

# **City of Coral Gables City Commission Meeting**

**Agenda Item E-2**

**March 11, 2008**

**City Commission Chambers**

**405 Biltmore Way, Coral Gables, FL**

## **City Commission**

**Mayor Slesnick Donald D. Slesnick, II**

**Vice Mayor William H. Kerdyk, Jr.**

**Commissioner Maria Anderson**

**Commissioner Rafael “Ralph” Cabrera, Jr.**

**Commissioner Wayne “Chip” Withers**

## **City Staff**

**City Manager, David Brown**

**City Attorney, Elizabeth Hernandez**

**City Clerk, Walter J. Foeman**

**City Clerk Staff, Billy Urquia**

**Cathy Swanson, Development Director**

**Alberto Delgado, Public Works Director**

## **Public Speaker(s)**

**Paul Posnak, Professor, UM Frost School of Music**

**George Volsky, Coral Gables Resident**

**Mark Trowbridge, President, Coral Gables Chamber of Commerce**

**Carolina Rendero, Chair, Coral Gables Chamber of Commerce**

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E-2 [Start: 10:14:28 a.m.]

An Ordinance of the City Commission of Coral Gables authorizing the City Manager to execute a Lease Agreement for a ten-year period, plus options, with Coral Gables Cinemateque, Inc., for 3,858 sq. ft. of a private mezzanine, in the westernmost 60 linear feet of the City of Coral Gables Parking Garage located at 250 Aragon Avenue, known as the Museum Garage, with the legal description of Coral Gables Section K PB 8-33 Lots 10 through 20, Block 37. The space will have a retail address of 260 Aragon Avenue and will be used as a non-profit art cinema and cultural facility. (Deferred from the February 12, 2008 City Commission Meeting).

Ms. Swanson: Good morning Mayor, members of the Commission. I bring you greetings from Dr. Carol Damian of the Cultural Development Board; she is Chairman and she is in class; her class starts at 9:00 a.m. and ends at 1:30 p.m., so she wished us well, and she wanted us to share with you a few comments; but we also have Bobbi Litt, the Vice Chairman who is available for questions if the Commission has any. The goal of having a top quality Art Cinema at the base Museum Garage has been a high priority for the Cultural Development Board ever since former member Paul Posnak first proposed the exciting idea a few years ago. Not only would the Art

Cinema bring art films and other film offerings to the downtown on a year-round basis, it would provide an intimate, affordable and convenient venue for new and emerging cultural groups wishing to present their programs to the Coral Gables community. The Cultural Development Board has been painfully aware of the limited number of types of venues in the City and the high rents and expenses that discourages such experiences from taking place. Our Board members and numerous citizen supporters have imagined the excitement of coming to the City's Beautiful downtown to watch a film at the Art Cinema, parking with ease at the City's Museum Parking Garage and then strolling to dinner, or across the street to Books and Books, or the soon to be completed Coral Gables Museum. It is experiences such as these that truly define a City, not only in the travel books, but in the hearts of our residents. Today's item brings this one step closer to the dream. Before I begin my presentation, allow me first of to review all a little bit of the legislative history. In March 2006 the Cultural Development Board recommended to the City Commission that you authorize staff to enter into negotiations with Coral Gables Cinemateque. This was after a competitive RFP process; we only had one respondent; we asked you to waive the requirements for more than one respondent, and also to allow us to commence negotiations. On June 14, 2007, the Cultural Development Board recommended the naming of a plaza in front of the theater to be Harry and Mary Perrin Cultural Plaza or Perrin Plaza. On June 19, 2007, the Parks and Recreation Advisory Board also recommended approval of the naming of the plaza in front of the theater as the Harry and Mary Perrin Cultural Plaza or the Perrin Plaza. February 4, 2008, the Cultural Development Board received a detailed update on the lease. February 6, 2008 the Economic Development Board received a full briefing on the lease. February 14, 2008 the Budget Advisory Board received a full briefing on the lease. February 15, 2008, the Coral Gables Museum Board recommends receiptable briefing and recommended in concept the passage of the Coral Gables Art Cinema across the street. February 20<sup>th</sup>, the Property Advisory Board received a full briefing of the lease; Economic Development Board, Budget Advisory Board, and Property Advisory Board are part of your procurement process that requires their input and insight into the process, and we incorporated many of their comments, and I'll go over that when I present it. February 27<sup>th</sup>, the Coral Gables Chamber of Commerce passed a resolution recommending in concept. February 28<sup>th</sup>, the International Affairs Coordinating Council, because this is a very rich international piece to this component, they recommended also by resolution in concept. February 28<sup>th</sup>, the Parking Advisory Board also recommended approval; Parking Advisory Board we went to, because there is a parking piece of this leases that required their input and attention. So clearly we've been to several Boards; we've also been to community Boards to brief them on the project, to get their feedback to incorporate their comments. The item before you is on First Reading; the Procurement Code requires any lease greater than ten years to come back to you twice, so we will be here on this reading, if we are successful in receiving approval on this First Reading, we will come back to you on Second Reading. When we come back to you at Second Reading there will be several other steps that we will bring with us at this time. So this is really the first step in the approval of the lease that is presented. As noted previously, the City Commission authorized the City Manager to begin negotiations with Coral Gables Cinemateque, a non-for-profit group; they allowed us beginning May 22, 2007. We worked with the City Attorney; we reviewed several leases around the State of Florida for similar types of provisions; we looked also at the Management Agreement for Actors Playhouse, and the tenant agreements that we have, and we incorporated a base document. The City Commission then allowed us to proceed further in negotiating the details and we brought with us several cultural speakers on behalf of the project. You heard on May 22<sup>nd</sup> George Neary, the Cultural Tours and Vice

President for the Greater Miami Convention and Visitors Bureau, Carol Ann Lafferty who is former Managing Director of Miami International Film Festival, UM School Communication Professor, William Rothman, he's heading their motion picture program, UM School of Communication Assistant Professor Ron Van Gravite, who made a very interesting presentation not only on the role of cinema, but how critical it is to an active downtown revitalization; you heard from Claudio Pasteur, not only on behalf of the Italian Cultural Center, but also on behalf of Claudio DiPersia, the Italian Film Festival. The Italian Festival previously aired in Coral Gables; they needed to rent equipment for three days; it cost them thirty six thousand dollars (\$36,000) in order to rent the equipment, and obviously for little niche boutique festivals that kind of price tag is prohibitive, so they went to the Regal Cinema where they could get – where the equipment is already provided. We want them back; they want to be back and other cultural film festivals want to come. Cultural Development Board members were in attendance, and we also received enthusiastic letters from the public, and I understand because I've been copied, that several members of the public have also expressed their excitement to you as Commissioners. I mentioned earlier that anything that is more than ten years requires a Procurement Code process; we are following that. This we actually look at it as if it's a twenty year; we have proposed one-ten year lease agreement plus two-five year options, and we've made the assumption in all of our reviews that those options would be exercised. When we first presented it though, we suggested a fifteen thousand dollar (\$15,000) a year rent that would increase with CPI beginning year seven. We also requested or suggested that we have the tenant prepay six years of that so that we could have additional monies in the build-out. In conversations with the Commissioners individually, we found some of you were uncomfortable with that concept of prepayment and putting more money into the project, so we have revised that and that revision is included in this lease. What you have is a fifteen thousand dollar a year lease with CPI and there is no prepayment. We were able to do that because we were assuming that two hundred and fifty thousand dollars in the CIP Budget, that 2006-2007 dollars that were rolled over into this year would continue, and our very generous donation of a hundred and fifty thousand dollars through the Community Foundation actually increased to two hundred and fifty thousand dollars, and that's why we were able to step away from the prepayment concept. We were also able to step away from the Board's enthusiastic willingness to sell seats to help raise money. The City Commission talking individually, several felt that that was not the appropriate role, and we should save that money that perhaps donation abilities for operating monies instead. One of the questions that came up as a part of discussions with individual Commissioners was the challenge on could we find perhaps a little more money for Coral Gables because there is full recognition that this is a difficult budget time and that our future budgeting is going to continue to be difficult. We did several best practice examples; we looked at Cinema Peridiso, which is in Fort Lauderdale, it is also the Fort Lauderdale International Film Festival home, that is a building that is owned by Broward County. They pay one dollar a year in a twenty-five year lease, and we have a copy of that lease if any of the Commissioners would like to review that lease. There is another group that we looked at, the Hippodrown and that is located in the City of Gainesville. They have an eighty seat art cinema as a part of a larger cultural center. The Hippodrown rents it from the City of Gainesville; the Hippodrown pays two hundred and fifty thousand dollars a year in rent; and the City of Gainesville in turn gives them a check of two hundred and fifty thousand dollars in operating, to offset operating and to offset rent. A third example that we looked at was the Sarasota Film Society, very well known, very prestigious group, actually started in the 1970's when a New Yorker came down and didn't like the film choices, and he started showing

