

CORAL GABLES PROPERTY ADVISORY BOARD

Minutes of July 9, 2008

Youth Center – Conference Room

405 University Drive, Coral Gables, Florida

MEMBERS:	J	A	S	O	N	D	J	F₁	F₂	M	A	M	J	
Anthony Perea	P	-	-	-	-	-	P	P	P	E	E	P	E	Mayor Donald D. Slesnick, II
Jeffrey M. Flanagan	P	-	-	-	-	-	E	P	P	P	P	P	P	Commissioner Maria Anderson
Gustave (Gus) Perez	P	-	-	-	-	-	P	P	P	P	E	P	P	Vice-Mayor William H. Kerdyk, Jr.
Martha Pozo-Diaz	P	-	-	-	-	-	P	E	E	P	E	P	E	Commissioner Rafael “Ralph” Cabrera, Jr.
Luis M. Padron	P	-	-	-	-	-	P	E	E	E	P	P	P	Commissioner Wayne “Chip” Withers
Edmund J. Mazzei	P	-	-	-	-	-	P	P	P	P	P	P	P	City Manager David Brown
Mary Ann Degan	P	-	-	-	-	-	E	E	P	P	P	P	P	City Commission

A = Absent

P = Present

E = Excused

STAFF:

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

GUESTS: Catherine B. Swanson, Development Director; Maria Alberro-Jimenez, Assistant City Manager;
Jessica Wotherspoon, Development; DYL Group

RECORDING SECRETARY: Lorena Garrido, Public Works Department

CALL TO ORDER:

The meeting was called to order by the Chair at 8:33 a.m.

ROLL CALL:

Ms. Barreiro called the roll and members confirmed attendance.

MEETING ABSENCE:

The meeting had a perfect attendance.

MINUTES OF THE JUNE 18, 2008 MEETING:

Mr. Flanagan: The minutes read “we did not think that his position was erroneous” and should read: “we did not think his position was onerous”.

Upon motion for approval by Mr. Mazzei, seconded by Mr. Padron the minutes were unanimously approved.

SECRETARY'S REPORT:

Mr. Delgado: The Plumer Management, L.L.C. lease renewal of twelve (12) parking spaces at 5915 Ponce de Leon Boulevard that was approved by this Board during the May meeting, will be taken to the Parking Advisory Board. They need to review the rate that was recommended. This item will not go to the July 15th Commission meeting until the recommendation by the Parking Advisory Board is provided. It will probably make the August meeting.

Mr. Delgado: The Burger Bob's lease item will come to the July 15th Commission meeting with the Board's recommendation to renew the lease month to month. They want this for a period of at least six months, so we are going to add this six month period. This will give Cathy enough time for the RFP of the Country Club go through.

Ms. Swanson: The proposals are due July 31st.

Mr. Delgado: We know they are due July 31st, but in case something happens, we have this period of time.

Ms. Degan: Our recommendation was to be month to month and they are requesting month to month for a six months as minimum?

Mr. Delgado: They are adding a six month period and think that within this time, everything will be resolved.

Ms. Degan and Mr. Perez at the same time: Who are they?

Mr. Delgado: The Administration, the City.

Ms. Swanson: What they may be talking about is that if the City were to accept a proposal and the City wanted to negotiate that proposal, the quickest this could be executed would probably be December. This is probably why they are counting six months.

Ms. Degan: It's either a month to month lease or are you giving them a six months lease?

Mr. Delgado: It's not a six months lease. It's a month to month lease for a period of six months because they think that this will take about six months to be resolved. Ms. Swanson thinks that by July 31, 2008, we will know if Burger Bob will be included, but what if there is a negotiation in between Burger Bob and the people that are getting the RFP. This will take some time.

Ms. Degan: Do you normally do month to month with a limitation on it?

Mr. Mazzei: First of all, this came to us with a request to consider a month to month lease due to the situation with the Country Club and we said yes, we agreed to that. Now, the Administration is coming back saying we want it for six months. You can't have a six month and a month to month lease. From my standpoint of understanding, I have no problem with recommending a six month lease.

