

CITY OF CORAL GABLES, FLORIDA

RESOLUTION NO. 2019-96

A RESOLUTION APPROVING THE GENERAL BUSINESS TERMS AND AUTHORIZING THE CITY MANAGER AND CITY ATTORNEY TO NEGOTIATE A DEVELOPMENT AGREEMENT WITH CORAL GABLES CITY CENTER, LLC (CGCC) FOR THE REDEVELOPMENT OF MUNICIPAL PARKING GARAGES 1 AND 4 (“G1” AND “G4”) IN WHICH CGCC PROPOSES A PUBLIC PRIVATE-PARTNERSHIP TO PROVIDE AN IMPROVED PARKING STRUCTURE WHERE THE CITY WILL RETAIN OWNERSHIP OF THE PUBLIC PARKING COMPONENT IN G1 AND ALLOW CGCC TO BUILD A RESIDENTIAL MIXED-USE PROJECT IN G4 COMPATIBLE WITH THE SURROUNDING NEIGHBORHOOD, BUT ONLY IF THE CITY DOES NOT BREAK GROUND IN ORDER TO BUILD A PARKING GARAGE TO REPLACE G1 BY OCTOBER 1, 2022; AND GRANTING CGCC A ONE-TIME RIGHT OF FIRST REFUSAL, FOR A PERIOD NOT TO EXCEED 25 YEARS, TO PURCHASE THE SITE WHERE G4 IS LOCATED, SHOULD THE CITY PROCEED WITH BUILDING A NEW STRUCTURE TO REPLACE G1.

WHEREAS, for several years, the City of Coral Gables has been interested in pursuing the redevelopment of Municipal Parking Garages 1 (“G1”) and (“G4”), with a focus on the following key objectives: Replace what are currently two obsolete parking garages that have operational deficiencies, with new state-of-the-art parking garages (above and beyond recent cosmetic improvements); provide public parking spaces to meet the future needs of Downtown businesses; introduce appropriately scaled mixed uses that would include a variety of retail and residential units onto Andalusia to support the City’s goals for a vibrant, walkable Downtown, and; pursue a holistic approach to these objectives that balances parking, planning, design, economic development, community and financial considerations; and

WHEREAS, the City Commission approved Resolution No. 2013-91, dated May 28, 2013 authorizing a Request for Proposal (RFP) for the redevelopment of Municipal Parking Garages 1 and 4 (the “Garages”). On May 27, 2014, through Resolution No. 2014-102, the City Commission authorized staff to issue Phase I of a request for proposal (RFP). On January 26, 2016, the City Commission approved Resolution No. 2016-30 inviting all five proposers to submit more detailed proposals in response to Stage II of the RFP as approved by Resolution No. 2016-32; and

WHEREAS, on December 1, 2016, the Evaluation Committee evaluated the four proposals received in response to Stage II of the RFP, and ranked CGCC's three proposals first, second, and third. The single-proposal submitted by TG Gables, LLC, was ranked fourth; and

WHEREAS, the City Commission did not approve any of the proposals submitted under the RFP, however, in accordance with Resolution 2017-23, dated January 24, 2017, the City Commission authorized negotiation with CGCC, the most responsive-responsible proposer, up to six (6) months, and provided the City Manager the authorization to extend for up to an additional six (6) months. If the negotiations failed, Staff was authorized to negotiate with the second ranked firm, TC Gables, LLC, for an additional period of up to six (6) months and the City also reaffirmed its right to pursue alternate courses of action, including a City-build option; and

WHEREAS, the six (6) months negotiation period for CGCC and Staff to reach agreed-upon terms started on November 6, 2017; the first six (6) months expired on May 5, 2018 for the public private partnership of the Garages redevelopment (the "P3"). Staff provided an update to Commission on February 27, 2018 and three public workshops followed (on June 4, August 27, and September 18, 2018) to provide the City Commission with an update on the status of negotiations. In addition, Staff presented a workshop to the City Commission discussing the demand and supply of public parking in the Central Business District on September 11, 2018, and Sunshine meetings were held on September 21, 2018, November 9, 2018, December 13, 2018, January 14, 2019, and March 6, 2019 to further understand the details of the project. Staff also had several negotiation sessions with the CGCC; these various communications resulted in the City Manager granting incremental extensions up to November 5, 2018, under the City Manager's authority, and bringing forth an agreement for City Commission approval. On October 23, 2018, the City Commission authorized a nine-day extension; on November 13, 2018 the City Commission adopted Resolution 2018-291 to extend negotiations until January 23, 2019; on January 22, 2019 the City Commission adopted Resolution 2019-59 to allow Staff time to finalize negotiations through March 13, 2019; and on March 12, 2019, the City Commission adopted Resolution No. 2019-77 extending the time to finalize negotiations through March 27, 2019; and

WHEREAS, the approval took into consideration the following main project attributes: number of public parking spaces, the size of the project, ownership structure (e.g. City to own public parking), and the project financing (e.g. City obligation to pay debt service); and

