.

Historic Preservation Officer Spain: The windows. They did an amazing job on those windows. It was back to what they were originally, and now they're impact windows.

Mayor Valdes-Fauli: Now they are?

Historic Preservation Officer Spain: They are. They're going to -- they're in the process of doing that.

Mayor Valdes-Fauli: No, they're in the process, but...

Historic Preservation Officer Spain: Yes.

Mayor Valdes-Fauli: Mr. Prescott gave me a tour and showed me a very, very impressive...

Historic Preservation Officer Spain: Yes.

Mayor Valdes-Fauli: Shop, you know, engineering space where they were building the windows and doors, et cetera.

Historic Preservation Officer Spain: That's right.

Mayor Valdes-Fauli: And at the rate of meticulous detail that they were going through, I would estimate that it'll be 2030 before they finish that. Doing two windows at a time -- very meticulous and very, very good. I'm very...

Historic Preservation Officer Spain: Yes.

Mayor Valdes-Fauli: Impressed, but they won't get it done.

Historic Preservation Officer Spain: Well, I think they can answer that question later if you would like to have them, because they will get it done in -- when?

Gene Prescott: Remember, we made half and then we bought the other half.

Historic Preservation Officer Spain: There's a manufacturer that's making the identical windows to them, and so they're purchasing some of those windows to get them done in time.

Mayor Valdes-Fauli: When will the windows be replaced?

Mr. Prescott: Pardon me?

Mayor Valdes-Fauli: When will all the windows be replaced?

Mr. Prescott: By December 1.

Mayor Valdes-Fauli: December 1.

Commissioner Keon: Of this year?

Mr. Prescott: This year.

Mayor Valdes-Fauli: All the windows.

Mr. Prescott: We really need to do a big effort to get this done. We had -- as you heard, I think Vice Mayor Quesada mentioned we had a lot of problems -- we had a lot of problems with -- during the hurricane. It was terrible.

Mayor Valdes-Fauli: I know you did.

Mr. Prescott: It was terrible. So, we must do that. And also, on windows, even though it's a large amount, five and a half million dollars to replace all the windows, is that we get moisture intrusion as well as when it rains, we get water intrusion.

City Attorney Ramos: Gene, could you state your name so we have the record complete?

Historic Preservation Officer Spain: Your name. Who are you?

Mr. Prescott: I wonder at times. Gene Prescott, with The Biltmore Hotel.

City Attorney Ramos: Thank you.

Mr. Prescott: Thank you.

City Manager Swanson-Rivenbark: Mr. Mayor, just as further clarification, it was important for us to have confirmation that the condition, the luxury level of that hotel and the promise for that hotel to continue to be successful, and that's what J-7 was. Thomas O'Neill is a highly respected hospitality evaluation expert, and so he conducted that review. We had The Biltmore be the client, because some of the information was going to be proprietary and this way they would be able to speak freely with him while not jeopardizing the evaluation.

Assistant Economic Development Director Roberts: And I have a list here of -- you know, it's more of a hand script list here and I could provide you a full detail. Window replacements...

Mayor Valdes-Fauli: Five point five.

Assistant Economic Development Director Roberts: Yeah. We have the 40-year recertification. We have roof replacement.

Historic Preservation Officer Spain: Remember that that structure of The Biltmore is a steel structure, but it's infilled with hollow clay tile, so it's not...

Mayor Valdes-Fauli: It's what?

Historic Preservation Officer Spain: Hollow terra cotta tile is the -- you know, it's not a concrete block, so it's very difficult -- the stucco repair alone is costly, and that's part of the 40-year recertification.

Assistant Economic Development Director Roberts: We have window replacement/construction. We have balcony doors replacement in there. We have the elevators -- the historic elevators have been included in that.

Historic Preservation Officer Spain: The elevators that they redid in the lobby they had to do to replicate the original and they really went above and beyond. You know, I've -- in the past years, since I've been here for over 20 years; I've been one of their strongest critics. But, I can tell you they have really stepped up and they're trying to do the right thing for the hotel, in my view.

Assistant Economic Development Director Roberts: And, just to kind of give you an idea of some of the things that were excluded. We had hallway renovations that were excluded, improvements to ballrooms, room renovation, digital signage, garage systems. These are all items that were excluded after review.