Mr. Padron: Then this will not be a month to month lease.

Mr. Delgado: This has to be month to month because it may end within two months. It may be taken care of by then.

Mr. Mazzei: Who specifically is asking for six months?

Mr. Delgado: What they want is to have it month to month, but not indefinitely.

Mr. Mazzei: If it's month to month, you give a thirty (30) days cancellation notice and it ends. You could do a six month lease with a cancellation clause.

Mr. Delgado: OK, so we will ask them to put this lease month to month without the six months.

Mr. Mazzei: If you have a month to month, either party can cancel with (30) days notice. As an alternative, you could do a six month lease with a cancellation clause.

Mr. Perea: What I interpret from this is that they want is a month to month lease with a maximum of six months. I think this will work in our favor, because you do not want someone indefinitely in a month to month basis. After the six months, they have to make a decision at that point.

Ms. Degan: But if you have a (30) days cancellation clause it does not matter if it is indefinitely because you can cancel it.

Mr. Perea: But what if, as Mr. Delgado stated, come the six month and there's still no decision. They are actually limiting themselves by having it up to a max of six months.

Ms. Degan: We can cancel the lease on our part, it will be irrelevant. We could just cancel it or allow them to continue to rent.

Mr. Padron: The term month to month implies that it can be cancelled on short notice, so it's either a six month lease or a month to month lease. You can't have both.

Ms. Jimenez-Alberro: I think that the objective is the same. The month to month with the (30) day notice is fine. I understand what the Board is trying to say. Our objective was to basically allow the tenant to know that within six months we will know how the RFP unfolds, but at the end of the day the month to month with the (30) day notice to cancel, I think that is fine.

Mr. Delgado: Then we will say month to month lease with a (30) day notice.

CITY COMMISSION BOARD RELATED ITEMS UPDATE:

Delgado: Nothing at this time.

CITY UPDATE:

Mr. Delgado: Nothing at this time

OLD BUSINESS:

- **Dulce L.L.C. lease for approval**

Ms. Wotherspoon: My name is Jessica Wotherspoon. I work with Ms. Swanson at Development Department. During the last meeting you requested some changes to the Dulce L.L.C. lease. After that we received the changes from Mr. Mazzei and Mr. Flanagan. I can go through the changes.

Mr. Perez: Mr. Mazzei and Mr. Flanagan were in a Committee to develop a template for future leases that. I do not know if it was finalized.

Mr. Mazzei: We did our work with Ms. Swanson.

Ms. Swanson: You all presented suggestions, really good suggestions. We forwarded these to the City Attorney who also brought in her counsel. The majority of your comments were accepted or tweaked, but some were not. Those comments that we were able to reach agreements on were incorporated into the revised lease with the idea of that this would serve as the template moving forward. This will allow for the Board to look at deviations and not the same thing each time.

Mr. Perez: Thank you.

Mr. Mazzei: On page one; it says the term will begin July 1, 2008.

Ms. Wotherspoon: That will be changed to August 1, 2008.

Mr. Mazzei: On page three, "Returning of the Security Deposit", I had recommended that there be a period of time that it is returned. The "reasonable time" is still in there and that could be forever. Typically in the industry, we use fifteen days after it has been returned, in satisfactory condition, to the Landlord. I would suggest that, because there is no definition for reasonable return time.

Ms. Pozo-Diaz: Don't you imply what the industry standard is?

Mr. Mazzei: Typically in the industry is ten to fifteen days, so I would recommend that.

Ms. Pozo-Diaz: I do not have any problem with that.

Ms. Wotherspoon: It was not changed because of the time it takes for us to go to the process to get to check disbursed.

Mr. Mazzei: Define what the process time is and put in there, if it's (30) days, put (30) days.

Ms. Pozo-Diaz: We are trying to protect the City and I think that “reasonable” protects the City. If you put in a (30) day period then you open the door to someone saying you didn’t return my deposit within (30) days. I do not have problem with “reasonable”.

