

CORAL GABLES PROPERTY ADVISORY BOARD

Minutes of May 21, 2008

Youth Center – Conference Room

405 University Drive, Coral Gables, Florida

MEMBERS:

	M	J	J	A	S	O	N	D	J	F ₁	F ₂	M	A	
Anthony Perea	P	P	-	P	P	E	-	-	P	P	E	-	E	Mayor Donald D. Slesnick, II
Jeffrey M. Flanagan	P	P	-	E	P	P	-	-	E	P	P	-	P	Commissioner Maria Anderson
Gustave (Gus) Perez	P	P	-	P	P	P	-	-	P	P	P	-	E	Vice-Mayor William H. Kerdyk, Jr.
Martha Pozo-Diaz	P	P	-	P	P	P	-	-	P	E	P	-	E	Commissioner Rafael "Ralph" Cabrera, Jr.
Luis M. Padron	P	P	-	E	P	E	-	-	P	E	E	-	P	Commissioner Wayne "Chip" Withers
Edmund J. Mazzei	P	P	-	P	E	P	-	-	P	P	P	-	P	City Manager David Brown
Mary Ann Degan	P	E	-	P	E	P	-	-	E	E	P	-	P	City Commission

STAFF:

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

A = Absent

P = Present

E = Excused

GUESTS: Catherine B. Swanson, Development Director

RECORDING SECRETARY: Lorena Garrido, Public Works Department

CALL TO ORDER:

The meeting was called to order by the Chair at 8:45 a.m.

ROLL CALL:

Ms. Barreiro called the roll and members confirmed attendance.

MEETING ABSENCE:

The meeting had a perfect attendance.

MINUTES OF THE APRIL 23, 2008 MEETING:

Mr. Flanagan and Ms. Degan expressed their comments and concerns about the accuracy of the minutes and they feel the minutes are "white washed".

Mr. Flanagan expressed that the minutes may be factually and textually correct, but feels that they don't begin to express their views.

Ms. Degan said that, according to her, the minutes should be more expansive and for more discussion to be captured so there is a clear indication of the amount of concern the members had pertaining to the leases discussed.

The Chair asked the members what they wanted to add since they felt these minutes did not capture their concerns and that changes/additions can be made at this point.

Mr. Delgado made reference to the third page last paragraph where it summarized the Board's concern regarding all the things that happen during the meeting.

Upon a motion for approval by Ms. Pozo-Diaz, seconded by Mr. Mazzei, the minutes were unanimously approved.

SECRETARY'S REPORT:

- **Facility Contracts – Update Report**

Mr. Delgado explained that the Facility Contract Report still has some issues that have to be resolved relating to insurance. He also made a reference to the attached backup (Facility Contract Status Report) where they can find more detailed information.

He invited the members to ask the questions that they might have.

Mr. Mazzei asked about LA22 (Sanford Fire Rescue Station No. 3) that it had an expiration date of May 3, 2008 and why it has not been renewed. Mr. Delgado answered that in the back-up report, this lease appeared as renewed and that this report would have to be updated to reflect this.

Mr. Mazzei also asked about MA07 (First Church of Christ Scientist Parking Lot) that it had an expiration date of April 30, 2008. Ms. Garrido noted that also in the back-up report this appeared as being renewed 20 days ago and that the report would also have to be updated to reflect this.

- **Insurance Compliance Efforts – Updated Report**

Mr. Flanagan asked if they should be concerned about the report Facility Contract Property Insurance Report because he compared it to February's report and he noticed that most of the comments are the same.

Ms. Degan asked if the insurance requirements have been changed.

Mr. Delgado answered no, and that there seems to be a discrepancy between Mr. Sparber and Mr. Vorsteg. He added that Mr. Sparber requires some endorsements that some companies can not provide or that they are not used to provide these. This is affecting some contractors and the City since it takes their insurance companies at least (2) months to provide these endorsements. In some cases Mr. Sparber is issuing additional approvals and some waivers because some insurance companies can not provide all endorsements.

Ms. Degan asked if the Coral Gables representative on insurance is requesting unusual endorsements, to such a degree, that there are people that are not able to meet the requirements. Mr. Delgado responded yes.

Mr. Padron added that this situation is then holding up the projects.

Mr. Delgado said that it could be that Mr. Sparber is requiring the right thing since he is a person that comes with a very good insurance background, but the problem is that most of our companies, who have been working with us for many years have difficulties providing the endorsements.

Ms. Degan mentioned that it should be made clear in the minutes that the Board can not review the insurance compliance report if there is a conflict between the Public Works Department and the City's insurance representative.

After an extensive discussion members of the Board appointed Ms. Degan and Mr. Flanagan to meet with Mr. Sparber and bring to the Board a report explaining the situation.