films in his home; became so popular he started charging membership that membership money bought a building, and so the Sarasota Film Society actually owns its own building, and therefore does not charge itself rent. When we looked at for profit or buildings that were not controlled by not-for-profits or buildings that were not controlled by government agencies, we found the Miami Beach Cinemateque, they are located on Espinola Way; twelve hundred square feet, sixty feet, their rent is for market and to offset that they are a junior anchor with the City of Miami Beach; City of Miami Beach gives them twenty five thousand dollars a year, and that pays for their rent. In all of these conversations, I spoke to the Director and/or I spoke to the municipality or the government agency; the Director said at City of Miami – the Miami Beach Cinemateque said he sold his car and moved closer so that he could figure out how to make this work. That's not the business model we are looking at here. We want it to be successful; we want money to go into marketing, to promoting, and to building a program. The other example closer by is that Regal 18 – more and more you are seeing art cinemas getting folded into mega-plexes or mega-plexes where one screen of eighteen, or one screen of twenty-four would be dedicated to art cinema or cultural filming. So when we look at it, we continue to recommend the fifteen thousand dollars a year that we have in the ten year lease plus CPI's, and we've also noted in your materials that we've anticipated an option one of five years at twenty thousand dollars, and we've anticipated an option two at twenty-five thousand. One of the reasons why that we believe this fee is fair is because we also loaded onto the tenant several ongoing maintenance obligations, so the City doesn't have to take care of them. One big ticket price is the HVAC; once the property would be delivered with air conditioning, it would be the burden of the tenant to maintain it. In conversations with the Property Advisory Board, they want to make sure that there are annual service agreements, and we included that in the lease agreement. The hours of operation – they are saying they can do seven days, we are obligating them for six days year round, and we are also obligating them to make it available to other cultural groups at a very affordable rate. In order to property monitor that because that was some of the concerns that some of the Commissioners had, we are requiring several things: one, every year the rent is due; when that rent is due they need to submit a full program report showing how the space was used, how it was programmed, rental summaries of who came in, who had access to it, how much were they charged, and also the status of their 501(c)3, because if anything happens that jeopardized that 501(c)3, that is a default provision of the lease, and it will not continue, then also a copy of their 990. Any organization that has revenues in excess of twenty-five thousand dollars by Federal Law must file an IRS 990. So we are asking as part of that complete submittal, that they submit a copy of that. We have also recommended in this lease that all of those papers how it was programmed based on how they originally presented it; what type of groups came in, was it affordable, what's happening with the 990, what's the status with the 501(c)3? We're suggesting that the Cultural Development Board review that and formulate a recommendation to be included in their minutes to you. The Cultural Development Board is uniquely qualified to review this because they are the granting agency that has to review the 990's, the 501(c)3's, the cultural programming for forty-two of your other groups. As I mentioned before, the operations, utilities, maintenance and repair expenses, once we turn over the build-out, and I'll talk about that build-out, it is the responsibility of the tenant or Coral Gables Cinemateque to maintain it. We've also had conversations with cultural granting organizations; we know that the replacement, the repair, of the HVAC is a legitimate facility expense in the cultural granting process. So we are not throwing such a heavy burden on the tenant that we do not believe that they will be unable to find funding to assist that. When we talked with our colleague at the Hippodrome, at the

international Film Festival at Fort Lauderdale, the Cinema Peridito, and also at Sarasota Film Society, we looked at the business of art cinema and found their number one fundraiser, the number one thing that runs it is actually grants, and the second is membership, and so as a part of their reporting they will also have to submit what is their – what has been their grant successes, and what has been their membership successes; we do anticipate this to include a membership program, in fact we have had several residents calling already wanting to either buy seats or buy membership. I want to talk now about the question of assignment. You are entering into a lease agreement with the Coral Gables Cinemateque; the Cultural Development Board and City staff have reviewed what that Coral Gables Cinemateque is and what is the nature of the businesses that is supporting it. Any change in leadership, any change in ownership, we are very specific as to what kind of groups could step in for an assignment, but we still require the City Commission to sign off on that assignment. We say that you won't be unreasonable; we say you are never unreasonable, but it is a requirement of this City Commission to sign off on any possible assignment, and that kind of language is critical because you are talking about a long term lease. Any change in tax exempt status; if for some reason the not-for-profits are no longer tax exempt by property tax, then it would be the Coral Gables Cinemateque, not the City of Coral Gables that would be responsible for the taxes, but it would only be that portion that is the cinema itself, not larger commonary and maintenance pieces of the garage. The funding improvements – the way that we have presented this, the City Commission would allow the two hundred and fifty thousand dollar line item that currently exist in the 2007-2008 Capital Improvement Budget that is earmarked for art cinema to be spent on this project, that was as I mentioned before, previously 06-07, it was rolled over still carried on as a line item, and we are saying that is the dollar amount moving forward that we would want the City Commission to agree to pay. I also mentioned the generous donation of two hundred and fifty thousand dollars through the Community Foundation; we would come back to you before we award any bids, we would come back to you with a donor agreement with the Community Foundation. I've already had conversations with the Community Foundation as to what that process is, the money is in place. I had conversations obviously through Parks and Recreation, and the Cultural Board on the concept of renaming that existing plaza to honor that generous donation. They are recommending, but it would be up to you as a City Commission to actually make that decision. So we'll come back to you with the donor agreement, we'll come back to you with the renaming recommendation, we'll come back to you with a bid award. The Public Works Department has worked very hard and continues to work hard to make certain this project has to come within budget. They understand, we have reminded them recently that we do not have the luxury of going over budget at the same time we want to give that first class impression of making people look at this and say Coral Gables does this right, this is a beautiful facility. It will not go over two hundred and fifty thousand dollars because that has been our commitment to you; you will see those numbers before you look at second reading; this is only First Reading, they're multiple major steps ahead. We outlined thought, critical to making this deal happen is not only the City's build-out, not only the donor build-out, but also the equipment readiness. So Magna-Tech and International Cinema Equipment will be donating to the Coral Gables Cinemateque the equipment that is necessary to run our cinema. Clearly equipment will be refurbished, there will be what can't be refurbished will be new, but it will be top quality state-of-the-art, and that is what we required in the lease agreement. That will range from anything from seating, and we'll look at that seating and make certain that that's the impression, and the comfort that our City Commission requires; it will be lighting, it will be sound, it will be the digital and film