Mr. Padron: If they haven’t complaint about it, I don’t think we should.

Mr. Mazzei: On page six, items number four and five; “Business Interruption Insurance” and “Plate Glass Insurance” have no language.

Ms. Swanson: It’s going to be coming and it will also be added to the City’s Minimum Insurance Requirements.

Mr. Mazzei: That language should come from the Risk Manager.

Mr. Mazzei: Also in the same section, on the paragraph below, the “minimum rating of XX or better”, should be defined.

Ms. Swanson: In the Minimum Insurance Requirements, which will be included as an attachment, it’s defined.

Mr. Mazzei: This should be stated in the lease.

Mr. Mazzei: Page 14, (Default), subsection C is deleted entirely. I just like to understand why or maybe our attorneys agreed with it, I do not know.

Mr. Flanagan: This is covered under the new subsection C and additional language should be added to read, If within ninety (90) days after commencement of any proceeding **“or by the”** Tenant....

Upon an extensive discussion regarding bankruptcy provisions, a motion was made by Mr. Padron to add **“or by the”** was seconded by Mr. Perea and passed unanimously.

Mr. Mazzei: Page 19, paragraph 38 (Brokerage) the language is still the same. I had recommended that the broker representing the tenant and landlord be specifically written in the lease. There seems to be reluctance to do that and I don’t understand why.

Ms. Swanson: You can make this recommendation. We argued this with the City Attorney and the Assistant City Attorney and they said no. They wanted reference to the tenant’s real estate agent without listing a name.

Mr. Mazzei: Well, I rest my case. I think that it is a mistake. In the minutes you can clarify this and let the City Attorney read the minutes and decide.

Ms. Swanson: You can make a motion about this issue and let the City Commission decide.

Mr. Mazzei: I will make a motion that any real estate broker, representing either party, be listed in the lease in the (Brokerage) paragraph.

Mr. Padron: Wouldn't that be governed by the listing agreement or whatever agreement that the Tenant and the Landlord have entered into to pay a broker's commission or to whomever may be involved?

Mr. Mazzei: Is there a second on my motion?

Mr. Mazzei motioned that if there is a real estate broker representing either party in the lease transaction, that the broker be listed in the lease by name. Mr. Flanagan seconded the motion.

Ms. Degan: I have a question to understand. Is it in the City's best interest to have the brokers named or is it not in the City's best interest? The City Attorney does not feel it is in the best interest to have the brokers name in the lease and I do not understand why.

Mr. Padron: I think maybe sometimes these people split commission amongst them and she does not want to be involved with whatever is going on. If there's one listed and not the other, it may be a liability. They have their agreements amongst them and those will be governed by those agreements. I don't think that the lease needs to get into the arrangement that the Tenant and the Landlord may have with brokers as to who gets paid a commission for doing what. That's in the listing agreement.

Ms. Degan: How is it not in City's best interest, what liability level does the City have by not listing the broker, are they liable to be brought into suit?

Mr. Padron: You can always be brought into suit, but I think that who gets paid the commission should be governed by whatever agreement exists between the Landlord, the Tenant and that brokerage firm, which is the one who is going to bring the Tenant to the City.

Ms. Degan: Should we request that a copy of that be made an addendum to the lease? Then you have the brokers submitting their deal, it gets attached to the lease as an addendum, everybody agrees that this is what the brokers have agreed to and the City is off the hook from liability.

Ms. Pozo-Diaz: My issue is that even if I list two brokers on the property, that's not going to guarantee that a third party will come in and say: "I was the one who brought this guy or we are the ones who showed the premises, so I am entitled to a commission".

Mr. Padron: I think that this would be opening a can of worms and feel that is not our business. If we are the ones soliciting the business, we enter into an agreement to pay them a commission for bringing a broker and if not then it's between them. I just see that as a separate agreement.

Ms. Alberro-Jimenez: The City wants a clear agreement between us and the Tenant rather to have this other complex.

