

CITY OF CORAL GABLES, FLORIDA

ORDINANCE NO. 2022-

AN ORDINANCE OF THE CITY COMMISSION OF THE CITY OF CORAL GABLES, FLORIDA, APPROVING THE PURCHASE AND SALE AGREEMENT FOR THE SALE OF MUNICIPAL PARKING LOT 24, LOCATED AT 5151 UNIVERSITY DRIVE, CORAL GABLES, FL 33146, (FOLIO NO. 03-4119-006-0200), TO DOCTORS HOSPITAL INC., A FLORIDA NOT-FOR-PROFIT CORPORATION; PROVIDING FOR A REPEALER PROVISION, SEVERABILITY CLAUSE, AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, pursuant to Resolution 26281, dated November 10, 1987, the City Commission authorized for the City of Coral Gables (the “Seller”) to enter into a lease agreement for municipal surface parking Lot 24 located at 5151 University Drive, Coral Gables, FL 33146, Folio No. 03-4119-006-0200 (the “Valet Lot”), that was assigned to Doctors Hospital Inc. (the “Purchaser”), on July 1, 2006 (the various agreements in place are collectively referred to as the “Lease”); and

WHEREAS, the Valet Lot is on the northwest corner of University Drive and Pisano Ave, across from the Doctors Hospital, which is currently owned by the Purchaser and is also an affiliated hospital of Baptist Health South Florida, Inc. (“Baptist”); and

WHEREAS, the Valet Lot is used by the Hospital to provide free valet service for patients and visitors; and

WHEREAS, the initial 30-year Lease term expired on December 30, 2017; and

WHEREAS, on May 9, 2017, Baptist executed their automatic additional 30-year renewal right, effectively renewing the Lease for the Valet Lot until December 30, 2047; and

WHEREAS, pursuant to Resolution 2019-13, the City Commission directed the City Manager and City Attorney to enter into a purchase and sales agreement (the “PSA”) for the sale of the Valet Lot to the Purchaser for \$3,000,000 as proposed under Resolution 2017-212; and

WHEREAS, in addition, the City of Coral Gables needed to review the pedestrian infrastructure in the surrounding area, but this review was not to delay the sale of the Valet Lot; and

WHEREAS, in 2017, pursuant to Section 2-1092 of the Procurement Code, two MAI certified real estate appraisals were conducted by Gallaher & Birch, Inc. and Waronker & Rosen, Inc., with the appraisers valuing the site based on the Valet Lot’s Multi-Family 1 Duplex (MF1) zoning; and

WHEREAS, in 2018, the lease payments increased by 25% (\$114,507.50/per year), based on City of Coral Gables parking rates, and it was determined that based on the existing lease payments to the Seller, a sale at \$3,000,000 would have resulted in a higher return than

the value based on the income stream from the Lease, and therefore, a sale at \$3,000,000 was above market value; and

WHEREAS, on February 12 and February 26, 2019, pursuant to Ordinance 2019-11 (As Amended), the City Commission approved the PSA at \$3,000,000 authorizing the City Manager and City Attorney to make necessary changes to the legal description; and

WHEREAS, on September 10, 2019, the City Manager provided the City Commission with an update on post-City Commission approval negotiations that had taken place to finalize the sale of the Valet Lot to the Purchaser that were also engaged in accordance with the terms in Ordinance 2019-11 (as amended) and Resolution 2018-223, as amended by Resolution 2019-13; and

WHEREAS, on September 10, 2019, pursuant to Resolution 2019-267, the City Commission directed the City Manager to provide the PSA to the Purchaser that had been approved in Ordinance 2019-11 (as amended) with certain changes and directed that the PSA be signed prior to October 8, 2019, or the City Manager was to take the matter back to the City Commission for further direction; and

WHEREAS, on October 8, 2019, pursuant to Resolution 2019-302, the City Commission extended the deadline because the Purchaser had sent a good-faith proposal and had also requested that the City Commission extend the deadline to November 12, 2019; and

WHEREAS, on November 12, 2019, pursuant to Resolution 2019-339, the City Commission extended the negotiations deadline to January 14, 2020; and

WHEREAS, at the January 14, 2020-City Commission meeting, pursuant to Resolution 2020-20, the City Commission granted the City Manager's request for additional time without a set deadline to continue the negotiations with the Purchaser regarding the sale of the Valet Lot and the leasing of the abutting right-of-way; and

WHEREAS, the Seller continued negotiations with the Purchaser and started processes to conduct a Comprehensive Plan Map Amendment, Zoning Code Map Amendment, Conditional Use, and Tentative Re-Plat of the Lot, all of which required and underwent public hearing review and approval by the Planning & Zoning Board and City Commission; and

WHEREAS, the processes formalized the existing conditions of the Valet Lot and provided regulations for its future uses; and

WHEREAS, the Valet Lot's Future Land Use classification was changed from Multi-Family Duplex Density to Hospital; and

WHEREAS, the Zoning District designation was changed from Multi-Family 1 Duplex (MF1) District to Special Use (S) District; and

WHEREAS, the Seller also negotiated with the Purchaser regarding an existing Declaration of Restrictive Covenant (the "Private Covenant") which the Purchaser executed in favor of certain neighboring property owners on February 10, 1994, and recorded on June 28, 1994 in the Official Records Book 16418, Page 4052 of the Public Records of Miami-Dade

