

CITY OF CORAL GABLES, FLORIDA

ORDINANCE NO. 2023-_____

AN ORDINANCE OF THE CITY COMMISSION OF THE CITY OF CORAL GABLES, FLORIDA, AUTHORIZING EXECUTION OF THE THIRD AMENDMENT ("THIRD AMENDMENT") TO AMENDED AND RESTATED LEASE ("LEASE") BETWEEN THE BILTMORE HOTEL LIMITED PARTNERSHIP, A FLORIDA LIMITED PARTNERSHIP ("DEVELOPER") AND THE CITY OF CORAL GABLES, A FLORIDA MUNICIPAL CORPORATION ("CITY") EXECUTED FEBRUARY 10, 1986 AND AMENDED AND RESTATED JULY 29, 1999 (THE "ORIGINAL LEASE") AND AMENDED ON JANUARY 2, 2001 (THE "FIRST AMENDMENT") AND ON MARCH 29, 2022 (THE "SECOND AMENDMENT") [THE ORIGINAL LEASE, THE FIRST AMENDMENT AND THE SECOND AMENDMENT BEING COLLECTIVELY REFERRED TO AS THE "LEASE"] AMENDING SECTION 15 OF THE LEASE BY REVISING THE PROPERTY INSURANCE REQUIREMENTS

WHEREAS, the lease of the redeveloped Biltmore Hotel was originally executed on February 10, 1986, between the City of Coral Gables (the "City") and the Biltmore Hotel Limited Partnership (the "Developer"); and

WHEREAS, on July 29, 1999, an Amended and Restated Lease was executed combining into one agreement between the City and the Developer the terms and conditions pertaining to the Biltmore Hotel Lease Agreement and the Management Agreement for Operation of the Biltmore Hotel Country Club Property (the "Original Lease"); and

WHEREAS, on January 2, 2001, the City and Developer entered into a first amendment to the Original Lease for the purpose of adjusting the Fixed Rent Amortization Schedule ("First Amendment"); and

WHEREAS, on March 29, 2022, the City and Developer entered into a second amendment to the Original Lease for the purpose of amending the insurance requirements of Section 15 of the Original Lease ("Second Amendment") (the Original Lease, the First Amendment and the Second Amendment being collectively referred to as the "Lease"); and

WHEREAS, the Lease requires the Developer to secure and maintain, among other insurance requirements, property insurance coverage for all perils in an amount equal to the lesser of (i) the full actual replacement cost of the buildings and structures, including improvements and betterments or (ii) \$100,000,000; and

WHEREAS, the Lease also requires that the property insurance coverage have commercially reasonable deductible limits; and

WHEREAS, as of March 27, 2023, the Developer advised that it obtained windstorm coverage in the amount of \$50,000,000 (the “Reduced Windstorm Limit”), with a self-insured retention of 20% of the loss and a deductible of 5% of the actual value of the unit of insurance (capped at \$2,500,000) (collectively, “Deductible”), which is not in compliance with the terms of the Lease; and

WHEREAS, the Developer has requested that Developer’s requirement to maintain windstorm coverage for the insurance policy term of March 27, 2023 to March 27, 2024 in an amount equal to the lesser of (i) the full actual replacement cost of the buildings and structures, including improvements and betterments or (ii) \$100,000,000 be amended to allow for the Reduced Windstorm Limit and Deductible for the foregoing insurance policy term; and

WHEREAS, the Developer’s request requires an amendment to the Lease via an ordinance passed by a recorded affirmative vote of 4/5 of all members of the City Commission pursuant to Section 2-1097 of City Code; and

WHEREAS, this Ordinance authorizes the City Manager to enter into the attached Third Amendment (“Third Amendment”) to Amended and Restated Lease Between the Biltmore Hotel Limited Partnership, a Florida Limited Partnership (“Developer”) and the City of Coral Gables, a Florida Municipal Corporation (“City”) Executed February 10, 1986 and Amended and Restated July 29, 1999 (the “Original Lease”) and Amended on January 2, 2001 (the “First Amendment”) and on March 29, 2022 (the “Second Amendment) to allow the Developer to maintain the Reduced Windstorm Limit and Deductible during the insurance policy period from March 27, 2023 to March 27, 2024, provided the Developer obtains a Letter of Credit in the amount of \$9.8 million (“Letter of Credit”). The terms for the Letter of Credit must be acceptable to the City in its sole discretion.

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

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 Ordinance upon adoption hereof.

SECTION 2. That the City Manager is hereby authorized on behalf of the City of Coral Gables to enter into the attached Third Amendment (“Third Amendment”) to Amended and Restated Lease Between the Biltmore Hotel Limited Partnership, a Florida Limited Partnership (“Developer”) and the City of Coral Gables, a Florida Municipal Corporation (“City”) Executed February 10, 1986 and Amended and Restated July 29, 1999 (the “Original Lease”) and Amended on January 2, 2001 (the “First Amendment”) and on March 29, 2022 (the “Second Amendment) with such modifications as may be approved by the City Manager and City Attorney that are necessary to implement the intent of this ordinance.

SECTION 3. That this Ordinance shall become effective immediately upon the date of its passage and adoption herein.

PASSED AND ADOPTED THIS _____ DAY OF JULY A.D., 2023.

APPROVED:

VINCE LAGO
MAYOR

ATTEST:

BILLY Y. URQUIA
CITY CLERK

APPROVED AS TO FORM
AND LEGAL SUFFICIENCY:

CRISTINA SUAREZ
CITY ATTORNEY