City Manager Swanson-Rivenbark: And it was a two-tiered test. It had to be acceptable to Dona Spain as Historical Resources Director in terms of protecting the historic nature of the monument and then Assistant City Manager Peter Iglesias in terms of the structural enhancements. And so, it was physical improvements for the historic monument that guided this, not the important refreshment that is happening with the hotel itself.

Vice Mayor Quesada: I mean, and this was also done in conjunction with the independent consultant...

City Manager Swanson-Rivenbark: Yes, sir.

Vice Mayor Quesada: Analysis of the current operations together.

Mayor Valdes-Fauli: And is the refreshment being done?

City Manager Swanson-Rivenbark: The -- yes. So, it's my understanding -- and correct me if I'm wrong -- that The Biltmore is going to put \$22.5 million into renovating the hotel. Of that, approximately what, 9 or \$10 million is for the historic monument and it's that conversation that we wanted to focus on reinvesting up to our recommendation, 50 percent of the revenues that the City would receive for a five-year period based on those capital improvements that are acceptable to Dona and Peter, but also, each year, it is a reimbursement grant or is it a...

Assistant Economic Development Director Roberts: So, what we're asking for is the City Commission to give us authorization to finalize the details. The business terms would be that we

would contribute up to 50 percent of the revenues -- or redirect 50 percent of the revenues that we receive.

City Manager Swanson-Rivenbark: The annual revenues.

Assistant Economic Development Director Roberts: Correct.

Mayor Valdes-Fauli: Okay, and when is the other non-50 percent -- I mean, the rooms, et cetera. When is that going to be done?

Commissioner Keon: They're doing it concurrently.

Vice Mayor Quesada: Should we have someone from The Biltmore, if you could...?

Mayor Valdes-Fauli: Yeah.

Vice Mayor Quesada: Just stay up at the microphone, so we can address all these points at the same time?

Mr. Prescott: Sure. December 1.

Mayor Valdes-Fauli: By December 1, the rooms and...

Mr. Prescott: We are -- what we need to do, Mayor, is really do a massive change. The product is -- from the point of view of a hotel, is tired. We've got more competition. We, in 2017, were down 6 percent in revenue. And, you all heard the report of Bill Talbert and myself for the Bureau, where the market was up. We were down. So, and the reason why is our product is not up to snuff. So, there's obviously these issues that we're just talking about, the structure. You all have seen and experienced some of the problems we've had on the -- particularly, the water

intrusion, which is really destructive. But, it's also -- we need to get our product better. Otherwise, we'll continue to lose revenue.

Mayor Valdes-Fauli: December 1.

Mr. Prescott: Yes, sir. If not, we'll have...

Mayor Valdes-Fauli: This year?

Mr. Prescott: Yes, this year. You're right with some skepticism, but that's the plan. We have a detailed plan.

Mayor Valdes-Fauli: No. I -- okay, do I hear a motion?

City Attorney Ramos: Excuse me, sir. Let me read it into the record. It's a resolution authorizing the City Attorney and City Manager to negotiate and draft an agreement with The Biltmore Hotel Limited Partnership in regards to the City-owned property located at 1200 Anastasia Ave, Coral Gables, FL to redirect up to 50% of the Hotel's rental payments toward capital improvements necessary to preserve the Hotel's historic landmark designation. I have previously given an opinion that this does not impact the Procurement Code, because it is essentially redirecting monies that the City's getting. It's in the vein of an expenditure and not an amendment to the lease agreement.

Mayor Valdes-Fauli: Do I hear a motion?

Vice Mayor Quesada: Well, I have just one question on this. The five -- I just want to make sure -- what's the rationale for the five-year term on this?

Assistant Economic Development Director Roberts: So, the projections they provided to us were based on a five-year period, so we used that as a basis for up to five years. So, that \$22 million or \$23 million, the intention is for -- we know what those funds are, so we want a timeframe of five years to redirect that. Anything over and beyond that, right, is not part of this discussion. So, anything beyond five years will probably be projected for other items that are not in this list.

Vice Mayor Quesada: Madam Manager, what's before us today is to grant staff to discuss and finalize an agreement with The Biltmore, right? Is that what you're talking about? And, that you guys would work out whatever material terms are left over.