Mr. Padron: Usually you use a broker to look for tenants for you. You enter into an agreement with them that you will pay an "x" commission based on them getting a tenant. Whatever the terms are will be within that agreement.

Ms. Pozo-Diaz: But brokers are usually named in leases.

Ms. Swanson: We did not have a broker representing the City.

Mr. Mazzei: Every lease that I have done in any property that I have been involved with, required the name of the brokerage firm or firms. I've heard all the discussions on why the City may not want to do it, but my point is that if it's clearly stated in there, (and you don't have to put the commission rate in it and I do not want the commission rate in there), that this is another proof as to who represents whom and the lease being signed by the tenant and the landlord is clear evidence of the agreement on that. Ultimately the City may prevail after expending a lot of time and tax dollars.

Ms. Degan: That would be my concern. What is our financial liability if we do not put this in here?

Mr. Padron: We have a 4% brokerage fee, so if they are fighting over it, you put it in the Court Registry and you tell the judge to let them fight over it and give it to whomever you think deserves it and the City walks away.

Mr. Perea: If you start listing who the brokers are, then you could be pulled in to the middle of it.

Mr. Perez: Let's vote for Mr. Mazzei's motion. In favor, two, against three. The motion fails.

Mr. Mazzei: I did not review the guaranty Exhibit "A". I think our attorneys could do that.

Mr. Flanagan: Ms. Swanson, Mr. Mazzei and I both have a concern in the (Assignment) language of the 50% threshold, item XIX second paragraph, that a change in ownership up to 50% does not constitutes an assignment. It's still there, I still have concerns with it, but, if the City Attorney and others have discussed it and they are comfortable with the 50%, I guess we leave it. I just think it completely contradicts the intent of the lease for the personal guarantee of two people. You have personal guarantees of two people and this lets one person off the hook without the landlord's consent.

Ms. Wotherspoon: Although this is customary in commercial leases Mr. Flanagan suggested that 50% is too high. The issue was sent to the City Attorney and she said "no".

Ms. Swanson: We considered every suggestion made by Mr. Mazzei and Mr. Flanagan and forwarded all of them to the City Attorney and they debated amongst themselves which ones percolated up.

Mr. Flanagan: If they have all been discussed that's fine, but I just want my concerns be clear. Also in the (Assignment) paragraph, first paragraph, I think this is the only provision where it requires that if the lease is assigned with or without consent, that the tenant remains liable of obligation under the lease, however it says if it's assigned and after default by the tenant, the landlord may collect rent, etc., etc. without the tenant being released from the observance and performance of it's obligations of the lease. It's only after assignment, after default by the tenant as opposed to upon any assignment. I think historically again, if we are going into this with personal guarantees, that if it's assigned with or without consent, I think that the tenant should still be responsible for the obligations under the lease.

Ms. Wotherspoon: The City Attorney's response to this comment was that this is already clear in the lease where the lease specifically states that acceptance of rent from the assignee or subleasee is not construed as a release of the tenant under the lease.

Mr. Flanagan: Page 16, paragraph XXIV, reads: “Tenant hereby pledges and assigns to Landlord as security for the payment of any and all Rent” I think it should read: “Tenant pledges to Landlord as security for **the lien** as a lien for the payment of rent any and all additional Rent...” Also, it mentions that tenant agrees that said lien may be enforced but there’s no reference to any lien within the text of the paragraph.

Ms. Swanson: I think that is just stylistic it is, but let me check with the City Attorney. If it is, we’ll make this recommendation.

Mr. Perez: Do we need to make a motion on that?

Ms Swanson: No.

Ms. Degan: On page 17, (Notice), at the very bottom. In leases it refers to the Landlord, but it doesn’t give any specific position within City government as to whom will be notified. When it comes to items like these, telephone numbers for emergencies, it would seem to me that you would want to be specific as to who gets those numbers. I would suggest that somewhere in the lease, it’d be clear that “this particular office”, must be given current phone numbers for emergency purposes. I’m not sure who that is, but from a practical point of view this should be included.