WHEREAS, in accordance with the Proposal, as attached to the City Commission Agenda Item I-4, Attachment No. 3 (2019.03.18 CGCC Term Sheet – No Office + 750 Spaces with Ehibits (the "Proposal"), CGCC will build 750 City-owned public parking spaces in G1; and 400 developer-owned private parking spaces (exclusive for developer's use) in G4, as part of the public-provide partnership. The City-owned Garage will be managed by the City and the developer-owned spaces will be managed by CGCC in a manner and practice consistent with, and typical of, Class A residential and retail space; and

WHEREAS, in accordance with the Proposal, G4 shall provide a mixed use residential tower with 245 residential units and 18,000 SF of ground floor retail with a building height of 141' and 13 floors at a 6.38 FAR; G1 shall provide 750 public spaces in 8 floors of parking and 20,000 SF of ground floor retail at a height of 97.4 and 9 floors at a .57 FAR; and the blended FAR will be 4.12 FAR not exceeding the maximum of 4.375 allowed by the City; and

WHEREAS, in accordance with CAO 2018-032, the two sites may be developed as either a Planned Area Development (PAD) or Mixed-Use Project as they fit the definition of a "contiguous unified parcel" under the Zoning Code; CGCC will pursue the latter option if approved by the City Commission; and

WHEREAS, the Zoning Code allows development projects to build up to 3.5 FAR with certain Mediterranean bonuses and up to 4.375 with historic Transfer Development Rights (TDRs) and CGCC is requesting the City provide TDRs to be used towards the Project as part of the consideration in exchange for the Public Component; and

WHEREAS, in accordance with the Proposal, the G1 will be owned by the City, including the ground floor retail (the "Public Component"); and

WHEREAS, CGCC will have fee simple ownership in G4 (the "Private Component"); and

WHEREAS, in accordance with CAO 2019-007, since the City retains ownership of one site and CGCC retains ownership of the other, a Declaration of Restrictive Covenants in Lieu of Unity of Title should be recorded in order to allow both sites to be developed as a mixed-use project and in order to comply with the Zoning Code's requirements for a Declaration of Restrictive Covenant in Lieu of Unity of Title, the Development Agreement will need to detail how the owners will maintain and operate the property as a single building site; and

WHEREAS, the City's financial analysis has determined CGCC's estimated cost for development of the Public Component is less than the value of the Private Component being conveyed to CGCC; CGCC is requesting the impact fees be reimbursed and the City permit fees be waived (excluding any required payments to third parties); a \$480,000.00 annual payment with 2% annual escalations for 30 years be paid to CGCC; a payment of \$3 million to CGCC to build the ground floor retail of G1 as a shell; sufficient TDR's be transferred from the City to CGCC to develop the project described in the Term Sheet; the City generate real estate taxes from the Private Component; and CGCC be allowed to build the Private Component in exchange for the Public Component; and

WHEREAS, the City Commission wishes to allow the City the opportunity to break ground on building a new parking garage to replace the existing structure at the G1 site by October 1, 2022; if the City breaks ground on the G1 site by October 1, 2022, the City Commission wishes to grant CGCC a one-time right of first refusal to purchase the site where G4 is currently located, for a period not to exceed 25 years; breaking ground shall be defined as the starting of physical work on the G1 site to, in good faith, commence continuous construction of the public parking garage; and

WHEREAS, at the March 26, 2019 Commission meeting, the City Commission initially voted (4-0) to approve the Proposal, subject to the City's right to self-perform through October 1, 2022, as stated above, and for the right of first refusal to be perpetual; and

WHEREAS, subsequently, a motion for reconsideration was made by Commissioner Quesada and passed; Commissioner Quesada then made a motion which was the same in all respects to the initial motion, except that it qualified that the one-time right of first refusal should be limited to a maximum of 25 years and the motion passed (4-1); and

WHEREAS, if the City fails to break ground at the G1 site by October 1, 2022, the City Commission authorizes the City Manager and City Attorney to negotiate, in good faith, a Development Agreement with CGCC consistent with the Proposal and terms of this resolution;

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSION OF THE CITY OF CORAL GABLES, FLORIDA:

SECTION 1. That the foregoing "Whereas" clauses are hereby ratified and confirmed as being true and correct and are hereby made a specific part of this Resolution upon the adoption hereof.

SECTION 2. The City Commission wishes to allow the City the opportunity to build a new parking garage structure at the G1 site and grants staff until October 1, 2022 to break ground. Should the City break ground by the deadline, City Commission grants CGCC a one-time right of first refusal, for a period not to exceed 25 years (beginning on the effective date of this resolution), on the same terms and conditions as are set forth in any offer for purchase of the lot where G4 is currently located. If the City shall desire to sell the site where G4 is currently located and receives and accepts a bona fide offer to purchase, the City shall give CGCC written notice of the City's intention to sell the G4 site. Such notice shall state the terms and conditions under which the City intends to sell the G4 site. CGCC shall have thirty (30) days following the giving of such notice to exercise their right to purchase the G4 site, at the same price and terms as stated in the City's notice, by giving written notice to the City and a deposit and any other requirements set forth in the offer. Should CGCC not timely notify the City in writing of its intent to exercise its right of first refusal during the time period provided herein, or fail to close on the purchase as set forth in the offer, CGCC's right of first refusal shall be deemed waived. The Parties shall record a Memorandum of Right of First Refusal Agreement, agreed to by the Parties, in the Official Records of Miami-Dade County, Florida simply for the purpose of providing notice to all of the existence of this right of first refusal.

