

CORAL GABLES PROPERTY ADVISORY BOARD

Minutes of September 16, 2009

Youth Center – Conference Room

405 University Drive, Coral Gables, Florida

| MEMBERS: | S | O | N | D | J | F | M | A | M | J | J | A | |
|---------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|--|
| Mary Young | P | - | - | - | - | - | - | - | - | P | P | P | Mayor Donald D. Slesnick, II |
| Maurice Donsky | P | - | - | - | - | - | - | - | - | E | P | P | Commissioner Maria Anderson |
| Gustave (Gus) Perez | P | - | - | - | - | - | - | - | - | P | P | E | Vice-Mayor William H. Kerdyk, Jr. |
| James Hinrichsen | E | - | - | - | - | - | - | - | - | P | P | P | Commissioner Rafael “Ralph” Cabrera, Jr. |
| Luis M. Padron | P | - | - | - | - | - | - | - | - | A | P | P | Commissioner Wayne “Chip” Withers |
| Edmund J. Mazzei | P | - | - | - | - | - | - | - | - | P | P | P | City Manager Patrick Salerno |
| Valentin Lopez | P | - | - | - | - | - | - | - | - | E | P | P | City Commission |

A = Absent

P = Present

E = Excused

STAFF:

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

Lorena Garrido, Public Works Department

GUESTS:

RECORDING SECRETARY: Lorena Garrido, Public Works Department

CALL TO ORDER:

The Chairman, Mr. Perez, called the meeting to order at 8:38 a.m.

ROLL CALL:

Ms. Garrido called the roll and members confirmed attendance.

MEETING ABSENCE:

Mr. Hinrichsen was excused.

MINUTES OF AUGUST 19, 2009 MEETING:

Upon a motion by Mr. Mazzei and second by Mr. Lopez, the August 19, 2009 meeting minutes were unanimously approved.

SECRETARY'S REPORT:

Mr. Delgado reiterated the fact that the City is proposing to hire a Lease Administrator to handle all lease related issues to include past due rents. He continued to state that this Board is only an advisory Board and agreed that the Board shouldn't be looking into leases that are in default.

- **Schedule of Outstanding Rent – Report as of September 11, 2009**

Mr. Delgado discussed this report provided by Finance Department and stated that not including the Biltmore, Ortanique is the only establishment who is behind but they have been making payments.

CITY COMMISSION BOARD RELATED ITEMS UPDATE:

Nothing at this time.

CITY UPDATE:

- **Citywide projects update**

Mr. Delgado updated the Board regarding the Country Club Environmental Remediation project. He stated that recent newspaper articles on the project have been inaccurate and stated the following: back in 2002-2003 when Granada LLC took over and while doing site work, they found one gasoline tank. They proceeded to hire a company to remove the tank as per DERM's requirements. This included removing the contamination around the tank, setting monitoring wells and hiring an environmental company to monitor the wells which went on for 4-5 years. Contamination was found about the time the issue with the Country Club surfaced. Once the City took over the Country Club, the City contracted URS to take over what the previous company was doing. URS performed exploratory work to determine the contaminated area. Once this was completed, the company prepared specifications and continued contact with DERM. The project was bid out and contract was awarded to Cherokee in the amount of \$228,000.00 plus a contingency amount. The company began excavating the area, removed the contaminated material and conducted more tests. This determined that there was more contamination on another side of the building, which is a little more complicated area due to the gas, sanitary sewer and electric lines involved. Once this additional area is completed and cleared by DERM, the project will be finished.

Mr. Donsky asked for the club's status.

Mr. Delgado responded that the new management company has already taken possession of the club. They have taken their renovations plans to the Historic Preservation Board which were approved.

Mr. Donsky asked who was paying for all of this.

Mr. Delgado replied that these renovations are being paid by the management company and the City is responsible for the roof, HVAC and pool projects.

Mr. Mazzei asked when these City projects will be completed.

