

CORAL GABLES PROPERTY ADVISORY BOARD

Minutes of February 26, 2010
Youth Center – Conference Room
405 University Drive, Coral Gables, Florida

MEMBERS:	M	A	M	J	J	A	S	O	N	D	J	F	
	09	09	09	09	09	09	09	09	09	09	10	10	
Mary Young*	+	+	+	+	P	P	P	P	+	P	+	P	Mayor Donald D. Slesnick, II
Maurice Donsky*	+	+	+	+	E	P	P	P	+	P	+	E	Commissioner Maria Anderson
Gustave (Gus) Perez	+	+	+	+	P	P	E	P	+	P	+	P	Vice-Mayor William H. Kerdyk, Jr.
James Hinrichsen*	+	+	+	+	P	P	P	E	+	P	+	P	Commissioner Rafael “Ralph” Cabrera, Jr.
Luis M. Padron	+	+	+	+	A	P	P	P	+	E	+	E	Commissioner Wayne “Chip” Withers
Edmund J. Mazzei	+	+	+	+	P	P	P	P	+	P	+	P	City Manager Patrick Salerno
Valentin Lopez*	+	+	+	+	E	P	P	P	+	P	+	P	City Commission

A = Absent

P = Present

E = Excused

+ = No Meeting

*** = New Appointment**

- = Resigned Member

Ernesto R. Pino, R.A., Public Works Department
Lorena Garrido, Public Works Department

GUESTS:

RECORDING SECRETARY: Lorena Garrido, Public Works Department

CALL TO ORDER:

The Vice-Chairman, Mr. Mazzei, called the meeting to order at 8:05 a.m. since the Chair, Mr. Perez, arrived shortly after.

ROLL CALL:

Ms. Garrido called the roll and members confirmed attendance.

MEETING ABSENCE:

Mr. Padron was excused.

MINUTES OF NOVEMBER 4, 2009 MEETING:

The minutes were previously approved.

SECRETARY'S REPORT:

• **Schedule of Outstanding Rent – Report as of February 24, 2010**

Ms. Young asked if the City would collect additional monies resulting from the Preston Scott's bankruptcy.

Mr. Pino replied that he was under the impression that the City was only collecting from the auctioned inventory amount.

Mr. Lopez and Mr. Mazzei requested that this item be taken off this report and that if anything else is recovered then it should be reported.

Ms. Young asked if there are any fixtures that could be bought from this space if it's leased again. Mr. Pino replied that there have been a few layouts prepared for the City's Economic Sustainability Department to show interested tenants and the fixtures have been part of the layouts. Ms. Young asked if any value has been assigned to the fixtures and the fact that Preston Scott invested substantially in the space which may help to offset the balance due. Mr. Pino commented that there's a very nice walk-in cooler which could be sold.

Mr. Mazzei commented that the Economic Sustainability Department should keep the Board posted on what they are doing relating to this space. Further, they should come to the Board and share their thoughts on this space as well as others.

Mr. Mazzei asked if the City was working with a brokerage firm for the leasing. Mr. Pino said that he would find out.

Mr. Pino advised the Board that Cindy Birdsill, Economic Sustainability Director will be taking over City leases once they have hired someone to handle this task.

Mr. Perez informed the Board that he has requested the City Attorney to come to the Board and discuss the Biltmore. He continued to state that the Biltmore issue has been going on for over (2) years and that it is frustrating that nothing has been done specially when flags are raised by the Board about this as well as the Country Club.

Ms. Young asked for the status of the Country Club. Mr. Pino responded that the Country Club's new management company is working away and that they have been approved for rent extension.

Mr. Mazzei requested for the next meeting an update on the Country Club as to when it's expected to open.

Mr. Hinrichsen replied that this has been established at the last City Commission meeting where the Commission approved an extension for them to open the restaurant sometime this fall and the banquet hall will be open sometime in the first quarter of next year.

Mr. Perez reiterated that he wants for the City Manager and Finance Director to come to a future Board meeting and explain the reason why the Biltmore has been allowed to continue with so many quarters

without paying and nothing has been done. He further stated that there may be negotiations under way, but the City has other tenants that are expected to pay.

Mr. Hinrichsen stated that the delay here was due to the Biltmore not providing records to the City.

- **Facility Contract Property Insurance Report**

Board members reviewed the report.

Mr. Mazzei mentioned that the Risk Manager should be more aggressive with those tenants (Merrick Place Shops) whom we need to ask repeatedly for more information relating to their coverage and endorsements.

CITY COMMISSION BOARD RELATED ITEMS UPDATE:

Nothing at this time.

CITY UPDATE:

Nothing at this time.

OLD BUSINESS:

Nothing at this time.

NEW BUSINESS:

- **Lease Renewal between the City of Coral Gables and United States of America for the property located at 3501 Granada Boulevard, Coral Gables**

Mr. Mazzei mentioned that he provided the Board his thoughts regarding his analysis which included determining what comparables to this property exist. He explained this would help in providing information pertaining to the property's value, property taxes, and property's rental value. Based on his findings he stated that it was his opinion that the rent for this property should be at least \$7,396.00.

Mr. Perez commented that providing this type of rent analysis is not the Board's responsibility and that the City should be responsible to provide the Board with this information.

Ms. Young asked Mr. Mazzei what was his recommendation and Mr. Mazzei stated that his recommendation was to raise the rent.

Mr. Mazzei stated that he would like to know if the Lessee provided comparables to understand how they came up with their proposed rent.

Mr. Perez stated that the City has the responsibility to provide this information to the Board.

Mr. Mazzei commented that from his past experience with this Board that the City has not provided, in advanced, total information to make good judgments and analysis on the City's behalf. He continued to state that because of this he has an obligation, both professional and personal, to the people of Coral Gables to make sure the government of Coral Gables is doing their best job. He further stated that if he has to devote time and effort that is what he is here for.

Mr. Hinrichsen stated that during a conversation with Commissioner Cabrera the Commissioner felt that there may not be enough appetite to sell this house because the market is depressed. One consideration might be to allow them to remain temporarily, at an enhanced rent while trying to sell the property.

Ms. Young asked about the City's cost for maintenance and upkeep of this property, which is pertinent to negotiations of the lease rate.

Mr. Mazzei suggested that a summary of the time and equipment total spent on this property by the City's Public Works Department be provided for the year 2009.

Mr. Mazzei made a motion for the rental rate to be reconsidered in view of the fact that it is the Board's opinion that this lease is substantially below market and that the City's cost of maintenance for this property is not available. Mr. Lopez seconded the motion and it was unanimously approved.

Mr. Mazzei made a second motion that this lease not be executed until the Board has a better understanding of the economics and fair value of the property and further that this lease be month to month, with the same terms and conditions until the lease is negotiated.

Ms. Young seconded the motion and it was unanimously approved.

OPEN DISCUSSION:

Nothing at this time.

ADJOURNMENT:

Ms. Hinrichsen motioned to adjourn the meeting. Ms. Young seconded the motion. The meeting was adjourned at 8:59 a.m.