Assistant Economic Development Director Roberts: Right. And, we provided a dollar amount as a basis for discussion so that you -- you know, the goal is to have the City Manager and City Attorney finalize an agreement, but you authorize based on that \$5.25 million projection over five years, not to exceed.

City Manager Swanson-Rivenbark: The five-year period, our Finance Director will say, is also important, because it allows us to include it as a part of our capital plan from a funding standpoint. We don't have \$4.5 million sitting around waiting. We're going to take the money that they would be giving us. We're going to recommend that you allow us to give them back half -- up to half of it and we would like to iron out this negotiation itself.

Vice Mayor Quesada: Okay. Look, I'm in favor of it. I mean, I think Chip Withers has talked to me that he's been trying to work something out with The Biltmore related to this for many years, even before -- when he was still on the dais. I just want to make sure that you guys can continue to discuss those items, including the timeframes because, my understanding, The Biltmore is -- they may not be 100 percent in agreement with the five-year term. So, I'm just saying discuss that as well.

City Manager Swanson-Rivenbark: Absolutely.

Mayor Valdes-Fauli: Alright.

Commissioner Lago: I have just one quick comment before...

Mayor Valdes-Fauli: Yes.

Commissioner Lago: Is staff going to be reviewing this on a year-to-year basis or is it going to be a project to project basis?

Assistant Economic Development Director Roberts: So, they have an annual audit that they do, and so what we're going to ask is that this be included within the footnote disclosure of the annual audit. So, the list of capital expenditures will meet the criteria of what we consider a historic monument, and we'd have to see that list in order to get -- for them to get the money.

Mayor Valdes-Fauli: Alright.

Commissioner Lago: Not that I do not trust our friends at The Biltmore.

Assistant Economic Development Director Roberts: Yeah.

Commissioner Lago: They've been great partners, but I want to make sure that if it's needed and required, that you have the ability to bring in, you know, somebody who may have a little bit of background in regards to construction and design and give you kind of an audit in regards to what they have spent. So, if they tell you they spent a million dollars on windows and give you a price or some sort of estimate telling you -- you know, actually giving you some backup so that the backup actually is concurrent...

Assistant Economic Development Director Roberts: Supports.

Commissioner Lago: To what the expenditures The Biltmore's stating they've done.

Assistant Economic Development Director Roberts: And we can all negotiate as part of the final agreement.

Historic Preservation Officer Spain: And you know, they pull permits for all of this, so we have what they put down on the permit also.

Commissioner Lago: Yeah, but that doesn't...

Historic Preservation Officer Spain: I understand.

City Manager Swanson-Rivenbark: We can hire...

Commissioner Lago: We all know what that...

Historic Preservation Officer Spain: They're finally pulling permits.

Commissioner Lago: I don't want to talk about that right now. But, we know that what happens in a lot of municipalities is they do not put the exact number, obviously, because they pay less for a permit.

Assistant Economic Development Director Roberts: And, we'll ensure we incorporate all that in the final agreement, so that we can have an audit trail.

Mayor Valdes-Fauli: Alright.

Commissioner Lago: Thank you.

Mayor Valdes-Fauli: Any other comments? Will you call the roll, please?

City Attorney Ramos: I don't think there's been a motion.

Commissioner Keon: I'll move it.

Vice Mayor Quesada: So moved.

Mayor Valdes-Fauli: There was...

Commissioner Keon: I second it.

Mayor Valdes-Fauli: Okay. 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)

Mayor Valdes-Fauli: Alright, next item is J-9.

City Attorney Ramos: J-9 is a resolution authorizing the City Manager to negotiate an extension to the golf course Management Agreement with The Biltmore Hotel Golf Management LLC, with regards to the City owned property located at 1210 Anastasia Avenue, Coral Gables, FL. This resolution does require two votes. One would be a four-fifth vote to waive the Procurement Code, and the second would be a majority vote to pass the resolution.

Mayor Valdes-Fauli: Alright, presentation.

City Manager Swanson-Rivenbark: And can you...

Assistant Economic Development Director Roberts: So, the City has...