Mr. Mazzei said that for the records, he would like to request that when they meet with Mr. Sparber they bring back to an outline of what the criteria is being provided to Contractors and then the Board can look at it for its reasonableness based on their experience and determine if it is onerous or is it that people just do not comply.

- **Schedule of Outstanding Rent – Finance Report**

Mr. Delgado said that in the report Schedule of Outstanding Rent there is a couple of facilities that are already being paid but are not reflected in the report because it was paid last week: Preston Scott, Fritz & Frans and ZBA. The ones that are behind are The Country Club of Coral Gables and Jewels on the Mile, which is the one that they are trying to get a new lease.

Ms. Degan said that the report reads May 19.

Mr. Delgado explained that May 19 was the date that was printing the report, but it was prepared around two weeks ago.

CITY COMMISSION BOARD RELATED ITEMS UPDATE:

Mr. Delgado said that he did not have any item.

Mr. Perez asked about the Country Club situation.

Mr. Delgado said that during the last City Commission meeting this issue was discussed and that probably Ms. Swanson will have an update on the situation

CITY UPDATE

No update.

OLD BUSINESS

- **Cristina Santos Jewelry, L.L.C. lease, located at 286 Miracle Mile, Coral Gables, Florida**

Ms. Swanson said that she had two items. One if them is the Jewels on the Mile lease renewal.

The Jewels on the Mile turned back the keys to the City. The Finance Department had a proposer that was willing to assume the same terms and conditions of the lease for \$2,500.00/month. After that they came back to the Finance Department and said that they wanted to pay \$1,900.00/month instead and the Finance Department said that they were not going to do that.

Ms. Swanson explained the location of the store being next to Miracle Theater (west side) and also distributed some pictures to the members in order that they can have an idea of how the store looks like.

She had a brief explanation of the pictures and added that this space is not in updated conditions.

Ms. Swanson added that the City Manager asked to find some possibilities for this space. She said that she's talked with one group about the possibilities and that there are some others interest that are being evaluated. There's one that is a very serious offer, she added, but that they are not ready to have the Board look at the lease. Ms. Swanson said that she asked them to put their offer in a letter which included a business Plan and Financial Statement for the Board's review.

Ms. Swanson explained that this space is 950 sq. ft. and it's a designer shoe store and they plan to pay \$3,500/month. Because of the space's condition, the City offered a (3) three month abatement and to pay broker's fees. She said that if the Board feels comfortable with the general pieces of this plan, she will go back and work with the City Attorney in drafting a lease and will be brought back to the next meeting. She will listen to the Board's concerns from the previous meeting relating to the previous lease and make sure these are addressed on this new lease.

To end Ms. Swanson said that if something remarkable better came forward, she will then present both proposals to the Board for consideration. In the meantime, if this is acceptable to the Board, a lease will be drafted. She mentioned that there is no Jewel on the Mile lease that they did turn back their keys and the City Attorney is pursuing back rent from them she said.

Mr. Mazzei asked if the City considered seeking a personal guarantee from the individuals in the L.L.C. Ms. Swanson answered yes and that it was going to be built into the lease agreement. They also submitted bank statements, she added.

Mr. Mazzei questioned if the City was contributing to any tenant improvement. Ms. Swanson said that it was being done in the form of rent abatement.

Mr. Mazzei commented that from a physical location, it is not prime, but it's good because of the Miracle Theater and Supercuts and it is a small space, so you can not get much in there and you can not show much as attraction market stand point. He said he was very pleased with this based on his experience in the market.

Mr. Padron asked what is going to happen with the safe in the space and if it was going to be removed. Ms. Swanson answered that if she was there she would keep it because it is a full safe and it would probably be costly to remove it. She also mentioned that it is located in the storage area and that it does not take away from the sales floor.

Mr. Padron asked regarding the other tenants in the area and if this plan would be complimentary to them. Ms. Swanson stated that there are other shoe stores in the Mile, one that it is not high end and another across the street, but they do not carry the same brands. This is why she contacted Mari Molina, Business Improvement District, to be cooperative with them.

Ms. Pozo-Diaz asked if we can get them to provide proof of insurance so we know they are able to provide the right insurance. Ms. Swanson responded that on the City's website, under Human Resources Department, the Minimum Insurance Requirements are stated there and they have been sent to them and they are being reviewed by them.

Mr. Perez asked if she needs a motion. Ms. Swanson answered that they do not because she wants to bring back a lease for the next meeting.

Mr. Mazzei made a motion that the Board approve this deal in concept and encourages the City to continue with the negotiations. Mr. Padron seconded the motion and passed unanimously.

