

CITY OF CORAL GABLES
BUDGET/AUDIT ADVISORY BOARD
Meeting Minutes: March 31, 2016, 8:00 a.m.

Conference Room First Floor, City Hall, 405 Biltmore Way, Coral Gables, Florida

MEMBERS:	M	J	J	A	S	O	N	D	J	F	M	A	APPOINTED BY:
Jose E. Smith													Mayor Jim Cason
Erin Knight				P						-			Commissioner Slesnick
Alex Menendez				P						-			Commissioner Vince Lago
John Holian				P						-			Vice Mayor Frank C. Quesada.
Cheryl Goldstein				P						-			Commissioner Pat Keon

^ = New Member
= Special Meeting
** = Resigned Member

STAFF AND GUESTS:

Diana Gomez, Finance Director
Keith Kleiman, Budget Director
Cathy Swanson-Rivenbark, City Manager
Leonard Roberts, Economic Development Assistant Director

MARCH EXCERPT MINUTES

PROCEEDINGS:

The meeting was called to order by Mr. Menendez at 8:10 a.m.

Background:

In 2011, the City of Coral Gables adopted resolutions to begin the Neighborhood Renaissance Program (NRP) with the purpose of improving quality of life by investing in the City's neighborhoods. The NRP requirements include specific investment dollars in civic centers, right of way improvements, passive parks improvements, restoration of historic features and other beautification projects with a portion of the funds to be spent by mid-2016. The City has amended the existing NRP to allow some of the proceeds to be used for a broader spectrum of neighborhood enhancement projects, which include not only improving existing passive parks, but acquiring neighborhood properties to be used as passive parks.

Description:

A passive park is generally an undeveloped space that requires minimal development. The parks/public service departments maintain passive parks for the health and well-being of the public. The focus on the environment and a natural experience is what distinguishes a passive park.

Therefore, the departments of Public Service, Parks & Recreation and Economic Development, search for property that require minimal development; are compatible with and encourage other passive recreation uses; and offer constructive, restorative, and pleasurable human benefits by fostering appreciation and understanding of open space.

Based on this understanding, the City departments established three criteria for identifying ideal spaces to become passive parks:

- (1) Safe & Accessible: one must not need to cross a major thoroughfare to reach the park;
- (2) Spacious: the park is of sufficient size to accommodate the surrounding area as a passive parks;

(3) Need: demands for open space in the area.

Terms:

Based on the criteria and staff review, the following properties are recommended for purchase:

City of Coral Gables					
NRP Parks					
Offers sent					
Address	Offer Price	Lot Size	Offer PSF	Accepted Offer	Accepted PSF
807 Catalonia Ave	\$950,000.00	13,464	\$70.56	\$950,000.00	\$70.56
939 Majorca Ave	\$900,000.00	14,300	\$62.94	\$934,500.00	\$65.35
6540 Marlin Dr	\$605,000.00	19,025	\$31.80	\$665,000.00	\$34.95
545 San Antonio	\$1,000,000.00	24,300	\$41.15		\$0.00
Sarto & Salzedo	\$550,000.00	5,000	\$110.00		\$0.00
1047 Venetia Ave	\$700,000.00	8,250	\$84.85		\$0.00
	\$4,705,000.00	84,339	\$55.79	\$2,549,500.00	\$0.03

Further deal terms include 10% security deposit, appraisal contingency, 45 day inspection period, neighborhood approval and City Commission approval. Each party will be responsible for their own respective closing costs and closing will occur 60 days from contract execution.

Conclusion:

The funding to acquire and prepare the sites will come from existing NRP funds. Annual maintenance expenses (outside of NRP funds) are estimated to be approximately \$5,800 per site.

Naturalist and author John Muir once said,

I only went out for a walk and finally concluded to stay out till sundown, for going out, I found, was really going in.

This insight captures the essence of what the outdoors provides for the human spirit, so it is especially important that a city invests in and provides for outdoor spaces that foster this interaction between nature and man.

Our City founders clearly understood and championed this idea, as evidenced by the emphasis on the beautiful green landscapes that helps define the character of Coral Gables today. City staff is recommending the purchase of the respective properties in keeping with the tradition.

Questions for the Budget and Audit Advisory Board:

1. Is the lease consistent with the property appraisal as required under Section 2-2014? Section 2-2014 provides:

Whenever the city purchases, sells or is involved in a lease of real estate and the fee simple value of the property being sold, or the annual value of the property being leased is in excess of \$250,000, the city shall, prior to consummating the purchase, sale or lease, have the property appraised by two real estate appraisers holding the M.A.I. designation in order to determine the estimated market value.

No its not, staff will request a 4/5 waiver from the City Commission.

2. What is the immediate impact on the current fiscal budget and the long term effect on future budgets, i.e. the long-term overall effect on the City?

The funds have been approved as part of the NRP in 2011 and have no impact on the immediate fiscal year. The impact on future budget will be approximately \$5,800 annually per property. The properties will also be taken off the tax rolls, resulting in a loss of revenue to the City of approximately \$15,000 annually. However, that loss of revenue is expected to be offset by the corresponding increase in surrounding property values as a result of the improved quality of life.

3. Considering the City's mission statement, are there other alternatives to entering into the proposed transaction?

This transaction is appropriate, in keeping with the City's NRP vision of improving the quality of life by investing in its neighborhoods. Board cautions the City in purchasing property in excess of appraised value.