equipment necessary, it will also be the concession stand build-out, pop corn, hot dog, it would be all included. So once this City provides the vanilla shell with the donor monies, and the City monies, then they come in and they turn it into cinema. Now, for the public that hasn't been following this, and this has been a rather long discussed project, for those that have not, why are we excited that International Cinema Equipment and Magna-Tech are going to be coming in and donating this type of equipment as a part of that project? This project happens because of that donation, and they are very well qualified. I mentioned in the document here, and I shared with you before, clients include Paramount Studios, Sony Columbia Studios, Warner Brother Studios, Twentieth Century Fox, Universal Studios, Walt Disney Studios, National Archives, U.S. Navy, The White House Communications Agency, Columbia School of Broadcasting, State University of New York-Stony Brook, University of Colorado Performing Arts Theater, and University of Wisconsin Student Union Theater. Now, we as staff did not go and visit each of these facilities, but we did make several calls; we made calls to municipalities where they were listed as clients, and we also made calls to some of the universities that are listed here. We also have special provisions for parking, that's why we worked with the Parking Director and we went to the Parking Advisory Board. Cinemateque will have the rights to purchase up to ten monthly parking permits in the Museum Garage. In conversations with some of the Commissioners there was a concern that perhaps fifteen was too many, we dropped it down to ten; the project can still work well with that, and we give them a fifty percent discount. That fifty percent discount is the same discount that we've given to Preston Scott, Patio and Things and other tenants in City garages. So we believe it's appropriate to offer them that discount as well. We've also made a change, we made this early on, and we recognize that a merchant validated parking program, which currently exists, that two hours doesn't work for cinema. You can't be looking at your watch at one hour and fifty minutes into the film that is still continuing thinking that you are going to get a ticket. We have validated the parking in the garage, we are offering a validation program where the City pays half and the tenant pays half for up to three hours, rather than two hours, and the Parking Director and the Parking Advisory Board agreed to that provision. I mentioned before the different steps moving forward, if the Commission allows it to happen, the naming of the plaza, the entering of the donor agreement, the awarding of the construction bids, and then after you have reviewed each one of those, then we will be presenting the second reading of the lease agreement. Now, this lease agreement is long; I am prepared to answer every part of it, or if there are specific questions that the City Commission has, I will answer those specific questions. Would you like me to start from the beginning or do you have questions?

Mayor Slesnick: I think we'll do it by questions. Thank you for your very comprehensive look at this project. Do we have questions? Now we have several speakers, but we can go to questions first of Cathy while she is here.

Commissioner Cabrera: I echo Don's comments; I think when we have directors come up to us to make presentations, you are consistently well prepared, you consistently lay out the ground work in a very concise manner, and I very much appreciate your efforts and those of your staff, so I wanted you to know that first and foremost I really recognize the work you do, and the way you lay out your projects, its commendable. My question is not directed at you as much as it's directed at the Manager and the Public Works Department. What is the cost to bring the space to a usable condition?- and you know, I have to be careful how I – if I was asking Don Nelson, I would really work hard at this question, because he only answers exactly what you ask him, so I

have to be very careful how I word this. I really need to know what is it going to take on the City's part to make the space usable enough to give back to the vendor to operate it as a Cinemateque?- am I clear in my question?

City Manager Brown: I'll begin and I'll ask Mr. Delgado to approach the podium. We bid out the space with all bells and whistles included, and the reason you do that is because it's much easier to tell a contractor to drop the price rather than add the price after, so we did that. Now, when you say usable space that to me tells me that a lot of the bells and whistles aren't necessary, but the space will be usable for the tenant.

Commissioner Cabrera: I'm getting in trouble; I'm getting in trouble by my question. What Chip?

Commissioner Withers: The way to get around this.....

Commissioner Cabrera: Tell me.

Commissioner Withers:....is to say, give them two hundred and fifty thousand dollars, the City has nothing to do with the build-out, you do everything you need to do; here's two hundred and fifty thousand bucks, the City's not involved, and you...

Commissioner Cabrera: You know why I would like that approach, and I don't know if that's an approach you are going to recommend, but I like the approach because I sat here and listed all of the projects that I can remember that we did as a Commission, or that we authorized or approved to go on as a City owned project; to best of my recollection even one before I even became a City Commissioner, to the best of my recollection, we've never come in on budget on any of those projects. Now, I'm not taking a shot at you or the vendors, what I'm trying to say is for whatever reason, whether we were renovating an old building, or whether we used the wrong contractor or whether we decided to make some change orders that required that additional work be done; the point is that we never come in on budget.

Commissioner Withers: Under budget on the annex.

Commissioner Cabrera: No, you didn't; no, you didn't; no, you didn't; we lost money on that one, that's the most expensive parking lot.

Commissioner Withers: I'm saying from what the original budget was.

Commissioner Cabrera: Oh yes, from what the original, but that's the most expensive parking lot in City history.

Commissioner Withers: But no, I think if you just say here's two hundred and fifty thousand bucks.

City Manager Brown: I was going to add that's all we have is two hundred and fifty thousand dollars budgeted.

Commissioner Cabrera: OK, then I need to be told as a fourth grader that this number that's being batted around of eight hundred thousand dollars really doesn't exist.

Ms. Swanson: Can I answer that?

Commissioner Cabrera: Sure.

Ms. Swanson: Because I made it very clear to the architect and to the Public Works Department that we only had two hundred and fifty thousand dollars to spend plus the donor money; that donor money is important money, but it's not City money, and we went through what the project was, what we needed to have; our first estimate was four hundred thousand dollars that we got from them; our second estimate was five hundred and sixteen thousand dollars that we got to them written, that's what it is. When they went out – so when we looked at the program that was the budget that we had, the five hundred thousand dollars that was the program, and we said that the project needed to be designed with that money in line, because we are not coming back to the City Commission for more money.

Commissioner Cabrera: That's what Stewart Bornstein said.

Ms. Swanson: Well, you're not.....

Commissioner Cabrera: I know I'm not taking you on; I'm just saying that's what someone else said....

Ms. Swanson: Stewart Bornstein is not a City employee...

Commissioner Cabrera: I know.

Ms. Swanson:...and I am going to take that very seriously.

Commissioner Cabrera: Well, I didn't mean to offend you, but I just know what happens around here.

Ms. Swanson: I understand, I understand.

Commissioner Cabrera: Look, I want this project to succeed.

Ms. Swanson: I know you do Commissioner, and you've been very helpful in helping us build a lease that will work not only for now, but in anticipating problems in the future. So we went to them, and so when the numbers came back, and a hundred and ninety-three thousand dollars was going to be spent on an air conditioner with chiller, and we went to our cinema people and said, is this the kind of equipment you need when you are doing a first class cinema and they said no, you can do it much less expensive and still make it work, we went through a whole new step of value engineering, and we have gone through the revisions, architect yes; Public Works yes; but we pulled in the cinema people to say, you know this business you tell us what it takes, and the only thing that I required in the whole deal was, I wanted marble on the concessions and in the



bathrooms, and that's two thousand dollars. I know we can do it; if for some reason we can't, I'll pay for it myself because it's that's critical an impression to the City, but I am confident now and I have e-mails that prove it that we are not going out for bid unless we know we are coming in with bids that respond to the clear budget that we have, even if it means certain things not hurting quality, but certain things will be phased in later at the tenant's expense. You'll note in this lease anything over five hundred thousand dollars, City two fifty, donor two fifty, will be the obligation of the tenant, which is why we brought them into that value engineering piece.

Commissioner Cabrera: Well, I appreciate your thorough response, and when I said before that someone else was not directed at you.

Ms. Swanson: I understand.

Commissioner Cabrera: But this is what I live.

Ms. Swanson: It was just very disappointing when those numbers came in so high.

Commissioner Cabrera: I know, and the reality is, the Manager and I talked about this, and we discussed the numbers, where did eight hundred thousand dollars come from again?- just remind me one more time and I'll let it go, I promise; I don't want to think I just dreamt it.

