

CITY OF CORAL GABLES, FLORIDA

ORDINANCE NO. 2007-36

AN ORDINANCE OF THE CITY COMMISSION OF THE CITY OF CORAL GABLES AUTHORIZING THE ACQUISITION BY THE CITY OF THE PALACE-OWNED PARCEL AND THE EXECUTION OF SIMULTANEOUS GROUND LEASES FOR THE CITY'S PUBLIC PROPERTIES FOR THEIR DEVELOPMENT AS A SENIOR HOUSING FACILITY BY AND BETWEEN THE PALACE MANAGEMENT GROUP, LLC, A FLORIDA LIMITED LIABILITY COMPANY ("PALACE"), AND THE CITY OF CORAL GABLES, A FLORIDA MUNICIPAL CORPORATION, PURSUANT TO ORDINANCE NO. 2004-30, OF CITY-OWNED PROPERTY LOCATED AT 45 AND 50 ANDALUSIA AVENUE, CORAL GABLES, FLORIDA AND PRIVATELY OWNED PROPERTY LOCATED AT 83 ANDALUSIA AVENUE, CORAL GABLES, FLORIDA, THE LEGAL DESCRIPTIONS AND FOLIO NUMBERS OF WHICH ARE SET FORTH AS FOLLOWS:

(1) 45 Andalusia Avenue (City-owned Municipal Lot 9), Lots 35 through 43 and Tract B, in Block 4, of CORAL GABLES CRAFTS SECTION, according to the Plat thereof, as recorded in Plat Book 10, Page 40, of the Public Records of Miami-Dade County, Florida;

Folio No. 03-4117-005-0890

(2) 83 Andalusia Avenue (Palace-owned parcel f/k/a Melody Inn parcel), Lots 44 through 47, in Block 4, of CORAL GABLES CRAFTS SECTION, according to the Plat thereof, as recorded in Plat Book 10, page 40, of the Public Records of Miami-Dade County, Florida.

Folio Nos. 03-4117-005-0971; 03-4117-005-0980 and 03-4117-005-0990

(3) 50 Andalusia Avenue (City-owned Parking Garage 5) (the "parking garage"): Lots 10 through 20, in Block 5, of CORAL GABLES CRAFTS SECTION, according to the Plat thereof, as recorded in Plat Book 10, Page 40, of the Public Records of Miami-Dade County, Florida.

Folio Nos. 03-4117-005-1070 and 03-4117-005-1120.

Waiver of certain provisions of Ordinance No. 2004-30 are by a 4/5 vote of the City Commission including providing a Repeater provision, a Savings clause, and a Severability clause, and providing for an effective date.

WHEREAS, on February 28, 2006, under Resolution No. 2006-38, the City Commission authorized the City Manager to issue a Request for Proposals for the development of premier market rate senior housing, which was issued on March 8, 2006; and

WHEREAS, a proposal for the project was received from The Palace Group, which proposal was approved by an eight-member Evaluation Committee for submission to the City Commission for consideration, with two caveats regarding (1) the proposed percentage of studio units and (2) pedestrian crosswalks and traffic flow; and

WHEREAS, on July 11, 2006, the City Commission authorized the City Manager to commence negotiations with the Palace Group for the project; and

WHEREAS, the City Manager established a negotiation team consisting of the Development Director, National Healthcare Associates, and Abramson & Associates, assisted by Weiss Serota Helfman (having been appointed by the City Attorney as Special Council). In addition to negotiating with The Palace Group regarding land lease provisions and concerns of the Evaluation Committee and City Commission relating to unit size, percent of studios, ingress/egress of the garage, and the need to insure that Palace residents could safely traverse Andalusia when parking in the garage, the Team was also asked to draft preliminary business terms in the form of a Memorandum of Understanding; and

WHEREAS, a Memorandum of Understanding ("MOU") between The Palace Management Group, LLC, a Florida limited liability company, and the City of Coral Gables outlining the type and timeframes of the developer improvements and a proposed financing structure for the 542-space parking garage and serving as the outline for a draft residential lease agreement and a draft parking garage lease agreement was approved by the City Commission on January 23, 2007 under Resolution No. 2007-15; and

WHEREAS, in accordance with the City of Coral Gables Procurement Code, which requests certain City Departments and Advisory Boards to comment on pending sales, leases, and purchases of City land prior to City Commission consideration, City Staff met with the Budget/Audit Advisory Board, the Economic Development Board, and the Property Advisory Board to request their comments, in addition to soliciting comments from designated City Departments related to Procurement Code considerations; and

WHEREAS, the concept of a Community Development District (CDD) was permitted for the City's 337 public replacement spaces, for the purpose of securing tax-exempt financing to construct the public (city replacement) parking component of the project (the remaining 205 parking spaces to be privately financed) pending appropriate approvals; and

WHEREAS, the City, by allowing the establishment of the CDD, also committed to guaranty the tax exempt bond financing of the CDD public parking component to cover any shortfall on debt service payments which are not paid from the public parking net operating income and the special assessments against the private project, provided that in the event of default under both ground leases the City would have the right and option of terminating both leases, and title to the Senior Living Facility and Parking Garage would pass to and vest in the City, free and clear of all debt, mortgages, encumbrances and liens under certain conditions; and

WHEREAS, several essential exhibits included in the Lease Agreements insure that the long-term operations and performance are in keeping with a Coral Gables standard, including the manner, pricing and priority of the Parking Garage public spaces, Resident Priority for Admissions, Employee Training, management and type of retail on the ground floor spaces, and further providing that failure to abide by the agreed-upon standards can trigger a default of the lease; and

WHEREAS, satisfactory versions of the Residential Lease Agreement, the Parking Garage Lease Agreement, the Guaranty and other related documents have been presented to the Commission of the City of Coral Gables;

NOW, THEREFORE, BE IT ORDAINED BY THE COMMISSION OF THE CITY OF CORAL GABLES, FLORIDA THAT:

SECTION 1. The foregoing "Whereas" clauses are hereby ratified and confirmed as being true and correct and are hereby made a specific part of this Ordinance upon adoption hereof.

SECTION 2. The City Manager is hereby authorized to execute the Residential Lease and Development Agreement, the Parking Garage Lease and Development Agreement, and related documents, with The Palace Management Group, LLC, for development of a high quality market rate mixed-used congregate senior housing facility.

SECTION 3. This ordinance shall become effective immediately upon the date of its passage and adoption herein.

PASSED AND ADOPTED THIS THIRTEENTH DAY OF NOVEMBER, A.D.,
2007.

(Moved: Kerdyk / Seconded: Cabrera)
(Yea: Cabrera, Kerdyk, Withers, Anderson, Slesnick)
(Unanimous: 5-0 Vote)
(Agenda Item: E-2)

APPROVED:



DONALD D. SLESNICK II
MAYOR

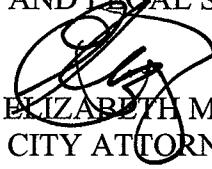
ATTEST:



WALTER J. FOEMAN

CITY CLERK

APPROVED AS TO FORM
AND LEGAL SUFFICIENCY:



ELIZABETH M. HERNANDEZ
CITY ATTORNEY