

CITY OF CORAL GABLES
Property Advisory Board
Excerpt Meeting Minutes
Wednesday, July 11, 2018, 8:30 a.m.

2121 Ponce de Leon Blvd., Suite 720, Coral Gables, Florida 33134

PAB MEMBERS	J	F	M	A	M	J	J	A	S	O	N	D	APPOINTING ENTITY
	'18	'18	'18	'18	'18	'18	'18	'18	'18	'17	'17	'17	
Alberto Manrara	P	P	X	P	E	P	P			P	P	X	Mayor Raúl J. Valdés-Fauli
Jonathan Leyva	P	P	X	P	P	P	P			P	P	X	Commissioner Michael Mena
Jack Lowell	P	P	X	P	P	P	P			-	-	X	Commissioner Patricia Keon
Valerie Quemada	P	P	X	E	P	E	P			P	P	X	Commissioner Vince Lago
Tony Gonzalez	E	P	X	P	P	P	E			E	P	X	Vice Mayor Frank Quesada
Edmund Mazzei	P	P	X	P	E	P	P			P	P	X	City Manager Swanson-Rivenbark
Andrea Molina Vice Chair	P	P	X	P	P	P	P			P	P	X	City Commission as a Whole

A = Absent E = Excused Absence P = Present X = No Meeting Ph = Present by Phone - =Former Board Member

STAFF AND GUESTS:

Leonard Roberts, Interim Director, Economic Development Department
Mariana Price, Administrative Assistant, Economic Development Department

Meeting Motion Summary:

A motion to approve the sale of 7350 Coral Way on the condition that the proceeds are used towards the acquisition of land within Coral Gables. If not, the City should determine other city uses for the site prior to sale. The motion passed 3-2.

Mr. Manrara brought the meeting to order at 8:32 a.m.

1. 7350 Coral Way Sale (Discussion)

Mr. Roberts reviewed the current offer on the table for the sale of the former Police Benevolent Association's (PBA) site, located at 7350 Coral Way. He explained that the original listing price of \$12 million was based upon the appraisal (\$11.7 million), which did not take into consideration the remediation costs (of the lead contamination) and parking agreement with the County. The site was put on the market in November 2017, and was advertised both at the site and online (Loopnet, CoStar, and www.miamidadesites.com). No outside broker was involved in the transaction. It would be overseen by the City's Asset Manager (Assistant Director Leonard Roberts). Ms. Molina voiced her concern that a broker was not involved. Mr. Lowell stated that in a rising market one can act as broker themselves. This board had recommended that a broker be hired through an RFP process. Mr. Roberts then took direction from the City Manager to list the property for six months to review what offers would be made, and that if they came in above the appraised value, the City would go forward with negotiating a deal. The City then netted the estimated cost of remediation for

the lead contamination, as well as the requirement of the 80 parking spaces. Several large developers showed interest in the site. The City reviewed closing timeframe, price, security deposit, quality of the buyer to close, and the timeframe around the due diligence of requirements when considering the offers made. Mr. Roberts said most offers ranged from \$3 million to \$8 million, and many were tied up with entitlements.

The City had the parking team carve out the 80-parking space allocation and remediation, which brought the price down to \$9 million. Offers were then made from \$3 million to \$8 million. Public records request were continually made between interested buyers, which increased the offers.

Mr. Roberts told the board there was a lot of inquiries for truck storage, but the City didn't want to entertain any offers for industrial use. The City wanted to ensure the proposed use by a buyer would be in line with the County's interest. Fortunately, the highest value happened to be aligned with a use the County Commission prefers anyway.

Amongst all the offers, Crystal Clear Holdings and one other company came in with similar competitive offers. Crystal Clear Holdings, LLC has built several buildings in Miami, Tampa and Orlando. They have offered cash of \$10.4 million for the 4.16 acre site, with a \$550,000 security deposit and a 90-day timeframe to close. The principal is Alain Lantigua, Manager.

Board members reviewed a Letter of Intent from Crystal Clear Holdings. The City has a parking agreement with Miami-Dade County that requires the City to provide 80 parking spaces in perpetuity, for the adjacent park space at 7360 Coral Way. The deal is contingent upon the developer remediating the site, continuing to provide the parking spaces for the adjacent park, and County approval of the use. The City found that it would cost a buyer between \$20,000 to \$25,000 per parking space to accommodate the 80 parking space requirement.

UBS evaluated the site for cleanup in two phases, which they estimated would amount to \$700,000. Their report was provided to Clear Crystal Holdings, and while the actual remediation may end up being more expensive, the site is being sold "as is."

Ms. Molina stated her displeasure with this and past property sales, such as the Codina land exchange, the Fink Studio purchase, the Fire Station IV, and the direction of the current LaSalle negotiations, in which the City appears to have dismissed recommendations by the boards, and taking staff's time to strike deals instead of handing it to an experienced broker.

Mr. Manrara suggested that this point be brought up for discussion at the next meeting. He agreed that the City should not be selling this land since the City already does not have enough land to support sports. The City has limited property, and putting together four acres is not that simple, and Gables residents have to travel to other cities for the park space. Mr. Manrara said it didn't make sense to sell simply for the cash and preserving the AAA credit rating. He continued that if this property board and a prior formulation of other boards have already opined on that (and thought it was the best thing for the city to do), he doesn't think

the board should second guess them, but if not, then he *does* think the Property Board should provide an opinion on whether or not the sale of this property should take place.

Mr. Lowell provided a different opinion, saying this is the longest the market has been this high, and that this deal should be closed quickly. Ms. Molina then suggested that the sale be made to buy more land. Mr. Mazzei asked how the City acquired land outside its boundaries in the first place, to which Mr. Roberts responded that the City once extended to 72nd Avenue, but then later dedicated the surrounding land to Miami-Dade County. The City still held on to portions of that land, including the 7350 Coral Way site and the Public Works Department area. Mr. Mazzei thinks the land should be sold and used for purchasing other land.

Ms. Molina said the Property Advisory Board has never made an opinion on the highest and best use and whether or not the site could be used for a purpose other than to be sold. Mr. Manrara said the only reasoning for selling now seemed to be the need for money in order to preserve the City's AAA rating, which he suggested was not a good enough reason. During discussion, board members suggested a Charter school, community center, recreational park space, an Olympic-sized pool, etc., among the many options the City has for using the site (instead of selling).

Mr. Roberts said the City would use the proceeds of the sale of the Coral Way site towards the development of Garage 7, which would have ground floor retail and second floor office space.

Mr. Lowell made a motion to approve, in principal, the LOI for \$10.4 million and to sign a contract at this price, which Mr. Leyva seconded. Ms. Molina, Mr. Manrara, and Ms. Quemada voted against the motion, which ultimately failed.

Ms. Molina made a motion to approve the sale of the property as long as the proceeds are used towards acquisition of land within Coral Gables. If not, the City should consider other city uses for the site, and determine that highest and best use prior to sale. Ms. Quemada seconded. Mr. Manrara voted in the affirmative and Mr. Lowell and Mr. Leyva voted against. The motion passed 3-2.

Mr. Lowell stated there is clear direction from the Commission and the City Manager that they want the site for sale and have an allocated use for the funds for various reasons. The PAB's charge is to evaluate whether it meets economic terms that are reasonable and whether it's the best use of that particular property for the City. Again, he reaffirmed, this is outside the City's limits, the market is vibrant and robust, and now is the time to do this kind of deal.

The meeting was adjourned at 10:07 a.m.

Respectfully submitted,

Mariana Price, Administrative Assistant - Economic Development Department