Ms. Swanson: It will be the City Manager’s Office.

After a brief discussion, members of the Board agreed that rather than having this on the body, to add all the necessary information for emergency purposes in page one, as a footnote.

Ms Swanson: The changes your Board suggested were good changes and they are being incorporated in the template moving forward. We are going to fast track these excerpts of the minutes so we can be on the Agenda for the 15th because the next time the Commission meets is August 26 and that’s just too long for us. We will forward the motions, it may be the City Attorney may argue her point with the City Commission, but we will forward your strong positions on the changes.

NEW BUSINESS:

- **Presentation by DYL Development representatives to discuss and seek comments from the Property Advisory Board, pursuant to the City’s Procurement code**

Ms. Alberro-Jimenez: This project is the DYL project that we talked about two months ago. It’s here for you today pursuant to our Procurement Code, which requires several boards to review any type of purchases, exchange of land, etc. This project involves a lot of different issues, for example, you have the project itself which is in the mix-use development area which is in the industrial section, it also has a vacation of an alley and it also has the exchange of land. The project is along LeJeune Road, across from Havana Harry’s Restaurant, along Granello and Greco is on the other side. If you look at the sketch provided, note the grey part, which is the City parking lot and part of the proposal that the developer is presenting to the City, is the exchange of this City lot for a park, which is the green area on the sketch. Along with this exchange of the lot, which is the reason why we are here today pursuant the City’s Procurement Code, they are requesting to vacate an alley. This alley primarily serves the lot they have. This is what basically I wanted to share with you. This is going through an extensive review, not only has it gone through the Development Review

Committee (DRC), which is the City's committee made up from our different departments that critiqued not only the development itself but the exchange of the lot. This will also go through the Planning and Zoning Board, through the public hearing process and ultimately the City Commission. Pursuant to the Procurement Code, your Board as well as the Economic Development Board, Parking Advisory Board and Budget Advisory Board review this and provide comments and answer their Procurement Code questions. They also have to go through various departments: Finance, Planning, Economic, Public Works, Historic, if applicable, and Parking Department. This goes through an extensive review, we are here for you today to have them present you the project. My role in this, as part of the Administration, since there are so many different stages, is to bring it all together, as far as the different comments, reviews from all the Boards and ultimately present it to the Commission to see how they want to move forward.

Finally Ms. Alberro-Jimenez presented the DYL representatives to the Board.

The representatives of the group had an extensive presentation of the project. The following are the highlights:

- The project is located on 4601 Le Jeune Road
- It will have 42 high-rise residential units
- General office space with 181,682 SF
- Specialty retail with 39,508 SF
- A quality restaurant with 8,738 SF
- The ground floor is all going to be retail, then offices and the last three floors residences.
- Right now the City owns a parking lot that, which is underutilized. The developer's proposal is to replace that property on the eastern side, increasing it by 1,200 SF from what the City has now and building a park.
- The park's cost will be more than one million dollars for not only the construction, but also they are proposing the maintenance of it.
- The City will have absolutely no loss in parking spaces. Parking Department is analyzing if they want the parking spaces or the cash. If they go with the parking spaces, they will be added to the development.
- Granello and Greco will be completely redone. The developer will landscape the old south side of Greco and up Granello. They also agreed to landscape both sides of Greco on the north part of the property.
- The utilities will be placed underground and internalize services, so FPL, dumpster trucks go under and inside the building. Anything to do with the servicing of the property will be internal.
- They plan to open a large restaurant or two small restaurants, which will face the park. One restaurant will be open nights.
- Upon completion, the City in return will receive an estimated two million dollars in taxes.

Questions and comments:

Ms. Degan: On the LeJeune side, it looks like there is a cover walkway, how wide is that?

Answer by DYL Representative: From the property line to the building it's 10 FT. We've discussed with DOT to take out the sidewalk and widen it. The developer has agreed to have the sidewalk in their property with a 10 FT covered walkway. There will be a 14 FT high, continuous covered walkway on LeJeune.