City Manager Swanson-Rivenbark: Excuse me, one second. And Madam City Attorney, can you explain why the Procurement Code would need to be waived in this instance?

City Attorney Ramos: Yes. And so, the Procurement Code for sale, lease and purchase of City-owned land has a number of different requirements that would need to be followed. None of that makes sense in this case. This is akin to a sole source procurement in a way. They're already in agreement -- they're already in an agreement with the City. We're simply extending that agreement. Management agreements are exempt from the Procurement Code; however, only if they're for under three years and this is for fourteen years.

Assistant Economic Development Director Roberts: So, the City entered into a management agreement related to the golf course in 2004. That lease or management agreement, I apologize, expires in September 2028. The hotel plans on restoring the course to a Donald Ross Golf Course, with a budget of approximately \$2.5 million. Their renovations would not only establish it as a Donald Ross Golf Course, but also meet the Professional Golf Association standards. And due to this investment, the hotel is recommending extending the management agreement for an additional 14 years. And, the timeframe for expiration would expire on the hotel's initial term, which is August 2042. So, their lease expires currently in 2028, and to coincide it with the Biltmore's lease expiration in 2042, but in no way will this be tied to any of the lease terms in The Biltmore Hotel. The 14-year extension would be recommended on the basis of the timely development of the actual Donald Ross Golf Course, provide PGA standards of maintenance operations and invest a minimum of \$2.5 million into the actual course.

Commissioner Lago: I just...

Mayor Valdes-Fauli: Alright.

Commissioner Lago: I have a quick question. Well, two points. And we have somebody here from the Junior Orange Bowl, and I think they wanted to make some comments.

Mayor Valdes-Fauli: Yeah, they have.

Commissioner Lago: (INAUDIBLE).

Mayor Valdes-Fauli: Yeah.

Commissioner Lago: And, the second concern -- second question I have or concern is -- I'm not a golfer. I know that we have certain people on this Commission who are golfers. So, I -- Donald Ross -- I did a little bit of background in looking into who that individual is as a designer. It's pretty impressive and I think it'll bring a lot of cache not only to the golf course, but to the City. But I think \$2.5 million seems a little light. Again, I haven't seen the scope. Are we sure that we're covered under that 2.5? If it ends up becoming \$4 million, are they going to come back to the City and say, hey, you know, we want a portion of that to be paid by the City? Is that something that's being under consideration? Or is it going to be up to The Biltmore to assume that additional cost?

Assistant Economic Development Director Roberts: So, what we're asking today is on the premise of that \$2.5 million, if anything changes related to that, then it can come back to Commission for further discussion. But as of right now, the discussion is for 2.5, 14 years extension.

City Manager Swanson-Rivenbark: Now, Commissioner Lago, Fred Couceyro had supervised the Granada Golf Course renovations. He has reviewed the plans for Donald Ross. Yes, it was a part of George Merrick's original plan, with the Donald Ross Golf Course behind The Biltmore Hotel. So, it is exciting that that type of historic golf course is being returned to the property. But Fred, in your review of the plan, it's not the entire golf course that is being renovated. Do you feel that this is an adequate amount of investment?

Parks and Recreation Director Couceyro: It should be. Based on what we've seen -- what we saw at Granada, which, obviously, was a much smaller project, but with this project, they're not taking on the full 140 acres. They're only taking on a portion. And, what they're really looking at is they're kind of doing a few adjustments to the course. They're increasing the length of some of the holes, so it's more conducive to tournaments, more conducive to competitive play. So, that's just adding tees. And, they are taking away some of the bunkers and adding new bunkers that were originally in the design. So, it's not a full-scale -- whereas, Granada, we kind of -- we took from beginning to the end, the entire course.

Commissioner Lago: When was...

Parks and Recreation Director Couceyro: This one is they're kind of just making adjustments to the course.

Commissioner Lago: When was the last time you had a professional company do an estimate on what's going to take it to bring it to the standards?

Parks and Recreation Director Couceyro: We have not -- in terms to bring it up to the standard...

Commissioner Lago: Yeah, whatever the Donald Ross...

Parks and Recreation Director Couceyro: Or to bring it up to the Donald Ross design...

Commissioner Lago: And there's a reason why I'm asking.