County, Florida limiting the Purchaser's use of the Valet Lot to a parking lot, with no structures to be erected thereon, for a term of 30 years from the date of recordation; and

WHEREAS, the Private Covenant is therefore scheduled to terminate, by its own terms, on June 28, 2024; and

WHEREAS, the PSA includes the requirement of a new Declaration of Restrictive Covenant (the "New Restrictive Covenant") between the Purchaser and City of Coral Gables that will keep the same restriction on the Valet Lot (no structures to be erected thereon) for 30 years to be effective upon the termination of the Private Covenant; and

WHEREAS, the New Restrictive Covenant will, therefore, ensure that the use will remain as a parking lot and that no structures will be erected at the Valet Lot until June 28, 2054; and

WHEREAS, on September 8, 2020, pursuant to Resolution 2020-199, the City Commission amended Resolution 2018-223 and 2019-61 and directed the City Manager to allocate the net proceeds from the sale of the Valet Lot; and

WHEREAS, on September 28, 2021, pursuant to Resolution 2021-286, the FY 2020-2021 annual budget was amended to reflect the revenue proceeds allocation from the sale of the Valet Lot to the Purchaser as follows: 50% toward new Public Safety Building, 25% toward Park Improvements, 25% toward the acquisition of land for Parks; and

WHEREAS, on June 29, 2021, the City Manager held a community meeting with the surrounding neighbors to review both the Site Plan and the Landscape Plan as well as explain the New Restrictive Covenant provision; and

WHEREAS, pursuant to Section 2-1092 of the Procurement Code, in October 2021, two additional MAI certified real estate appraisals were conducted for the Valet Lot; and

WHEREAS, as had been done in 2017, the appraisers, Integra Realty Resources and Quinlivan Appraisal, valued the site based on the Multi-Family 1 Duplex (MF1) zoning at \$3,600,000 and \$3,415,000 respectively; and

WHEREAS, at the April 26, 2022 City Commission meeting, the Commission directed the City Manager to update October 2021 appraisals; the appraisers, Integra Realty Resources and Quinlivan Appraisal, updated the appraisals and valued the site based on the Multi-Family 1 Duplex (MF1) zoning at \$3,600,000 and \$3,495,000 respectively; and

WHEREAS, the PSA terms include a \$3,500,000 purchase price; a \$350,000 deposit; a 15-day inspection period; closing fifteen (15) days following the later of (i) the expiration of the Inspection Period or (ii) the satisfaction of (1) the Purchaser receiving a zoning confirmation letter that confirms that the Land Use Entitlements are in effect to allow the development and operation of a valet parking lot with not less than 102 parking spaces, including valet and tandem facilities, two spaces deep, (2) a final plat for the Valet Lot has been approved by the City of Coral Gables and recorded in the Public Records of Miami-Dade County, Florida, (3) an approved and Seller and Purchaser agreed upon Site Plan and the Landscape Plan, as revised in accordance with the City of Coral Gables' comments and review process; upon Closing, the Seller and the Purchaser shall execute and record a new 30-

year Declaration of Covenants and Restrictions that will become effective upon the termination of the Private Covenant; the existing Lease will be terminated; the Seller and the Purchaser will enter into a new Lease; the Valet Lot shall continue to be operated and managed in a manner consistent with its operation and management prior to the sale; and

WHEREAS, the deal terms were presented to the Economic Development Board (EDB) on August 2, 2017, which voted to unanimously to approve the purchase price and to further negotiate the remaining terms; and

WHEREAS, the terms were presented to the Property Advisory Board (PAB) on August 9, 2017, which recommended the sales price and the proceeds be used by the City of Coral Gables to purchase more developable land and options for the Lot to be taxed; and

WHEREAS, on September 6, 2017, the Budget/Audit Advisory Board (BAB) voted to approve the sale; and

WHEREAS, pursuant to Section 2-1089 of the City Code, the City Commission waives any provision of Chapter 2, Article VIII that may not have been technically followed and 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, and that such waiver serves the public interest to the extent that any provision of this section was not complied with; and

WHEREAS, the City Commission finds that the Sale of the Valet Lot serves the public interest and that it is in the best interest of the City to authorize the City Manager and the City Attorney to execute the PSA.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSION OF THE CITY OF CORAL GABLES:

SECTION 1. That the foregoing “Whereas” clauses are here hereby ratified and confirmed as being true and correct and are hereby made a specific part of this Ordinance upon the adoption hereof.

SECTION 2. That the PSA is hereby approved in substantially the form attached hereto as Exhibit “A.”

SECTION 3. The City Commission does hereby authorize the City Manager to terminate the Existing Lease once the closing occurs.

SECTION 4. The City Commission does hereby authorize the City Manager to execute the PSA with such modifications to the forms attached hereto as Exhibit “A” as may be approved by the City Manager and City Attorney that are necessary to implement the intent of this Ordinance.

SECTION 5. That this Ordinance shall become effective immediately upon the date of its passage and adoption herein.

PASSED AND ADOPTED THIS TENTH DAY OF MAY A.D., 2022.

(Moved: / Seconded:)
(Yeas: / Nays:)
(Vote:)
(Agenda Item:)

APPROVED:

VINCE LAGO
MAYOR

ATTEST:

APPROVED AS TO FORM
AND LEGAL SUFFICIENCY

BILLY Y. URQUIA
CITY CLERK

MIRIAM SOLER RAMOS
CITY ATTORNEY