Mr. Delgado: Let me explain to you, you know, we finished phase one, which is we hired a very good consultant, which is Glasgo, Schuster and Soto to design the interior space; based on the Code, accessibility codes, you know, the ADA, and all the requirements of the Cinemateque. They prepared a set [inaudible] that has been approved by the Building Department and by all the other agencies. This plan was put out for bids, and in the bidding process, we received several bids, and that's what the price, the eight hundred thousand dollars came from the bid. When we received the bids then we evaluated those bids, and we looked at what were the items that could be cut down as far as using the cost, because what they designed let's say was the state-of-the-art design, but still we can use less than that. For example, the air conditioning is a typical example, they designed that based on the chiller, a chiller that we have on the roof, but we can use units over there, and other theaters they use units, so we can reduce the cost of the air conditioner for example a hundred thousand dollars. We identified other items that can be also eliminated from that project, and what we are doing right now is value engineering, we visited again all the quotes, all the bids from the different bidders, we looked at the difference in prices, we did a tabulation and a comparison of what was high and what was low, and now we are doing a revision of the plans, and we are putting that back again for bids again, with all of these changes in the plans. So we are hopeful that we will be meeting our five hundred thousand dollars cap, and that's what we are shooting for in the next bidding cycle.

Commissioner Cabrera: Listen, I'm not opposed to you coming back and telling us that in order to do this project right, we have to have granite tops, and we have to have other things to make it a real first class cinemateque, I'm not objecting to that, I just want to know now; I don't want surprises later on because I'll tell you what's going to happen later on, if I get surprises I'm going to make somebody accountable for it, and I'm going to make it a public issue, I'm just letting you know, I mean, I'm just kind of tired after six-and-a-half to seven years of doing this stuff that things don't come in on budget; I'm OK as long as you tell me, you keep it away from

me, you're in big trouble, because I'm going to remember and I'm going to bring it back every chance I get and make you feel bad, and I don't want to do that, because its non productive, but I'm unsettled about this project because of these numbers and I appreciate your thorough explanation, I really truly do.

Ms. Swanson: Your Second Reading – before you get to Second Reading, which is the only time that you have obligated the City, you will have seen the recommendation from Public Works on the award of bids of the most responsive. Those numbers will tell you where we are with that project; we are not coming back to you without it.

Commissioner Cabrera: I got it, and please note that if for some reason the numbers don't jive, I'm OK, just tell me what its going to take, and then how we are going to go about getting it, that's all.

Ms. Swanson: I appreciate that, we're not OK; we're telling them the budget is the budget and anything more than that will be the tenant's responsibility and the tenant has agreed to that, and it's included in the lease, but I appreciate what you are saying.

Commissioner Cabrera: And I'm saying that because I want to support the project.

Ms. Swanson: I understand.

Commissioner Cabrera: Not because I want to be an obstructionist.

Ms. Swanson: No, I understand.

Mayor Slesnick: We've got one more question before we go to the public comments.

Vice Mayor Kerdyk: Cathy, just to follow up on that questioning. With regards to any overrun, if there is such an overrun, and you say there is not going to be one, but should we decide to put this in first class condition, state-of-the-art – has a donor been talked to about increasing his donation from two hundred and fifty thousand dollars upward to making any gapping difference?

Ms. Swanson: I understand exactly what your question, and I personally believe in looking at these numbers and looking at this project that at two hundred and fifty thousand dollar donor agreement is a very generous one, an appropriate one and it is what it takes to get this project through.

Vice Mayor Kerdyk: I'm not saying its not generous; I think its very, very generous, but the question is, should there be an overrun instead of coming back to the City Commission, would it be possible for you to touch base with the donor to see if that was a possibility an additional funding. That's all I ask the question, is yes or no, is it yes or no?

Ms. Swanson: Clearly we can before second reading, get that done, but I would say that the language in the lease today obligates the tenant for overruns.

Vice Mayor Kerdyk: I understand that.

Ms. Swanson: Now, that tenant can secure it through fundraising, through grants, through other sources, but it does obligate the tenant, not the City, and not the Coral Gables Community Foundation donor.

Vice Mayor Kerdyk: But the answer is yes, we could go revisit this.

Ms. Swanson: Absolutely, I'll have that conversation.

Vice Mayor Kerdyk: Alright, very good, thank you.

Commissioner Withers: Albert, and Cathy, I have a question. Where are the permit fees in the five hundred and two thousand?- and where are the soft costs for the architectural engineering fees in the five hundred and two thousand?

Mr. Delgado: Yes, they are.

Commissioner Withers: I said where are they?- I don't see them itemized.

Mr. Delgado: The soft cost of the architecture is coming out of the two hundred and fifty thousand that....

Commissioner Withers: On the pro-forma, I'll show it to you.

Ms. Swanson: I have it here; I'll give it to him.

Commissioner Withers: Exhibit B.

Ms. Swanson: Obviously this is before they did the value engineering and working...[inaudible]....

Commissioner Withers: This is after they reduce the price from eight hundred to five hundred and eighteen thousand.

Commissioner Cabrera: What is value engineering mean?

Mr. Delgado: Value engineering is evaluating all of the mechanical and electrical elements of the project.

Commissioner Cabrera: OK.

Mr. Delgado: ...and see if ...[inaudible]...by using different equipment, we have used substantial cost of those items; ...[inaudible]....

Ms. Swanson: Actually sir, this work letter B is what Public Works gave us before we got the eight hundred thousand dollars.

Commissioner Withers: OK, so where is the new one now?

Ms. Swanson: They have not developed the new one; they are developing it now, and we'll have it before second reading.

Commissioner Withers: But I'm assuming it's – you said it was five hundred thousand dollars, so it's only thirteen thousand dollars difference, so I'm assuming these numbers aren't going to move that much because this is five hundred and thirteen thousand dollars.

Ms. Swanson: When Public Works gave us these numbers to take, first they gave us four hundred, then they gave us five hundred and thirteen saying, this is our best guestimate, it includes overhead, profit, contingency, bond, permit, all of that; so the four hundred is actually going to be five hundred and thirteen. OK, so we all figured that out. These numbers then went to the permitting bid and these five hundred and thirteen thousand dollar number came back at eight hundred thousand dollars, which is why the value engineering started. So we do not have revised figures that went from five thirteen to eight hundred back to a new number, we are getting that now.

Commissioner Withers: I understand. So, I'm assuming there is going to be a line for permits, I'm assuming there is going to be a line for soft costs, engineering, and all that; normally in projects permitting is two or three percent; soft costs are usually ten percent, so now we are taking five hundred thousand and we are down to four hundred and sum thousand dollars. So you've basically taken an eight hundred thousand dollar project and cut it in half. Is my math...?- and we'll get that before next meeting. Cathy, when you and I and David met, we met for two or three hours, and one of the things I requested prior to this meeting was an updated business plan; do you have that?

Ms. Swanson: No, we don't have the business plan; we asked it of the tenant and they are developing it, but it is not ready for the City's review at this point. You did ask for it, they are working on it, but we don't have it at this point. We did have the one year, two year, three year, that they had submitted, and we took it back to them and said we need these numbers updated, and we need the business plan updated.

Commissioner Withers: As you know, I want to look at the revenue stream because I didn't know if they were counting first year revenues twice whether they had a rather aggressive fundraising budget the first year, the seven or eight hundred thousand dollars in their original business plan; and I wasn't sure if that four hundred thousand dollar generous contribution from Steve Krams, International Cinema was counted.

Ms. Swanson: Yes, I did call them and asked them about that, and that contribution, I think the first year is five hundred thousand dollars in terms of revenues; four hundred thousand of the in-kind gifting that is from International Cinema and Magna-Tech, and I called the County and

asked them, Kelly Olocko, is this an appropriate way of showing the revenue stream on that as the gift and they said yes it is. So the five hundred thousand....