Parks and Recreation Director Couceyro: I cannot give you an answer. I'm not sure in terms of us...

Commissioner Lago: The reason why I'm asking is...

Parks and Recreation Director Couceyro: In terms of the City contracting a company, no.

Commissioner Lago: The reason I'm asking is because construction costs have gone up between 20 and 40 percent in the last six months across the board on all the line items. Again, like I said, I'm not a...

Vice Mayor Quesada: So, you're saying the \$2.5 million that they're talking about, maybe it might be \$5 million today?

Commissioner Lago: That's why I prefaced my statement. I am not...

Unidentified Speaker: Yeah.

Commissioner Lago: A golf expert. I leave that up to Quesada and Commissioner Keon.

Vice Mayor Quesada: Yeah.

Commissioner Lago: I've never even played golf out there once.

Unidentified Speaker: Right.

Commissioner Lago: I've ridden in a cart one time, and I think it was with you or something. My point is that I think we need to be very careful what we agree on today. Maybe it's just a cap. Two point five, we can do this. And, if we can't do the rest of the course -- but I think it would be a shame to only do a portion of the course and then have to come back in say, maybe a year later, and say, okay, we're going to do the course for X amount because we fell short. And just costs have gone up across the board.

Assistant Economic Development Director Roberts: I just confirmed with them. They've costed it out already and so it's 2.5.

Commissioner Lago: Okay, you costed it out?

Commissioner Keon: They have costed it out.

Commissioner Lago: That's why I'm asking...

Commissioner Keon: Can someone --- yes.

Commissioner Lago: That's why I'm asking all these questions just to make sure.

Mr. Prescott: The cost went out to a full bid. Full bid, three -- I think we had what, three responsive bids. We've chosen one.

Commissioner Lago: When was that -- when was it bid?

Mr. Prescott: When?

Commissioner Lago: Yeah.

Mr. Prescott: About a month ago.

Commissioner Lago: Oh, then you're in good shape.

Mr. Prescott: A month and a half ago.

Commissioner Keon: Yeah.

Mr. Prescott: A month ago now.

Commissioner Lago: Then you're in good shape. That's my only concern. That's it.

Mr. Prescott: Yeah. No, I -- (INAUDIBLE) got a few extra dollars above the 2.5.

Commissioner Lago: And, you've made sure to put a line item in their contract that they'll hold that price for X amount?

Mr. Prescott: Yeah.

Commissioner Lago: Sometimes...

Mr. Prescott: We'll have...

Commissioner Lago: They'll say they'll hold it for 30 days, two months.

Mr. Prescott: We'll have an appropriate contract with the contractor, yeah.

Mayor Valdes-Fauli: Good. Anything else?

Commissioner Lago: Thank you.

City Attorney Ramos: With regard to the four-fifths, I'd also like to add that the Commission may do so if it finds that it's in the public interest to do so.

Mayor Valdes-Fauli: Okay, we have two people who wish to speak. Basically, the same card. Alex Gonzal -- Alex Markel and Steven Gonzalez. The Junior Orange Bowl thanks the City of Coral Gables for Commission -- for support of the International Golf Championship. Yes, sir.

Steven Gonzalez: Ladies and gentleman of the Commission, first, the Junior Orange Bowl -- sorry, Steve Gonzalez, vice president of the Junior Orange Bowl and chair of the International Golf Tournament. First, we'd like to thank you for your support and the City for its support of our festivities, and specifically, the golf tournament. Over the past five years or so, I've been working with Gene, Matthias (phonetic) and Bob and consider them great advocates and allies for the golf tournament. And, the golf tournament itself is very excited about the renovations. We would be in support of extending the lease agreement and doing the renovations. And, we look forward to showcasing the renovations at this year's golf tournament for the 2018 -- from December 26 'til the 31st. Thank you.

Mayor Valdes-Fauli: Thank you.

Alex Markel: And I'm Alex Markel, the director of the Junior Orange Bowl. I just want to reiterate Steven's comments. We want to thank the City and the Commission, the Administration for all the support. The golf tournament is going into its 55th year this year. It's got a lot of history and we think the renovation of the golf course will bring a great -- some great impacts -- positive impacts to the City, to the golf course, and to the Junior Orange Bowl for which we're very thankful.

