

CITY OF CORAL GABLES
Property Advisory Board Meeting
Excerpt Minutes
Wednesday, May 19, 2010, 8:30 a.m.
1 Alhambra Plaza, Suite 617, Coral Gables, Florida 33134

MEMBERS:	J	J	A	S	O	N	D	J	F	M	A	M
	09	09	09	09	09	09	09	10	10	10	10	10
Mary Young*	+	P	P	P	P	+	P	+	P	E	P	E
Maurice Donsky*	+	E	P	P	P	+	P	+	E	P	P	P
Gustave (Gus) Perez	+	P	P	E	P	+	P	+	P	E	P	P
James Hinrichsen*	+	P	P	P	E	+	P	+	P	P	P	P
Luis M. Padron	+	A	P	P	P	+	E	+	E	P	A	E
Edmund J. Mazzei	+	P	P	P	P	+	P	+	P	P	P	P
Valentin Lopez*	+	E	P	P	P	+	P	+	P	P	E	P

A = Absent
P = Present
E = Excused
+ = No Meeting
*** = New Appointment**
- = Resigned Member

STAFF

Ms. Cynthia S. Birdsill, Economic Sustainability Department Director
Mr. Kevin Kinney, Parking Department Director
Ms. Jessica Wotherspoon, Business Development Specialist

Motion Summary:

The Board recommends to the City Commission that the City enter into a renewal lease with the United States of America for City owned property located at 3501 Granada Boulevard, Coral Gables, FL for a term of five years.

Agenda Item 6. Review of 3501 Granada Lease Renewal

The following deal terms were presented to the Board:

Tenant: United States of America

Term: June 1, 2010 – May 31, 2015 (has been a tenant since 1/1/01)

Rent: \$5,600 per month

Use: Residential

No Renewals

Tenant right to terminate on 90 days' prior notice

Tenant to pay for all utilities.

Tenant to make all repairs other than standard structural maintenance, plumbing, electrical and mechanical required to keep the property in a first class, clean, safe condition.

Required to use a Federal Form Lease, added the following standard City lease provisions, as well as lead paint disclosures required for older residential rentals: Tenant to comply with laws, No relationship other than landlord/tenant, Lead paint disclosures, No Mechanics Liens, Default provision, Lessor to control lawsuits, No Waiver, Right of Entry, Hazardous Materials, Trial by Jury, Invalidity of Provision, Time of Essence, Successors and Assigns, Attorney's Fees, Miscellaneous, Effective Date, Force Majeure, Tenant's Authority to Execute, Radon Gas, Counterparts, and Survival.

According to the Federal Government, the proposed rental rate is the maximum that it is permitted to pay per 10 USC 2828(b)(4). According to our Finance Department, based on an amortization schedule of 23 years and 10 months, the full payment of debt and purchase price would be recovered by charging a rental rate of \$4,500 per month.

May 19, 2010

Continued

The Board discussed the costs and benefits to the City of having this property leased to the Federal Government. Mr. Hinrichsen stated that the City would not be getting enough compensation by accepting a lower than market rent given the General's personal ability to pay. Ms. Birdsill noted that the City would be getting the maximum rent that the Federal Government is willing to pay and that the General does not pay the rent personally. Mr. Donsky expressed that while he understood this was the maximum that would be paid for rent, he wondered what other costs the tenant could cover instead of the City. It was further noted that the Federal Government was not willing to be responsible for structural or system repairs, and that these items are typically the responsibility of the Landlord. The Board members expressed that, although it was difficult to quantify, they did see the prestige and honor the City attains by having the Southern Command General housed in the City.

Mr. Mazzei further expressed that it should be known that as a result of the Board's efforts to meet with the decision-makers on behalf of the Southern Command, a mutually beneficial agreement resulted, including a higher rental rate.

The Board concluded their discussion of this item by voting on the following motion:

The Board recommends to the City Commission that the City enter into a renewal lease with the United States of America for City owned property located at 3501 Granada Boulevard, Coral Gables, FL for a term of five years.

The motion, moved by Mr. Mazzei and seconded by Mr. Donsky, passed with one nay made by Mr. Hinrichsen.

Respectfully submitted,
Jessica Wotherspoon
Business Development Specialist
Economic Sustainability Department