Commissioner Withers: Why would it be shown as revenue if it was a donation for a capital improvement? On the business plan it was shown as operational revenue; if it was a gift for physical plan improvement.

Ms. Swanson: It is a donation, and when all of the details come back in the revised plan, it will asterisk and signal that out, but it is an appropriate donation as a part of the first year operations when we talked with the County.

Commissioner Withers: Thank you.

Mayor Slesnick: And we will have that by second reading?

Ms. Swanson: Um huh.

City Manager Brown: We won't be back until we do have everything in place.

Ms. Swanson: We are not coming back to you until the end of April, I think your meeting is April 29<sup>th</sup>, and that's where we'll have the bids then, and we'll have the completed information then.

Mayor Slesnick: We'll are going to get a few comments now. Mr. Paul Posnak.

Mr. Posnak: Good morning everyone. Thank you for holding this meeting during UM break so I could be here.

Commissioner Withers: Well you shouldn't be here; you should be out relaxing somewhere.

Mr. Posnak: I've got concerts to play, I'm nervous.

Mayor Slesnick: Could you give us your address?

Mr. Posnak: My address?

Mayor Slesnick: Yes, your name and address.

Mr. Posnak: Oh sorry, Paul Posnak, 829 Catalonia Avenue in the Gables, and I am one of the people who started this ball rolling as a member of the Cultural Development Board, and we've all been very excited about it. A few comments – my wife and I went recently to the Cossford Cinema, showing one of the international film festival's offerings. We got there early and were very lucky to get in; it seats about two hundred and thirty five people something of that nature, but it was SRO. People were so excited to be there, they had no idea whether the film was mediocre, or good. We go periodically make a pilgrimage to the Miami Beach Cinema that Cathy Swanson just referred to. It's sixty maximum seats; the seats are little lounge chairs and

settees and folding chairs, and what not that the mom and pop organization scrape together in this tiny little space with a Toysrus/Kmart projector relative to what we are talking about here, and its packed very time we go, its packed, its packed, its packed, getting there early is a prerequisite. I come from an experience where I was lucky to grow up in an area where there were three art cinemas in New York, Nathalia, the Aster, the New Yorker, and it was such an important formative part of my experience; it's a way of seeing the world and experiencing the world. I saw the Ballshore Ballet for the first time; I saw Jose Greco Flamenco for the first time; I saw the Mosaic Dance Company for the first time at the Nathalia and New Yorker; I saw Antonioni and Bergman, and Gödel, etc., etc., etc. Deseka, all of the greats; the great artwork, it's a living museum, its living in the world and there's a hunger, a real hunger for this here, especially in our increasingly commercialized world and limited world where you have so little access this body of culture, and this body of international expression of life. So that's something I think has to be put on the table here; this is something that is of real importance even more than just cultural, its almost bigger than that, there's a great need. The City of Miami and County are going crazy about the baseball stadium; we are talking about taxpayers spending hundreds of millions of dollars on a stadium that will have a very small fixed number of baseball games. Just to provide some contrast here with service for money. Now, one of the reasons why an art cinema can succeed or not is location, location, location; you can't get a location like this anywhere else in the heart of our City opposite Books and Books; you can't get a location like this where you have parking, its in the parking establishment. When I walked into that – you are looking at it to see what could be done with this unexpected vacant space, I had flashes of my childhood and my adolescence, and my youth, and my young adulthood in New York at Nathalia, at the Aster, at the New Yorker all of which had spaces exactly like this with the little second floor projection area, with the little low [inaudible] in the front for concessions; the natural set up with the beautiful marquee, you know, it wasn't just a thought, it was an immediate visceral reaction to something that fell into our laps. The interface with Books and Books for crying out loud, can you imagine going to a movie whether its first run movie, or something that has been on the books for a long, long time and is a classic for example, and then go to Books and Books afterwards to meet with and talk to and hear the words of the person who wrote the book on which the film is based, or the screen writer who adapted the book; this is how we can do things of this nature. Can you imagine having a major author come to Books and Books and have a film about the author or of one of his books being shown, or her books being shown across the street; can you imagine what we can do with the interrelationship with the University of Miami and its wonderful collections, and its entire School of Communications, where you can have lectures about the films, we have authorities talking about how a film is made, what is Italian cinema, what is the Verismo School, what is you know, its like the pre-concert lectures that Judy Drucker raps so much so many years. We can have collaboration with our consulates, we're an international City; can you imagine the Italian Consulate, and the Spanish Consulate, bringing their directors, bringing their films, you know this is something that we can do that no mom and pop organization can possibly call up. We have Ray Regis and Sam Groc at the School of Communications, etc. etc. We also have the bully pulpit here; this is going to be something that is going to be such a major attraction for the City for not only our residents but for people outside the City to come here and spend money and enjoy the beauty of our City and its cultural offerings. We'll be able to advertise it in the news of the City Beautiful and our cultural calendars, it would be a wonderful thing that a mom and pop organization couldn't possibly do. To in short worry too much about cost and cost overrun is a bit, considering the

importance of such a thing, and the perfect location and the circumstances surrounding it, and the people who are running it, this is not – we are talking about major equipment in the hands of people who really know how to use it; I would be penny wise and pound foolish, or to put it in international terms milligram wise and kilogram foolish. So please, even if there are cost overruns we are sitting on something of such extraordinary value, such powerful, powerful addition to what this City is and can offer, not just its own residents, but the entire community. I urge you all to support this whole-heartedly and enthusiastically.

Mayor Slesnick: Thank you Mr. Posnak, and while Paul is up here, I would like to thank him if you did not see, there was a concert where we had a pianist from Provence, our Sister City in France, an incredible pianist who came here at Paul's invitation, and they played a concert together over at the Congregational Church, and it was an exceptional evening. So thank you.

Mr. Posnak: Thank you.

Mayor Slesnick: Mr. George Volsky.

Mr. Volsky: George Volsky, 1008 Alhambra Circle. Mayor, Commission member, City Manager, and City Attorney, I came in to support this project in spite of misgivings which I have already expressed before, and I still have the same misgivings. I accept... something as a given that is going to be over us...[inaudible] cannot make an eight hundred thousand dollar project for four hundred thousand; and when you get the financial side of the project its going to have many holes. I accept it; it's not profitable and it never will be. Mrs. Swanson said that it depends on grants; grants are very hard to come by as I think you know, but I still support it. Now what are the problems; the problem is the development of technology. As you know there are now movies on tape, movies on – now the latest thing is movies on computers, which you are able to get movies all over, but nevertheless, I think, even if it fails, and I expect it to fail maybe five years, maybe six; ...[inaudible]...the City will have a one hundred and forty-four seat theater, which is an asset, and I think the City ...[inaudible]...Now I want to briefly – but then truth ought to be said, I congratulate Mrs. Swanson on a very nice presentation; she touched everybody...[inaudible]...the truth ought to be said; this space has not been conceived as a movie house as you know, it was to be a space for equipment, then it was going to be a space for a theater, and then after...hiatus that it became a cinema, but it could be said in addition its not faster...and ....one funny line the cinema is very close to Abracci Café...some of you here like to go to Abracci so might be that is something....this is not my concern; my concern is to....now I have one serious concern, it has to do with financial package, and this is because I read the following on the document background, I quote here the cost is a quarter million dollars, “in addition a \$250,000 donation has been pledged through the Coral Gables Foundation (the Harry and Mary Perrin Fund, Donald D. Slesnick II as Personal Representative) subject to the renaming of the plaza immediately in front of the Art Cinema's main entrance”. Well I know what, personal representative is in capital letters; I know what personal representative means because once I was, Mr. Withers remembers some years ago I was personal representative of an estate of a fund which had a number of...[inaudible]...and Chip said don't worry....Personal representative is... Florida Statute where someone representing a fund or of an estate and has to be guided by the judge. In addition to this, in the Statute, it says the personal representative has a salary of three percent (3%) of the fund; therefore, I believe that Mayor Slesnick cannot speak or