NEW BUSINESS:

- **Discussion on the Country Club RFP by Catherine B. Swanson**

Ms. Swanson distributed copies of the Country Club floor plan.

She started the presentation saying that she was not involved in the interim discussions of what should happen in the Country Club or involved in what happened.

She added the City Manager asked us to draft a RFP, which we are drafting, for a new operator of the facility, but we are not ready to have you look it up or review, just want to talk conceptually.

We are going to work it in a way that that it does not limit the use to be a private club that it is also a banquet/catering facility. Other options will be allowed provided that it is consistent with City zoning and consistent with the neighborhood and the goals of the City.

Mr. Padron questioned will happen with the existing members of the Club.

Ms. Swanson answered that what they are drafting in the RFP, which is ultimately the City Commission's call. She mentioned that the hard line here is that the membership agreement was with Granada L.L.C., which is no longer in control. There's a moral obligation that the City Commission is feeling for the members who invested and they are now walking through that as how to handle that correctly.

Mr. Perea commented that as far as a legal obligation with the members, there is none.

Ms. Swanson said that because of this, the City would look favorably to those proposals that take in consideration the past members of the Club.

She added that they are looking at what is a guarantee base rent, what is a percentage rent and the higher percentage of gross will be taken and the higher of the two; and how do you fold-in the expectations of the prior members of the Club as well as the residents preferences. They want to have as many proposals as possible that are reliable and also want to "get out of the box". She continued to add that we had a club for several years and maybe there is a new way of approaching this space. It is absolutely beautiful, large free parking, the building is in good conditions, the roof and the air conditioner are being checked. We are trying to get a stable, appropriate use in the facility that takes care of it, pays it back and makes everybody happy.

Mr. Padron commented that it is time for realization and that maybe (2) two clubs is too much. That Riviera has a lock on a lot of people.

Ms. Swanson responded that this would have to be a City Commission decision. We are going out and solicit club interest, but we are also going to solicit non club interest. The RFP will be drafted, the City Commission will review it and then we're going to ask for (2) two members of this Board to serve in the valuation Committee.

Mr. Perez asked if the Board is going to look up to the RFP before it goes to the Commission.

Ms. Swanson answered that as Evaluation Committee members, the Board would not normally review the RFP prior going to Commission. Further, since this is not the lease agreement, but a solicitation of interest, it would not come to the Board.

Mr. Perez asked for the time frame for this.

Ms. Swanson answered that they want to take advantage of the summer because it is in the City's the best interest to get a permanent user in the space as soon as possible. The draft time table is to release the RFP on June 10, 2008 and a pre-submission conference/walk-through of the space on June 25, 2008. Any questions of the RFP will have to be submitted by July 9, 2008. The proposals due day is Thursday, July 31, 2008. Interviews of the developer, the week of August 25th. The Evaluation Committee recommendations will come the week of September 2nd that way we can go to the City Commission September 9th.

Ms. Padron asked if anybody has already expressed interest of the space.

Ms. Swanson answered that the City Manager has received interest from five (5) different groups, the paper showed that there was another interest and that was with FIU and the School of Hospitality and Tourism Management.

Mr. Padron asked how secure the location is. Mr. Delgado explained that Public Works took over the security of the building and that all locks were changed, that now there is a guard, which is there 24 hours and the access of the space is very limited, and that everybody has to sign-in before entering the building.

He mentioned that there was an evaluation of the roof and a/c. That part of the roof needs repairs and everything else is in good shape.

Mr. Perez asked if an alarm will be installed. Mr. Delgado said that they are looking into a proposal for an alarm service. That there is an alarm, but it is not activated.

Mr. Mazzei asked if there's somebody on-site during the day. Mr. Delgado informed that Rudy, Manager, is still there and being paid by Granada L.L.C. because he is still under contract. He is on site to finish off the books and not to show the space, which it is not his responsibility.

Mr. Mazzei asked if there's a group of perspective people you are going to and/or how are you going out to and to the rest of the people. Ms. Swason responded that they will spread this through Miami Today, Miami Business Review, Hospitality Society Club, conferencing groups, public and private. The object is to get as many solid proposals as possible, so at the end the hard choice would be to decide which the best things do we go with.

- **Plummer Management, L.L.C. Lease Renewal of (12) parking spaces at 5915 Ponce de Leon Boulevard**

Mr. Delgado said that this is a simple renewal, but we need to take it to the Commission for approval.

Mr. Flanagan motioned to renew the lease. Mr. Mazzei seconded the motion and it was approved unanimously.

OPEN DISCUSSION:

ADJOURNMENT:

Mr. Padron motioned to adjourn the meeting. Mr. Perez seconded the motion. The meeting was adjourned at 9:58 a.m.