Mr. Delgado responded that the air conditioning is almost done it's pending the roof work, the roof contract has been awarded and it's in the execution process, the swimming pool contract has also been awarded and going through the execution process. Completion of these projects is anticipated to be the end of November which will allow for the management company to proceed with their renovations in December.

Mr. Delgado also updated on Burger Bob's renovations which include replacing the floor, blinds and furniture.

OLD BUSINESS:

Nothing at this time.

NEW BUSINESS:

- **Appearance by Michael Sparber, Risk Management Administrator & Ray Vorsteg, Facilities Analyst to discuss city facilities' insurance requirements**

Mr. Delgado mentioned that during the last meeting there were some questions regarding insurance requirements and it's the reason for Mr. Sparber's and Mr. Vorsteg's presence.

Mr. Mazzei had questions regarding the last report dated August 18, 2009 where there are a number of "none required" comments under windstorm or flood insurance for various properties and the Board is asking why it's not required (is it because it's under the City's master policy, it's not a flood zone, or other reason). He continued to state that there should be a brief reason or footnote for not being required so there's an understanding.

Mr. Sparber responded that a lot of the leases are old and may not have provisions allowing the City to change insurance but some of them do. Others leases may be changed during negotiations. One example of a tenant not requiring insurance is the Granada Snack Shop which is a City-owned building and therefore the tenant does not need to provide insurance. As it relates to building insurance coverage it is never "not required", it's who has to provide the insurance. He further stated that going forward there is a standard lease with standard requirements for all leases with the exception of long term agreements such as the Country Club. This had much stricter requirements.

Mr. Mazzei asked regarding the Granada Snack Shop which under "status" it stated pending endorsements.

Mr. Sparber answered that the City is one of the few entities which requires copies of endorsements confirming that they have added the City to their policy. This becomes very difficult to attain and may take up to (90) days to attain. He also updated that the City will be outsourcing to a vendor which will be responsible for gathering all insurance information to make this process more efficient.

Mr. Donsky asked who would be responsible to provide insurance regarding one of the guardhouses in which Miami-Dade County owned the land but the City built the guardhouse.

Mr. Sparber replied that from the little research he has done and if the logic of the special taxing district is followed, the taxing district is responsible for the insurance.

Mr. Delgado commented that he will confirm this with Miami-Dade County's taxing district.

- **Vice-Chair selection**

The Board's Chair asked for Vice-Chair nominations.

Ms. Young nominated Mr. Mazzei, Mr. Donsky seconded and was unanimously approved.

OPEN DISCUSSION:

Mr. Perez discussed his meeting with the City Manager regarding some of the Board's concerns which included: (1) Board related items appearing in newspapers prior to the Board becoming aware of them; (2) the Biltmore and the fact that they are still delinquent; (3) bringing tenants that are in default to the Board should be handled by whomever handles defaults whether it is the City Attorney or Finance Director, since this is not a function of the Board.

Mr. Donsky mentioned that in the last couple of meetings the Board has been involved with leases in default and that if this is not this Board's function, Board members are wasting their time.

Mr. Perez agreed with Mr. Donsky's comment.

Mr. Donsky also mentioned that this Board should not be negotiating leases or their legal provisions that this should be by the City Attorney.

Mr. Perez responded by saying that if a lease is being negotiated, the Board may have some input. Further, the Board was involved in creating a City lease template.

Mr. Mazzei commented that the Board's job is to advise the City, Commissioners, Mayor and City Manager as to things we are concerned about from a property stand point.

Mr. Donsky stated that he feels that regarding the default items that have been brought to the Board so far, that the City has been extremely negligent. In particularly the Biltmore, which was brought to the Board about to years ago and they were already in default so what is expected from this Board at this point? The City is supposed to fix this.

Mr. Perez suggested for each individual member to get with their appointed official and discuss these concerns, especially since they are supposed to be reading the Board's minutes.

ADJOURNMENT:

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