vote on this issue, unless of course he resigns and becomes a lobbyist and registers as such, because it is subject, subject to the naming of certain portion of City property, which incidentally I don't know what it is, with this in that document I don't see a map what you are talking about naming the Perrin Plaza; I mean, I appreciate the Mayor's efforts to get first time hundred fifty thousand and then all of a sudden one hundred thousand more. My question is, maybe that plaza is worth more. Not so long ago our friend...[inaudible]...spent twenty five million on the Performing Arts Center, maybe the plaza is worth half a million, was a procedure followed for the naming of the street or of the City property? The procedure was, as far as I see from the documents just go before the Board and the Board said fine. Was there an RFP?- we have a property of the City which is sold for naming followed?- I don't know. I recently asked the office of the City Attorney three weeks ago to declare whether the appearance of the Mayor in this issue is a conflict of interest. I have here two books on conflict of interest; the County and conflict of interest of the City, in both of them there are a lot of references today...I think therefore you consider this, again I'm for it, I understand a lot of people, but I think for the Mayor there is a conflict of interest to speak and to...[inaudible].

Mayor Slesnick: Thank you. The next speakers are Carolina Rendero and Mark Trowbridge representing...

Mr. Volsky: I would like a ruling on this before we proceed.

Mayor Slesnick: Madam City Attorney, I will certainly before I vote ask your opinion.

City Attorney Hernandez: Thank you sir.

Mayor Slesnick: Not before we go forward, however.

Mr. Volsky: Pardon, I couldn't hear, not before what?

Mayor Slesnick: I said when the time comes I will ask the City Attorney to give me direction.

Mr. Volsky: And when the time will come? Before the vote?

Mayor Slesnick: Yes.

Mr. Volsky: Alright.

Mayor Slesnick: I wasn't looking for your permission sir. Mr. Trowbridge, Ms. Rendero.

Mr. Trowbridge: Thank you Mr. Mayor, thank you sir, Mr. Vice Mayor, Commissioners, Mr. Manager, Madam City Attorney, Mr. Clerk, thank you very much for allowing us the opportunity to come before you today. As you all know, and for our viewing public I'd like to introduce the Chairman of our Chamber here in Coral Gables, Carolina Rendero is going to just read for the record the resolution that was passed unanimously by our Board on the 27<sup>th</sup> of February.

Ms. Rendero: Good morning everyone.



Mayor Slesnick: Good morning.

Ms. Rendero: Resolution of support for the Coral Gables Cinemateque.

The undersigned Chairman and President of the Coral Gables Chamber of Commerce, a Florida not-for-profit corporation (“The Chamber”), do hereby certify that the following resolution was duly adopted at a meeting of the Board of Directors of the Chamber (the “Board”), duly called and held in Coral Gables, Florida on February 27, 2008, in which meeting a quorum was present and acting throughout:

**WHEREAS**, the City of Coral Gables is proposing to create the Coral Gables Cinemateque, a 4200 square foot, 144-seat arts cinema located in the Museum Garage, at 240 Aragon; and

**WHEREAS**, the Cinemateque will join in synergy with such dynamic organizations as the Miami International Film Festival, Miami-Dade County Cultural Affairs Council, Coral Gables Museum, Books and Books and other cultural entities to create a vibrant arts epicenter in the heart of downtown Coral Gables; and

**WHEREAS**, the Cinemateque will offer arts groups, non-profits and other community organizations an affordable programming space that is centrally located and easily accessible to restaurants, retail shops and other cultural facilities, along with ample parking and a sense of place; and

**WHEREAS**, the Coral Gables City Commission has the opportunity to continue to be stalwart supporters of the arts, helping to define Coral Gables as a cultural destination for visitors and residents alike while contributing to our quality of life; and

**WHEREAS**, the Coral Gables Chamber of Commerce and its Cultural Affairs Committee, for many reasons, believe it to be in the best interest of both the residents and the business community, as well as our visitors and future visitors, that the Coral Gables Cinemateque be created and celebrated;

**NOW BE IT THEREFORE RESOLVED**, that the Coral Gables Chamber of Commerce hereby supports and endorses the concept of the Coral Gables Cinemateque for our community.

**IN WITNESS WHEREOF**, The undersigned have executed this Resolution effective as of February 27, 2008.

#### **THE CORAL GABLES CHAMBER OF COMMERCE**

Mayor Slesnick: Madam Chair, Mr. President thank you very much; we appreciate the Chamber taking positions on issues like this.

Commissioner Cabrera: And Mr. President, Madam Chair, I really do appreciate this, not only do I appreciate the fact that you came out today, but I also appreciate very much that you sought me out to tell me about this, but I wanted just to make it clear to everybody, your support of this is

conceptually, you are not going into the numbers, because if you were going into the numbers, I'd try to hit you up for about fifty grand.

Mr. Trowbridge: We are well aware of that.

Commissioner Cabrera: OK – Just want to make sure.

Mr. Trowbridge: There is conceptual and then the idea of this coming to the community, absolutely that's...

Commissioner Cabrera: Alright, good, thank you both.

Mayor Slesnick: Ms. Swanson – you have further questions for Ms. Swanson?

Vice Mayor Kerdyk: I have a couple questions, first of all let me just say Cathy did a great presentation, thank you very much. I will tell you that I am comfortable with the art cinema. You know, in my opinion the Commissioner has to serve two fold, one is of course we have to be fiscally very conservative and the other, we have to look out what is the public good for not only our business community and our residential community; I think its very, very important that we look at quality of life issues, and this certainly falls in the quality of life category. Now having said that, I do have a couple questions and it really has to do with the rent that we are receiving. Now you acknowledged that we are receiving fifteen thousand dollars a year, and each of us know that if we were to lease that space out we would get considerably more maybe upward of over one hundred and fifty thousand dollars, so that's easily acknowledged. My question is if for some reason this art cinema does not work out, or if its assigned with the Commission approval, what performance measures standards do we have in the lease now that allows the City Commission at an appropriate time to make a determination that we move in another direction, should that ever come forth or not, and let me qualify that statement – I write hundreds of leases a year, and its always the one thing that you think will never happen that happens, so what is to assure this Commission that future Commissions have the opportunity to make a decision that would be appropriate at that time?

Ms. Swanson: I understand sir. I think what you're finding the future Commissions would is the exhibits that are attached to the document in terms of what their intent is for programming and use for this space; and we have said in the lease agreement that failure to comply with that is a default of the lease. So, yes it is a tiered building, you know, so that you are committing it to be an assemblage space, but more importantly you are committing it to be used in a way that was represented to you in making your decision; so when the Cultural Board reviews it for performance, like performance standards, did they comply with the intent of the lease, and the expectation of the Commission, they would be looking at the document that was presented to them as to including international consulates, including film festivals, including lectures and readings, it wouldn't be a numeric performance or compliance, but it would be a programmatic one; and so when the Board looks at that annually, and there are certain – if you look in Section 7 of Use, "the Tenant will use and occupy the Premises for the following use or purpose and for no other use or purpose: A non-profit Art Cinema presenting top quality films that may not be readily commercially available and for other cultural offerings including but not limited to film

festivals, book readings, and small cultural performances presented by the Tenant or by other groups”. Then you go back certain references farther down in the third paragraph we talk about how much will be used for what purpose including “additionally at least seventy-five percent (75%) of the actual use of the Art Cinema, on an annual basis, shall be for motion picture showings and film festivals”, so we told them how much they have to do for what, we’ve told them it has to include an active strong children’s component whether they create it or they cause it to be created; so the Board is going to be looking at these check lists to say, what did the lease say, what did the exhibit say, did they meet it, and then they are going to come to you all to present those findings. So that’s the check that we have built into this on an annual basis for compliance with the Commission’s expectations.