Ms. Degan: My concern for the residents in the homes across from LeJeune is if the tenants will be 24/7 tenants?

Answer by DYL Representative: No, these will be offices mostly 9:00 a.m. to 5:00 p.m. One thing to notice, which most people don't know, is that the other side of Le Jeune (the strip where Havana Harry's is at) that right now is a one-story building and it's actually zoned for a four-story building. I would not be surprised if within five years, across from LeJeune, you have four-stories.

Ms. Degan: Four-story residential or commercial?

Answer by DYL Representative: Commercial.

Mr. Flanagan: How tall is it?

Answer by DYL Representative: It's 77 FT high.

Mr. Flanagan: With the trellis?

Answer by DYL Representative: The trellis is another 9 FT and towards the back, where the residential area is, it's 99 FT high.

Mr. Padron: Is there is a walkway between the two buildings? You can actually cut through the buildings and reach the other street side?

Answer by DYL Representative: Yes, the City ordinance requires what they call "Paseo". There are actually (2) Paseos. The Board of Architects required us to put concrete pavers on the walkway as well as the driveways.

Mr. Mazzei: The driving through area and the driving down to the parking area, is this all going to be a concrete space and not an open area?

Answer by DYL Representative: That's correct.

Mr. Padron: The sidewalk is being replaced by green and the sidewalk is being moved onto your property and its' under a covered overhang where the building jets out.

Answer by DYL Representative: Correct. Instead of having a 5FT sidewalk, it will be 10 FT.

Mr. Delgado: There's a 10FT easement for perpetuity for public use which will be covered by a covenant, with the exception of the corners which are going to be open.

Mr. Flanagan: The renderings then, schematics, don't properly reflect any revisions the 7'6" arcade and 2'6" columns?

Answer by DYL Representative: It comes out to 10FT total.

Mr. Padron: Traffic light on LeJeune and Greco?

Answer by DYL Representative: DOT does not agree. They feel that the intersection is too close to LeJeune. They won't let us have traffic lights or cross walks.

Long discussion and comments regarding the unsafe left turn on LeJeune coming from Greco.

Mr. Mazzei: The parking that it's being given up by the City, where will that parking replacement be in the project? Because if the parking is buried within, it will not benefit those going to Havana Harry's, gym and other places since they will not know it's there.

Answer by DYL Representative: I disagreed with that. We are proposing 250 spaces that are going to be in the basement. These are not for the offices or for the residents; they are purely for the retail area. The elevators will take you from the basement to the street. So you have 250 spaces to choose from.

Mr. Perea: Will that be private parking?

Answer by DYL Representative: That is up to the City. What we proposed to the City is that since their parking is metered, these spaces would be metered and the same rate.

Ms. Alberro-Jimenez: We've done that with other developments, where the parking garage spaces are at the same rates as the City's. At this point we are gathering all the comments from the different Boards and we will sit down and negotiate the deal.

Mr. Padron: The signage to indicate to people that don't know that there is public parking inside of this building, how is that being accomplished?

Answer by DYL Representative: We would address it with signage.

Ms. Alberro-Jimenez: For our parking garages we have what's called way finding signs.

Mr. Perea: You mentioned that on the south west side of the project is owned by somebody else. Is there any possibility of putting some trees or something since this area looks bad?

Answer by DYL Representative: This project is Gables Gateway's and we've been working with their landscape architects so we match the finishes on the sidewalks and trees.

Note by DYL Representative: Going back to the land swap, we don't gain any square footage. The City and us attained appraisals for both properties and they were both of equal value. Also, what the appraisal does not include is that land per land is worth the same and in the other hand the City is getting their parking spaces back, whether it's in spaces or cost, and a million plus for the park and maintenance in perpetuity.

Mr. Mazzei: I feel that rather swapping land; the developer should buy the parking lot. I feel that the park parcel at the intersection of Granello and Greco it's really to a great extent going to benefit the development as opposed the neighboring community. Regarding the offices and residential, are these for lease/sale?

