



City of Coral Gables
CITY COMMISSION MEETING
October 23, 2018

ITEM TITLE:

An Ordinance approving the Purchase and Sales Agreement with Cal Rosenbaum for the purchase of the residential property located at 7000 Old Cutler Road, Coral Gables, FL for purpose of preserving landscaped open space and renovating the existing house for use as a fire station to enhance fire rescue response time to the surrounding neighborhood. (*First Reading*)

DEPARTMENT HEAD RECOMMENDATION:

Approval

BRIEF HISTORY:

Per Resolution 2018-231, authorization was requested to accept the general terms and authorize the City Manager to negotiate a Purchase and Sales Agreement for 7000 Old Cutler Road, Coral Gables, FL (the "Property") (**See attached Commission Cover for Resolution 2018-231 for full background**). The City Commission voted 3 out of 5 in recommending the purchase and asked the City bring forth a final Purchase and Sales for review.

The City currently has three Fire Stations:

1. Fire Station I – 2801 Salzedo St, Coral Gables
2. Fire Station II – 525 South Dixie Hwy, Coral Gables
3. Fire Station III – 11911 Old Cutler Road

As noted under Resolution 2018-13, fire response to the City's central areas has been challenging due to travel distances and access limitation caused by traffic congestion and lack of alternate travel routes for its existing fire stations. Locating a fire station somewhere near Sunset would help to narrow the gap between the existing fire stations and allow faster response times to communities such as Coco Plum, Gables Estates, Hammock Lakes, and portions of the University of Miami. This area primarily consists of residential so staff wanted to ensure the location had minimal [visual] impact to the neighborhood

The Economic Development & Fire Department analyzed the criteria and has reviewed several possible sites including city-owned sites, commercial, residential and green spaces. As a result of its search, Staff is bringing forth the purchase of 7000 Old Cutler Road, Coral Gables as the option for a Firehouse. This 32,716 SF Property includes a 3,381 square foot house built in 1936. The City's Historical Preservation reviewed home and determined it did NOT have historic significance. The property lies adjacent to approximately 16,000 SF of City right- of-way (ROW), and provides three entrances/exits: Old Cutler Road, Coco Plum Plaza, and Sunset Drive (see arrows in image below for

entrances/exits). In addition, there are 136 trees that create a visual barrier from all three streets and the neighboring homes. The City would retro-fit the existing house and operate as a “FireHouse” to ensure consistency and minimal impact to the surrounding neighborhood.



As previously noted, this location not only provides an opportunity for a Fire Station, but also creates synergy for the potential use of green space due to its proximity to Ingraham Park, Cartegena Park, and the Old Cutler Trail. The City has received a state grant based on the shared use in the amount of \$1.5 million that will offset the cost of the Property.

Three appraisals were ordered and each provided two values, one as its intended use, residential and another with a hypothetical use as commercial. The residential values ranged from \$1.3 Million to \$3.4 Million and the commercial use ranged from \$1.8 Million to \$3.9 Million. The lower values suggested the highest and best used would be to demo'd site used to build a new and larger building. The higher values suggested comparisons to newer homes and/or having an existing commercial structure in place.

The City negotiated for the purchase and provided copies of the appraisals to the Seller for review. The following proposed terms are incorporated into the attached Purchase and Sales Agreement for the Commissions consideration:

- “As is” purchase of \$4,000,000;
- The City to provide \$200,000 as an initial security deposit;
- The Seller conveys title to the City on January 15, 2019;
- The City is provided 90 days’ due diligence;
- City to reimburse Seller up to \$10,000 of his attorney fees;
- Any delay in closing by the City will result in a \$20,000 a month penalty;
- The current owner will continue to live in the property for up to two years providing liability protection to the City;
- Seller’s heirs or caretakers can live in the property up to the two year term upon the death of the Seller;
- Contingent on neighborhood and Commission review/approval;

- No Broker involvement.

In addition the City is proposing a Post-Closing Occupancy Agreement that includes the following considerations:

- No rent shall be paid to the City;
- The City shall have limited access to the property during tenancy;
- The Seller will continue managing the everyday repairs & maintenance and the City will be responsible for replacement of capital items such as windows, appliances, roof and other major capital items greater than \$500.00 during the tenancy;
- Any damages greater than \$50,000 that makes the house inhabitable shall cause the Seller's occupancy to terminate.

The City plans on paying for the Property via the following funding:

	Funding
Impact fees	\$2,300,000
General Cap Improv.	200,000
State Grant	1,500,000
	<u><u>\$4,000,000</u></u>

The City Manager is seeking direction on the execution of a purchase and sales contract and post-closing agreement based on the terms provided. If the City Commission approves the agreement in its substantial form, the City will execute and schedule a meeting with the surrounding communities for their review.

LEGISLATIVE ACTION

Date.	Board/Committee	Comments
8/28/18	Resolution 2018-213	Required 4/5 th vote for recommended purchase (actual vote was 3 out of 5 to purchase)

ADVISORY BOARD/COMMITTEE RECOMMENDATION(S):

Date.	Board/Committee	Comments
6/28/18	Budget/Audit Advisory Board	Recommended approval of proposed purchase (vote: 4 to 1)
5/9/18	Property Advisory Board	Recommended approval at \$3 million not \$4 million and an alternate site as a backup.
5/2/18	Economic Development Board	Recommended approval of proposed contingent on state grant funding be used towards the proposed green space

FINANCIAL INFORMATION: (If Applicable)

No.	Amount	Source of Funds
TBD	\$2,300,000	Impact fees
	\$ 200,000	General Capital Improvement Funds
	\$1,500,000	Awarded State Grant
	Approved:	

ATTACHMENT(S):

- 1. Proposed Resolution;**
- 2. Resolution 2018-213 and respective Commission Cover from August 28, 2018 (provides further background);**
- 3. Purchase and Sales Agreement;**
- 4. Post-Closing Agreement;**
- 5. Appraisal from Magenheimer;**
- 6. Appraisal from Waronker & Rosen;**
- 7. Appraisal from Blazejack;**
- 8. Excerpt minutes of the Economic Development Board meeting of May 2, 2018;**
- 9. Excerpt minutes of the Property Advisory Board meeting of May 9, 2018;**
- 10. Minutes from the Budget Advisory Board meeting of June 28, 2018,**