Vice Mayor Kerdyk: So they’re going to come; once a year they are going to review the document...

Ms. Swanson: The Cultural Board.

Vice Mayor Kerdyk: The Cultural Board is going to review the document and send us a written report to the Commission so that we are going to have an opportunity to review that in their minutes, or is it going to be a separate report, or how is that from a logistic standpoint?

Ms. Swanson: We formalize their reporting through their Commission minutes – through their Board minutes because that’s their appropriate way to communicate with you, and then it will either require action, or non action depending on what their findings are, but clearly if they found that it was not in compliance they would list it as minutes requiring action and we have it in the default section that, that is....hold on one second let me....I appreciate your concerns because you are looking at it on the “what ifs”, and how can we protect the City moving forward. Let me look at the – there are certain language in here that says that it is only for these purposes....if default...OK, this is Section 24, Default, its page 17 in your document, and it says, “if default shall be made by Tenant in the performance of, or compliance with, any of the covenants, agreements, or terms or conditions contained in this Lease or default be made by Tenant in compliance or non-compliance with any...” so not only incompliance with the lease, but then also all municipal and county ordinances; then there is the default provision that kicks in, we’ve reviewed it with the City Attorney on is this enough teeth if the performance is not there for removal, and then there is ten days written notice that default has occurred, I mean, that triggers that whole default process which is included, and it can be based on the listing of what they said was going to be done and what the lease requires them to do based on performance, that’s type of programming in the art cinema.

Vice Mayor Kerdyk: Alright – Ms. City Attorney...?

City Attorney Hernandez: Yes sir.

Vice Mayor Kerdyk: With regard to the default provisions should the performance issue not be – should there be non performance are you comfortable with the default provision and how the City Commission would have there latitude to move forward in this particular case?

City Attorney Hernandez: We absolutely do.

Vice Mayor Kerdyk: Alright.

**Mayor Slesnick: Let me ask if we have a motion?**

**Commissioner Anderson: I'll move it.**

**Mayor Slesnick: Moved by Ms. Anderson; is there a second?**

**Vice Mayor Kerdyk: I'll second it.**

Mayor Slesnick: Second by Mr. Kerdyk. Is there any other questions or discussion? Ms. Anderson.

Commissioner Anderson: Just want to make a few comments.

Commissioner Cabrera: Can I just ask the City Attorney a quick question, since we were just asking her a question, I'm sorry.

Commissioner Anderson: Sure, absolutely.

Commissioner Cabrera: Mine's just housekeeping. Your office cleared this, right?

City Attorney Hernandez: The lease?- we worked closely with Ms. Swanson and drafted the lease with Ms. Swanson.

Commissioner Cabrera: I just wanted to make sure. It's more for the record than anything.

Ms. Swanson: She's the one that added the tougher portions of the lease.

Commissioner Cabrera: Just for the record.

Ms. Swanson: Hold harmless, liability...

Vice Mayor Kerdyk: Has it gotten significantly stronger than it was a month ago or so?- the language?

Ms. Swanson: There were areas that perhaps could have been viewed as ambiguous in long range interpretation, which we tightened up, so that ambiguity has been removed.

Vice Mayor Kerdyk: Alright. Sorry Commissioner.

Commissioner Anderson: No, not a problem. I just wanted to make a comment; I wanted to congratulate everyone involved on the process; I think – I've been very supportive of this project from the inception, and I thank Dr. Posnak from bringing that to us several years back, and for

the work of staff, and for the work of the Cultural Board. I think this is just going to be a tremendous opportunity for us to showcase not only art culture, but our City as was mentioned by a previous speaker. So thank you, I intend to support this, and I look forward to it opening up and maybe buying a membership.

Mayor Slesnick: Any other comments?

Commissioner Withers: How does the Commission feel about just donating the two hundred and fifty thousand and letting them go their own as far as building it, that way our upside and their downside is protected?

Commissioner Anderson: As long as we have control over the quality and -- we have to have obviously oversight over it right?- quality of materials, that would be my concern.

City Manager Brown: If we are going to give them the two hundred and fifty thousand dollars then we are not going to be in charge of the bidding process. That would be buying your way out of the process.

Commissioner Anderson: No, and I can't....

Commissioner Cabrera: But wouldn't it -- and I understand how you wouldn't be comfortable with that, and I kind of share your thoughts, but wouldn't giving the money to them, as Chip has suggested, expedite the process?- because we have a tendency to slow it down.

City Manager Brown: Well, we have a lot more rules and regulations that we have to pay attention to than a private vendor, yes it would speed up the process, but you're going to give away your ability to oversee what goes on in the show.

Commissioner Cabrera: Well, not really.

City Manager Brown: Well as far as landlord; as far as regulatory, yes.

Commissioner Cabrera: Yes, regulatory we are going to drive them nuts, I mean, we drive everybody else nuts, we drive ourselves nuts. Hey, did you come up with that because you want to expedite the process?- or you wanted just to....

Commissioner Withers: Listen, I supported the Rouse Project, but I voted against the deal.

Commissioner Cabrera: Alright.

Commissioner Withers: I supported the Miracle Theater, but I voted against the deal.

Commissioner Cabrera: Are you setting something up here?

Commissioner Withers: Yes.

(LAUGHTER)

Commissioner Withers: I'm very supportive of this project, but you know, I don't have a construction rendering, I don't have a construction plan, I don't have construction cost, I don't have a business plan, I'm fully supportive of the naming of the plaza, at this point maybe I'll support it in two weeks; I won't support it without a cap on the money; we know that we were told the Country Club would be four million dollars and not a penny more...

Vice Mayor Kerdyk: Right, that's what we paid four million dollars.

Commissioner Withers: We settled a lawsuit for three hundred and sum thousand dollars.

Commissioner Cabrera: Three hundred and seventy-five thousand and we've been paying twenty-five thousand dollars for the last eleven months.

Commissioner Withers: I was against the free parking and now I see where we are giving three hours of free parking; so I'm just not happy with the deal; if its going to be so successful and so many people are going to be there, and so many people are going to wait in line, come on, we had a very difficult budget hearing a couple of months ago, and we all agreed no more freebies, we sat here and said no more freebies, we are going to hold the line, and two hundred and fifty thousand dollars, which I thought was tied to a Florida grant, I must have missed the vote on that...

Commissioner Cabrera: That was part of the four million dollars Sunshine State.

Commissioner Withers: I know, that's what I'm saying, I missed it, I missed that. But that's why I think to control cost I think if we give them two hundred and fifty thousand dollars and if it's anything over that it's out of their pocket.

Vice Mayor Kerdyk: How do you control the quality of construction as Commissioner Anderson says? And how would you, the logistics on it, and what is their expertise on building out space, and all those integral questions?

Commissioner Withers: What is our expertise on building out a cinema? They are the experts.

Commissioner Cabrera: You know what Chip, even though – I hear what you are saying and I see where you are going with this, but I think that even if we all agreed to give them the two fifty and let them go do their project, I still don't think you'll support it, for the reasons you gave.

Commissioner Withers: If I see the business plan, Cathy knows, we had a very long discussion about...

Commissioner Cabrera: I heard you; you said something like two hours, or two and a half hours.

Commissioner Withers: And about revenue streams, and non reported revenue, anyway we had a long.....and I just asked staff to come back before this meeting to have a business plan, and they didn't have it, Ralph, and that kind of – you've been in that position.

Commissioner Cabrera: I understand. I have, and that's why I empathize with you and if you asked for something and you didn't get it, is there any possibility Commissioner Withers is going to get to see this the second time around?