Answer by DYL Representative: The offices are for lease and the residential will be condominiums.

Mr. Flanagan: What are we being asked for today? To review the swap of the City parking lot?

Answer by DYL Representative: Yes

Mr. Padron: And the vacation of the alley?

Ms. Alberro-Jimenez: Not necessarily because the vacation of the alley goes through another Board. You can make comments on it, but the focus here is the exchange of land.

Mr. Flanagan: What did the DRC recommend as far as the alley goes?

Ms. Alberro-Jimenez: The Development Review Committee (DRC) is made up of staff meaning our director of Public Works, Police, Fire, Planning, Building and Zoning. As professional staff they recommend/comment, in this case they were not looking at the exchange of land, they were exclusively looking at the issue relating to the vacation of the alley. So they had already reviewed the issue of the development in a previous DRC meeting. What they recently did was to look at the alley vacation and provided comments. I was not there at that meeting and the minutes are not available yet. My understanding is that they had public turn out and the meeting did not go as well as it should have in focusing on the different departments' comments. They provided comments which will be part of the recommendation from the administration.

Mr. Flanagan: Shouldn't we be analyzing part of the alley vacation and shouldn't the alley be appraised, since this adds significant value to this entire alley way because the project may not work without this alley being vacated.

Answer by DYL Representative: The City's appraiser gave it a separate evaluation. It is addressed specifically.

Mr. Flanagan: Understand that we haven't seen those yet. We should analyze traffic patterns and market value.

Answer by DYL Representative: Just so you know there is an extensive traffic report, which was revised as per the DRC to look at all the upcoming projects. I'm sorry this information has not been provided, but it is available for your review.

Mr. Mazzei: On the parking ratio per home does your parking count satisfy the ratio requirements plus the 34 spaces?

Answer by DYL Representative: Yes and more.

Mr. Mazzei: This park is really going to benefit the developer. That is why I think they should buy the City lot and the development of the park should be at the developer's cost.

Ms. Pozo-Diaz: What you say is let them buy that?

Mr. Padron: What was your appraisal for the parking lot?

Ms. Alberro-Jimenez: \$3.9 million.

Ms. Degan: You are suggesting that we sell them the parking lot; they are not under any obligation after the sale of the parking lot to give any part to the City and to maintain any part to the City. The only thing they would have to do is to create the easement walkway on LeJeune. Is that what you're suggesting?

Mr. Mazzei: Yes.

Mr. Mazzei: My greatest concern, as everybody else's here is where Granello meets Greco.

Ms. Degan: They can't control that at all.

Mr. Padron: The project design as is makes it more attractive to the market. The park does serve as a plaza for your building and the restaurant will have outdoor sitting area.

Answer by DYL Representative: Absolutely. The City's Parks and Recreation Department will be involved in the actual design and they will have a public process for determining how they want the park look.

Mr. Delgado: One comment is that the City is thinking in the future. The land cost now is \$3.9 million but in twenty or thirty years the cost will double. For the City, it's better to get a parcel of land because it will be for perpetuity. When this area is developed in thirty years, that piece of land is going to be worth a lot of money for the City.

Ms. Degan: I don't know why we have some of these grotesque parking lots. I do not know why we even have them. It is a blight in our community in this area and the prospect that somebody would turn it from a blight into a truly green conception, at least there, taking property that we have, only 34 parking spaces, and converting it into more underground parking spaces that will be available for all including Havana Harry's, and at the same time getting a park in perpetuity at the other end that can be developed. To me that is a rational thing for us to be looking at because the more urban our environment becomes, the more expensive that property becomes in the future, the less likely you will have a park in that corner. To me, I think that we would be irresponsible in looking to the future by turning away from a park, especially if it is going to be in such high density area.

Mr. Perez: Thank you very much for your presentation.

Ms. Alberro-Jimenez: What I'm providing is a copy of the City's appraisal and the one that the developer got. As mentioned, they are very close.

