

## **CORAL GABLES PROPERTY ADVISORY BOARD**

**Minutes of April 15, 2009**

**Youth Center – Conference Room**

**405 University Drive, Coral Gables, Florida**

<b>MEMBERS:</b>	<b>A</b>	<b>M</b>	<b>J</b>	<b>J</b>	<b>A</b>	<b>S</b>	<b>O</b>	<b>N</b>	<b>D</b>	<b>J</b>	<b>F<sub>1</sub></b>	<b>F<sub>2</sub></b>	
Anthony Perea	P	-	-	-	-	-	-	-	-	-	P	E	Mayor Donald D. Slesnick, II
Josie Ramirez	P	-	-	-	-	-	-	-	-	-	P	P	Commissioner Maria Anderson
Gustave (Gus) Perez	P	-	-	-	-	-	-	-	-	-	P	P	Vice-Mayor William H. Kerdyk, Jr.
Martha Pozo-Diaz	P	-	-	-	-	-	-	-	-	-	P	P	Commissioner Rafael “Ralph” Cabrera, Jr.
Luis M. Padron	A	-	-	-	-	-	-	-	-	-	A	E	Commissioner Wayne “Chip” Withers
Edmund J. Mazzei	P	-	-	-	-	-	-	-	-	-	A	P	City Manager
Mary Ann Degan	P	-	-	-	-	-	-	-	-	-	A	A	City Commission

**A = Absent**

**P = Present**

**E = Excused**

### **STAFF:**

R. Alberto Delgado, P.E., Public Works Department

Lorena Garrido, Public Works Department

Idalina Barreiro, Public Works Department

**GUESTS: Catherine B. Swanson, Development Director; Jessica Wooterspoon, Business Development Specialist; Bob Bonham, Co-owner Preston Scott Design with Flowers**

**RECORDING SECRETARY:** Lorena Garrido, Public Works Department

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### **CALL TO ORDER:**

The Chairman, Mr. Perez, called the meeting to order at 8:43 a.m.

### **ROLL CALL:**

Ms. Barreiro called the roll and members confirmed attendance.

### **MEETING ABSENCE:**

Mr. Padron was absent.

### **MINUTES OF MARCH 18, 2009 MEETING:**

The March 18, 2009 meeting minutes were read. The members found an error: the date of the minutes read February 4, 2009 Special Meeting and it should have been February 18, 2009. The correction was made and the minutes were unanimously approved upon a motion for approval by Mr. Perez, seconded by Ms. Ramirez.

### **SECRETARY'S REPORT:**

- **Facility Contract Property Insurance – Updated Report**

Mr. Delgado apologized for not bringing the “Schedule of Outstanding Rent Report” requested by the Board during last meeting. He explained that he had some questions regarding some leases, specifically the Biltmore Golf Course Management, which is behind almost three periods and that Mr. Don Nelson is working on this matter. This report will be provided at the next meeting.

Mr. Perez suggested to Mr. Delgado that, if he can get the report early, to e-mail it to the members so they do not have to wait until the next meeting. Mr. Delgado agreed.

Mr. Delgado informed that regarding the “Facility Contract Property Insurance Report” there are three facilities not in compliance: (1) Granada Snack Shop, which should be resolved in a week or two; (2) Boys Scout Hut at Granada Golf Course, who are in default because their insurance expired last month and they do not have the funds to renew; (3) The Supercuts Inc., which still have not provided the Certificate of Insurance.

Ms. Degan asked if the City can pay for the Boys Scout insurance and then get reimbursed. The answer was yes.

Finally Mr. Delgado said that he will discuss with Mr. Sparber to know exactly what is going on with these facilities.

### **CITY COMMISSION BOARD RELATED ITEMS UPDATE:**

Nothing at this time

### **CITY UPDATE:**

Mr. Perez inquired if Mr. Delgado had an update regarding the Country Club improvements and Mr. Delgado reported the following:

- The City is still proceeding with the necessary repairs/improvements.
- The termites have been addressed.
- The bidding process has started for the roof and the air conditioning replacement.
- The swimming pool project will be divided in two phases: the first phase is taking care of the drain problem and the second phase are the federal requirements, which relate to the disposal of the water and having a retainer tank to filter the water before it goes into the system.
- The contamination has been established by URS (environmental contractor). The area has to be cleaned and will be monitored.

Ms. Degan questioned where the retainer tank will be installed. The answer was in the green space at the front.

Mr. Mazzei inquired how often the monitoring wells will be checked and by whom. The answer was quarterly by an outside environmental consultant, URS, which will then report to DERM.

Ms. Swanson said that regarding the Country Club lease, Mr. Mazzei did a great job and that the additions/corrections will be added to the lease and be presented at the April 28<sup>th</sup> Commission meeting.

Mr. Mazzei questioned if they will receive a red lined version prior to the lease execution. The answer was that a red line will be sent to Mr. Delgado and that they will have the opportunity for comments.

Ms Swanson gave an update on the item brought to the members during the February 18<sup>th</sup> meeting: "Review and consideration of a new lease and new tenant at the former Karma space located at 2325 Galiano Street". She mentioned that the deal with the family owned restaurant, Rumi Mediterranean Kitchen and Bar, fell through and that they needed to move on to get a new tenant.

#### **OLD BUSINESS:**

- **Fritz & Franz Bierhaus lease renewal, 60 Merrick Way**

Mr. Mazzei motioned to approve Fritz & Franz's five year renewal, and for them to come back prior to the expiration of their current lease to request the second five year renewal. The motion was seconded by Ms. Ramirez and passed unanimously.

#### **NEW BUSINESS:**

- **Preston Scott lease – request for rent reduction**

Ms. Swanson explained that Preston Scott:

- Have been a City tenant since 1990.
- They relocated to their current space with the opening of the Museum Garage.
- Spent \$350,000.00 in space improvements.
- In the beginning they had good expectations for revenues, but now with the uncertainty of the economy this has changed.
- They are currently paying half of their rent and that the City is looking what the options are because no one wins if we move forward and exercise the default.
- Their property taxes bill came in.
- She told Mr. Bonham to take the issue to the Property Advisory Board and see what kind of information the members need in order to consider a rent deferral, rent abatement or a rent reduction.
- They have talked about the idea to reduce their space and have a complementary subtenant to help with some of the obligations, but this will involve a lot of cost.
- We want to look up what reductions are happening on the Mile and in other areas.

After an extensive conversation between members about some properties on the Mile that have the same or similar problems Mr. Mazzei said that the Board requires the following documents for the next meeting:

1. Income and Expense Statement for year 2008 and a year-to-date for 2009.
2. Income Tax Return for 2008.
3. Rent Payment Schedule from the City of Coral Gables.
4. A survey of what is really happening on the Mile and the immediate areas as far as retail spaces.

Once we have all this information we can look over the situation and make a recommendation, he added. Also he said that right now he thinks that the reduction is in order and that the best interest of the City is to do a reduction deferral.

Mr. Perez said that everybody knows the situation of the market and that Mr. Bonham will get whatever help the Board can offer.

Mr. Mazzei asked Ms. Swanson about the modification to City's Lease at 286 Miracle Mile (item that was considered during February meeting).

Ms. Swanson answered that the City Commission did agree to extend the five month rent abatement and also to pay for the electrical additional cost to meet code requirements.

#### **OPEN DISCUSSION:**

There were no open items for discussion.

#### **ADJOURNMENT:**

Mr. Mazzei motioned to adjourn the meeting. Ms. Degan seconded the motion. The meeting was adjourned at 9:30 a.m.