



City of Coral Gables
CITY COMMISSION MEETING
July 14, 2019

ITEM TITLE:

An Ordinance of the City Commission authorizing “As-Is” Residential Contract for Sale and Purchase with Brea-Stevens Land Trust for the sale of the City-owned property located at 3501 Granada Boulevard, Coral Gables, FL 33134; providing for a severability clause and providing for an effective date.

DEPARTMENT HEAD RECOMMENDATION:

Approval

BRIEF HISTORY:

On September 28, 1999, Resolution 29839, authorized the City of Coral Gables (the “City”) to purchase the property located at 3501 Granada Boulevard, Coral Gables, FL 33134 (the “Property”) for a \$900,000.00 purchase price. The property was purchased on October 1, 1999. The Resolution also authorized the City, in its capacity as Landlord for the Property to enter into a Lease with the US Army Corps of Engineers (the “Tenant”) for the rental of the Property as the residence of the Commander in Chief of the US Southern Command Headquarters. Landlord and Tenant executed and renewed the Lease several times between 1999 and 2018.

In December of 2018, the Tenant exercised an existing Lease option to terminate the Lease. On December 11, 2018, the City Commission, found that it was in the best interest of the City to sell the property, and pursuant to Resolution 2018-305, directed the City Manager to take the necessary steps to market the property for sale. The City undertook maintenance and repairs of the property and the Tenant paid the City \$7,000.00 toward the repairs.

On March 8, 2019, GRE Group, Inc. appraised the property and provided an opinion of value at \$1,925,000. The Property is a three-bedroom, 2½ bath home, with a one-car garage, a carport, a guest apartment, a pool, and a cabana bath. The property has 4,065 SF of living area and sits on a 17,109 SF lot.

On October 7, 2019, the City entered into an exclusive right of sale listing agreement with EWM International Realty/Berkshire Hathaway. On May 24, 2020, the City entered into a “As-Is” Residential Contract for Sale and Purchase with Brea-Stevens Land Trust. The contract had a 15-day inspection period.

After inspections were conducted, on June 4, the City and the Buyer executed Amendment 1, with a \$60,000 price reduction for property repairs, and an agreement to

end both the inspection period and the Buyer's right to cancel. The contract terms remain as follows:

1. "As-Is" Sale to Brea-Stevens Land Trust ("Buyer") \$1,740,000 with no financing contingency.
2. An initial deposit of \$30,000 and a second deposit of \$50,000. Escrow letters has been received for both deposits.
3. The City to facilitate a meeting between the Buyer and the utility company regarding moving the utility pole back to the property line or undergrounding the power lines. This condition has been completed.
4. Buyer to provide proof of funds to complete the transaction. Proof of Funds has been provided.
5. Balance to Close: \$1,660,000.
6. Title Commitment: Five days prior to Closing.
7. Closing Date: 45 days from Commission Approval.
8. Broker Commission 5.5% of purchase price (\$95,700).

The Property is currently tax exempt because it is City-owned property, therefore, the sale of the Property will also generate additional tax revenue to the City.

Consistent with Miami-Dade County's declared State of Emergency, City of Coral Gables Mayor Raúl Valdés-Fauli declared a City State of Emergency effective March 12, 2020 due to the public health threat of COVID-19. As a precautionary measure, all City advisory board meetings were suspended until further notice, preventing required input from the Property Advisory Board, the Economic Development Board, and the Budget Advisory Board pursuant to Division-12 -Purchase, Sale, and Lease of Public Property of the City Code.

Pursuant to Section 2-1089 of the Division 12- Purchase, Sale, and Lease of Public Property of the City Code, the City Commission has the authority to waive any condition imposed by the provisions of Division 12 of the Code upon a four-fifths vote where it finds such a waiver to be necessary in order to proceed with a purchase, sale, or lease which is in the best interest of the City.

LEGISLATIVE ACTION:

Date.	Resolution/Ordinance No.	Comments
8/28/18	Resolution 2018-205	Direction to the City Manager to list the Property for Sale

FINANCIAL INFORMATION: (If Applicable)

No.	Amount	Source of Funds
001-364-100	\$1,740,00 less closing costs	Sale of City-owned Property

ATTACHMENT(S):

1. Proposed Ordinance.
2. "As-Is" Residential Contract for Sale and Purchase.
3. Addendum-1 to the "As-Is" Residential Contract for Sale and Purchase
4. Appraisal by GRE Group Inc.
5. Listing Agreement EWM International Realty/Berkshire Hathaway.