

CITY OF CORAL GABLES

OFFICE OF THE CITY MANAGER

-MEMORANDUM-

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COMMISSION **DATE:** MAY 13, 2008

FROM: DAVID L. BROWN
CITY MANAGER

SUBJECT: COUNTRY CLUB UPDATE

On Wednesday, April 30, 2008, the City was notified that effective May 3rd, 2008, 5:00 p.m., Granada, LLC would no longer operate the Coral Gables Country Club facility for member services and for catering and banquet services. Subsequently, both Granada, LLC and the Country Club agreed to relinquish all rights under the Management and Operating Agreements to promote, operate, manage, and maintain the Facility under the relevant agreements. This agreement resulted in an Order signed by Judge Nuria Saenz dismissing as moot the City's lawsuit against the Club for possession of the Facility.

It should be noted that little action could be taken in advance of the receipt of the April 30, 2008 notice and the Order dated May 2, 2008 including the development of an RFP or any official announcements of City intervention, without the serious possibility of impacting the lawsuits.

Since Wednesday the City has taken several actions of note to protect the welfare of this historic City property:

1. The City is currently preparing an RFP for Commission input and approval to solicit a new operator for the facility. This office will meet individually with Commissioners to solicit input on a vision for the facility. The entire process to select a vendor is expected to take four months.
2. On Saturday, May 3, 2008 the City changed all locks on the exterior of the Coral Gables Country Club facility to protect all interior furnishings and equipment. The Public Works Department is temporarily overseeing the facility until a new operator assumes that function.
3. Although the City has not paid any utility bills for the facility since all utilities have been the obligation of the Country Club and Granada, at this time, the Public Works Department has contacted the utilities companies and has temporarily assumed responsibility for the power and water until a new operator is located.

4. Air conditioning and water will continue to run in order to preserve the facility in its current state.
5. Public Works is conducting an overall building assessment, including completing its assessment of the HAVC systems, roof, in order that any budgetary needs that may be necessary can be addressed in the City of Coral Gables FY 08-09 budget.
6. The City has also requested a financial audit and inventory of the Coral Gables Country Club facility by the City's outside auditor McGladrey & Pullen, LLP.
7. The City has in its possession all software passwords for all computers for future references to all past finances and operations of the Club.
8. Arrangements have been made to donate all perishable food items to a charity.
9. Currently, the pool operations and tennis facility will remain open as those two operations remain self-sufficient.
10. Mr. Rudy Seurattan, Club General Manager, will remain on the property for the next 90 days, and will assist in the relocation of functions that no longer can be held at the facility.

An interested group of Club members are attempting to organize to continue to operate the facility as a Club. No official proposal has been submitted to this office as of yet. It would be the recommendation of this Office that the City Commission consider such a proposal for the operation by this new Club to utilize and operate the facility on a temporary basis, if the following conditions are accepted and agreed to in advance as part of an agreement:

1. The new Club must acknowledge that any operation or utilization of the facility is temporary and shall cease when a new operator is selected by the City. Any future use of the facility as a club shall be subject to the conditions of the successful proposer.
2. Any and all operating costs excluding rent and utilities for the temporary period shall be borne solely by the Club.
3. That the City Commission approves a temporary operating agreement outlining all terms and conditions, including insurance, liability, and scope of work.

At this point in time, the Coral Gables Country Club facility is not being utilized. There is no downside to allowing a group of organized members of the Club to operate and utilize the facility for up to four months, if the above conditions are met.