Ms. Swanson: Absolutely – the business plan will be in for second reading, the timing didn't allow it all to be completed and us to double check and send it to our county people and other people and have it in the agenda package.

City Manager Brown: Let me add something.

Commissioner Withers: The same with the construction cost.

City Manager Brown: Each and every item that the Commission has asked for will be in the package and the Commission will be briefed prior to second reading.

Commissioner Cabrera: But I'll tell you, this construction cost thing is killing me, because I'll tell you why its killing me, because I'm hearing second hand and it really irks me because you know, and I don't want to have a debate here with you, but you know when I got that number I immediately reached out to you...

City Manager Brown: Correct.

Commissioner Cabrera: I wrote you an e-mail, I asked you to please help me understand this and I still don't have an answer.

City Manager Brown: And frankly the bells and whistles are that first number, but you're right, Commissioner I'm not arguing....

Commissioner Cabrera: Cut out the bells and whistles and just keep the granite tops, I mean give me a number; I know it's two thousand plus something.

City Manager Brown: I think the number is in the range of seven hundred and fifty thousand dollars.

Commissioner Cabrera: OK, now bells are going off.

City Manager Brown: But we don't have the item identified down to the enth degree by permit...

Commissioner Cabrera: Alright, then you know what's going to happen – OK here's what's going to happen, Don and I'm sorry, I'm going to support Chip on this and I'm going to vote against it, and let me tell you why, because....

Mayor Slesnick: Four-fifth vote.

Commissioner Cabrera: You need a four-fifths vote, OK...

Mayor Slesnick: And I would appreciate your voting....

Commissioner Cabrera: I will, I'll give you....

Ms. Swanson: Commissioner I understand what...

Commissioner Cabrera: Excuse me, Madam Director hold on a minute. I'm going to do it based upon that OK, because its going to ruin the vote if we go three votes, but I'm going to tell you right now, if I don't get the comfort level I was looking for three weeks ago David, Mr. Manager, that I'm going to vote against this project the second go around.

City Manager Brown: Commissioner, I don't want you to vote on it if you don't feel comfortable...

Commissioner Cabrera: No, no, I'm going to do it to support my colleague because I don't want this thing to die.

City Manager Brown: I think you should, I think you should let us give it a chance to bring it back on second reading and make sure that every "i" is dotted and "t" is crossed from revenue streams to liquor liability that occur to building.

Commissioner Cabrera: And I know if you say you are going to do it you are going to get it done, because I've done the math and we're short.

City Manager Brown: And we are not coming back until – we always do this, we come back with a project and a revenue stream, whether it be private donor or public, but I can rest assured with this, I have two hundred and fifty thousand dollars budgeted, and that it.

Commissioner Cabrera: Well, I'm going to do it, but I also want the public to know, I don't care about letters telling me how wonderful the cinemateque is, I'm making a business decision as much criticism as sometimes we get about acting like business people, I wasn't born a politician, I wasn't trained to be a politician, I was trained to be a business person, so this is a business decision for me, therefore I love the concept, I love the arts, I love culture, but the next person that writes me a letter telling me how important this is, I'm going to tell them to open their wallet and give us some money for the project, if they really feel that strongly about it. So just thought I'd share my thoughts.

Mayor Slesnick: And I would say I hope that you understand that I have felt this is an important project...

Commissioner Cabrera: I know.



Mayor Slesnick: And I have gone out and sought the money, and I agree with you that we need that help and try to provide that.

Commissioner Cabrera: If people are going to tell us – and I love it, because I’m getting all kinds of feedback from people that don’t even live in the City, they just like the idea and that’s fine, they are still residents of Miami-Dade County, and that’s good that they are telling us this, but darn it, if you think its that wonderful put up a couple of a hundred bucks or something to help the cause.

Ms. Swanson: If I could just say today is March 12<sup>th</sup> or March 11<sup>th</sup> , one of those days...

Commissioner Cabrera: The eyes of March are upon.

Ms. Swanson: It’s not even intended on putting this on the agenda until we do have those numbers after the bidding process; Public Works has reviewed the responsive bidder, so at the earliest, we won’t be back to you until April 29<sup>th</sup>....

Commissioner Cabrera: OK, alright.

Ms. Swanson: The way that we have looked at; bids have to come in, they have to be validated, they have to be scrutinized, and then we’ll put them....

Commissioner Cabrera: And if we have a slow down, I understand, but I wouldn’t be going against....

Ms. Swanson: If it’s slow it’s because we don’t have the information you all want and we won’t put it on until.

Commissioner Cabrera: I know you won’t because you’ll do it when its ready to go, but I would be going against my grain if I didn’t support Commissioner Withers. You got it, you understand.

Commissioner Withers: I’m fine.

Commissioner Cabrera: I know you are fine, but I want to support you on this.

Mayor Slesnick: Madam City Attorney, a member of the public has questioned my ability to vote on this issues and I would ask for your opinion.

City Attorney Hernandez: There are three ethics codes that apply to elected officials in the City of Coral Gables. We have Chapter 112 under Florida Statutes, the Dade County Code and the City of Coral Gables Ethics Codes. Chapter 112 provides specifically that no municipal elected official shall vote in an official capacity upon any measure which would inure to his/her special private gain or loss, or which the officer knows would inure to the special private gain or loss of any principal by whom he or she is retained of the parent organization or subsidiary of a corporate principal by which he or she is retained of a relative or of a business associate. The officer must publicly announce the nature of that interest and file the appropriate memorandum

with the City and with the State. Those identical provisions are also applied through the Dade County Ethics Code as well as the Coral Gables Ethics Code. So I have several questions to ask you. Number one is, do you or a family member have an official position in the foundation?

Mayor Slesnick: Yes, my wife is the Chair of the Foundation.

City Attorney Hernandez: OK, and what is your involvement personally with the foundation?

Mayor Slesnick: Past Chair for about ten years ago.

City Attorney Hernandez: Do you or your spouse receive any pecuniary interest or stand to have any private gain as a result of the vote that is about to occur here today?

Mayor Slesnick: Absolutely not.

City Attorney Hernandez: OK, through the foundation or through any other entity would you stand to gain any income or private gain?

Mayor Slesnick: Absolutely not.

City Attorney Hernandez: OK, does any family member of yours have any financial interest in the foundation?

Mayor Slesnick: Absolutely not.

City Attorney Hernandez: And the naming – there was a statement with regard to the naming of the plaza, the condition that was imposed is the naming going to be as to you or any personal family member.

Mayor Slesnick: Absolutely not.

City Attorney Hernandez: Is the naming for anyone by whom you have been retained and you are indirectly or directly receiving any financial gain?

Mayor Slesnick: No, by order of the court, the money from the State was given to the foundation into a donor directed fund in which I was named as the Director of the Donors Monies and I do not receive any compensation for doing that, none whatsoever.

City Attorney Hernandez: Under the provisions of Florida Statute Chapter 286 you are compelled to vote because you do not have an identifiable conflict of interest that would preclude you from voting.

Mayor Slesnick: Thank you very much. Any other discussions or questions?

**Mr. Clerk**

**Vice Mayor Kerdyk: Yes**  
**Commissioner Withers: No**  
**Commissioner Anderson: Yes**  
**Commissioner Cabrera: Yes**  
**Mayor Slesnick: Yes**

**(Vote: 4-1)**

Mayor Slesnick: Thank you all, and Chip as one of the great proponents to this my pledge to you is that I personally as Chairman of this Commission will not let the Manager bring this forward until such time as all the questions that you and Commissioner Cabrera have asked, and any other Commissioner, it just won't happen.

Commissioner Withers: Thank you.

Mayor Slesnick: Because to be honest with you, I don't want to go through the embarrassment of having that happen.

[End: 11:36:35 a.m.]