Vice Mayor Quesada: That's great. You said the tournament's...

Mayor Valdes-Fauli: Thank you very much.

Vice Mayor Quesada: In January?

Mr. Gonzalez: It runs from December 26 to December 31.

Vice Mayor Quesada: Will the renovations be done by then?

Commissioner Lago: Yep.

Mr. Prescott: Yes.

Vice Mayor Quesada: Oh, yeah? Great.

Mayor Valdes-Fauli: It looks wonderful.

Mr. Gonzalez: And hopefully, the tournament will be the first to showcase it.

Mayor Valdes-Fauli: Wonderful.

Mr. Gonzalez: We're looking forward to it.

Vice Mayor Quesada: Thank you.

Commissioner Lago: Thank you. Thank you for being here.

Vice Mayor Quesada: So moved.

Commissioner Keon: Second.

City Attorney Ramos: Are you moving to waive the Procurement Code?

Vice Mayor Quesada: Yes.

City Attorney Ramos: Is there a second?

Mayor Valdes-Fauli: This is a four-fifths.

Commissioner Keon: I'll second.

Mayor Valdes-Fauli: Yes. Alright, will you call the roll, please?

Assistant Economic Development Director Roberts: Thank you.

Commissioner Keon: Yes.

Commissioner Lago: Yes.

Commissioner Mena: Yes.

Vice Mayor Quesada: Yes.

Mayor Valdes-Fauli: Yes.

(Vote: 5-0)

City Attorney Ramos: Now, we need a second motion to adopt the resolution.

Vice Mayor Quesada: So moved.

Commissioner Keon: Second it.

Mayor Valdes-Fauli: Will you call the roll, please?

Commissioner Lago: Yes.

Commissioner Mena: Yes.

Vice Mayor Quesada: Yes.

Commissioner Keon: Yes.

Mayor Valdes-Fauli: Yes.

(Vote: 5-0)

Vice Mayor Quesada: I just want to say thank you to The Biltmore and to staff.

Mayor Valdes-Fauli: Thank you.

Vice Mayor Quesada: I know there's been a lot of work on both sides, so thank you to everyone.

Commissioner Lago: Good job.

Mayor Valdes-Fauli: And I hope you stay...

Commissioner Keon: It's exciting.

Mayor Valdes-Fauli: For the rest of the meeting and enjoy your afternoon.

City Manager Swanson-Rivenbark: Mr. Mayor, there is an item...

Mayor Valdes-Fauli: Yes, time certain.

City Manager Swanson-Rivenbark: Where the Cultural Development Board is recommending an action, but you very well may wait and ask us to discuss that more when we're negotiating with The Biltmore. It's your prerogative.

City Attorney Ramos: That's correct. That is Item I-1.

Commissioner Keon: I think they're in agreement.

Mayor Valdes-Fauli: Why don't we take the time certain, and then we'll go back to that?

Commissioner Keon: Well...

City Attorney Ramos: Only because The Biltmore's present, sir.

Vice Mayor Quesada: Oh, because it's related to Gables Station.

Mayor Valdes-Fauli: Okay, I-1.

City Attorney Ramos: I-1 is a resolution that's being proposed by the Cultural Development Board, and they're asking you to adopt a resolution approving the recommendation of the board for the sole use of the theater space at The Biltmore Hotel as live theater or performance venue for a not-for-profit organization.

Historic Preservation Officer Spain: So, this is from the Cultural Development Board. Gables Stage, as you know, is leaving The Biltmore, but that's not going to be any time in the near future. I believe they're going to the Coconut Grove...

City Manager Swanson-Rivenbark: Coconut Grove Playhouse, but that's quite a...

Historic Preservation Officer Spain: Playhouse, but that's, you know, up in the air. So, I would suggest that we have that discussion while we're talking about the other things with The Biltmore Hotel, so that we can come to some kind of conclusion on this item.

Commissioner Keon: Okay.

City Attorney Ramos: In that case, you need to take no action at this time.

Commissioner Lago: Okay.

Mayor Valdes-Fauli: Alright. Thank you.

Commissioner Lago: Thank you, Dona.

Mayor Valdes-Fauli: Thank you very much.