Mr. Perez: We don't have all the information to answer the Procurement questions, so we will do so as soon as we get what we need.

Ms. Alberro-Jimenez: The only information missing, as I understand, is the traffic information.

Mr. Perea: Has this come before other Boards yet?

Ms. Alberro-Jimenez: It went to the Economic Development Board and here. We have to take it to the Budget Advisory Board and the other Boards will follow within July and August.

Mr. Perea: Did the Economic Development Board already vote on it?

Ms. Alberro-Jimenez: No, they are coming back with that.

Mr. Perea: Is there a deadline before this goes to the next level?

Ms. Alberro-Jimenez: No.

Mr. Mazzei: Given that there's going to be underground utilities, is the developer going to fully redo the pavement on Greco and Granello?

Answer by DYL Representative: Yes.

Ms. Pozo-Diaz: We are given this project and everything seems to be beautiful and there's nothing negative. The only alternative that we heard was Mr. Mazzei's alternative, which is good "let them buy the property". I would like to hear if there are any other negative comments. I would like to hear what the alternative view is.

Mr. Perez: They said that in the last DRC meeting, they received input, but those minutes are not ready. Maybe we should get them.

Ms Pozo-Diaz: I would like to see that and any other feedback.

Ms. Alberro-Jimenez: Let me give you an example of what we are dealing with. In the last DRC meeting, we had public from the other side of LeJeune comment on their concerns, mostly on the Gateway project because this is already on its way. They say there's traffic impact from the project, but there are closures in each of their streets. So you hear of this traffic impact, but no one mentions the closures and then there are rumors that the City is going to lift the closures as a result of the development. This is not true. This is the concern we have as public officials, as far as hearing from the public because there is an avenue to hear from the public, which would be a Public Hearing. The DRC is not a public hearing, but a public meeting.

Mr. Delgado: I was part of the DRC and can tell you that the traffic study presented by Richard Garcia not only included this project but eleven future projects in the area that probably would never be done. This study includes analysis and solutions to these projects. The alignment of Greco and Granello to make it perpendicular is a good plan. As far as the closures of those streets, they are permanent. The County's requirements for closing/opening streets require 2/3 of the property owners and need a traffic study to justify.

The reopening of those streets will never happen, that neighborhood is well protected. In addition, they are proposing a couple of traffic calming measures that they are going to be doing outside of the area, which is in the same zone. The traffic study also looks into convincing DOT to put a traffic light or to do some kind of modification to that intersection. I believe that if we meet with DOT, they will agree to this light. As far as the alley way, it serves as a service alley which doesn't look very good with those utility lines. What they are proposing is to have the same service alley inside their property because all the retail stores are going to be serviced from the back. All activities servicing the building will be from the inside. Right now the alley is dividing the two lots and the vacation of it will allow them to do this. Also, they are doing the modifications to Greco and Granello; otherwise the City will have to assess the property owners in that area.

Ms. Pozo-Diaz: Are they going to up-keep those streets?

Mr. Delgado: No, the City will maintain that area adjacent to the property.

Mr. Mazzei: Sell the existing lot to the developer and you will make money for the City. Let them develop and require them to develop that park and the developer keeps the ownership and pays taxes on that land.

Ms. Alberro-Jimenez: We haven't sat down with them and negotiated any terms. What they proposed is what's in their letter, which is one million dollars to design and develop the park and then maintain it.

Mr. Padron: I think the better deal is selling them the land and let them build the project. That way we have nothing to do with them and it is done.

Ms. Alberro-Jimenez: The issue is that if they decide to acquire land, they are not necessary obligated to do the park. They can build the building and take over that corner, because in that corner they can do a bunch of things. I say this because we can ask all the best case scenarios we want, but at the end of the day we might not get it.

Mr. Delgado: The Richard Garcia traffic study will be provided to all members.

OPEN DISCUSSION:

There were no open discussion.

ADJOURMENT:

Mr. Flanagan motioned to adjourn the meeting. Mr. Perez seconded the motion. The meeting was adjourned at 10:42 a.m.