SECTION 3. Should the City not break ground on the G1 site by October 1, 2022, the City Commission does hereby approve the Proposal, as specified in the whereas clauses, and should the City not break ground on the G1 site by October 1, 2022, authorizes the City Manager and City Attorney to, in good faith, negotiate a development agreement with CGCC consistent

with the Proposal and the terms and conditions of this resolution for the redevelopment of Municipal Parking G1 and G4, in which CGCC proposes a public-private partnership to provide an improved parking structure where the City will retain ownership of the public parking component on G1, and CGCC will build a residential mixed-use project on G4 and City-owned public parking garage on G1.

SECTION 4. In accordance with Section 2-1097 of the City Code, this resolution requires a 4/5th vote because of estimated value is greater than \$1,000,000. If staff proceeds to negotiate a Development Agreement and an Agreement is reached with CGCC, consistent with the Proposal and the terms of this resolution, an Ordinance will be presented to the City Commission for two readings and will require a super majority vote for adoption. If the City proceeds with building a new parking garage at the G1 site by the deadline and CGCC exercises its right of first refusal to purchase the site where G4 is located, an Ordinance will likewise be presented to the City Commission for two readings and will require a super majority vote for adoption.

SECTION 5. If the City Manager and City Attorney negotiate with CGCC the terms of a Development Agreement and cannot agree to terms, in accordance with this resolution, the City reaffirms its right to pursue other alternatives.

SECTION 6. That this Resolution shall become effective upon the date of its adoption herein.

PASSED AND ADOPTED THIS TWENTY-SIXTH DAY OF MARCH, A.D., 2019.

(Moved: Quesada / Seconded: Keon)

(Yeas: Mena, Quesada, Keon, Valdes-Fauli)

(Majority: (4-1) Vote)

(Nays: Lago)

(Agenda Item: I-4)

ATTEST

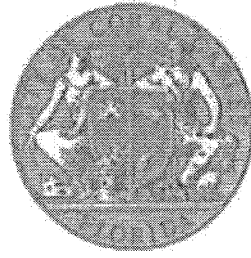

BILLY Y. URQUIA
CITY CLERK

APPROVED:


RAUL VALDES-FAULI
MAYOR

APPROVED AS TO FORM
AND LEGAL SUFFICIENCY:


MIRIAM SOLER RAMOS
CITY ATTORNEY



To: Billy Urquia, City Clerk

From: Cristina M. Suárez, Deputy City Attorney

Approved By: Miriam Soler Ramos, City Attorney

MSR

RE: Correction to Resolution No. 2019-96

Date: December 2, 2021

Pursuant to Resolution No. 2019-96 ("R. 2019-96"), the City Commission, among other things, approved the general business terms and authorized the City Manager and City Attorney to negotiate a development agreement with Coral Gables City Center, LLC for the redevelopment of Municipal Parking Garages 1 and 4 ("G1" and "G4"), but only if the City does not break ground in order to build a parking garage to replace G1 by October 1, 2022. While Section 2 of the operative clauses of R. 2019-96 plainly states that "[t]he City Commission wishes to allow the City the opportunity to build a new parking garage structure at the G1 site and grants staff until October 1, 2022 to break ground," the fifteenth "Whereas" clause provides that "the City Commission wishes to allow the City the opportunity to break ground on building a new parking garage, with approximately 750 public parking spaces, to replace the existing structure at the G1 site by October 1, 2022." As the City progresses on its plans toward breaking ground on the G1 site by October 1, 2022, our office has reviewed R. 2019-96 and the transcript of the March 26, 2019 City Commission meeting during which R. 2019-96 was adopted. Neither then-Commissioner Quesada's motion nor the subsequent debate and deliberation by the Commission regarding giving the City the opportunity to break ground on G1 by October 1, 2022 specified any number of public parking spaces, or any other requirements or specifications, for the new structure to be built by the City. Thus, in my opinion, the inclusion of "with approximately 750 public parking spaces" in the fifteenth "Whereas" clause was done in error and should be stricken. The City Attorney has been granted express authority to take such action under section 2-252(e)(9) of the City Code. Accordingly, pursuant to that section, please make the following administrative correction to delete the stricken words in R. 2019-96:

WHEREAS, the City Commission wishes to allow the City the opportunity to break ground on building a new parking garage, ~~with approximately 750 public parking spaces,~~ to replace the existing structure at the G1 site by October 1, 2022; if the City breaks ground on the G1 site by October 1, 2022, the City Commission wishes

to grant CGCC a one- time right of first refusal to purchase the site where G4 is currently located, for a period not to exceed 25 years; breaking ground shall be defined as the starting of physical work on the G1 site to, in good faith, commence continuous construction of the public parking garage; and