

City of Coral Gables City Commission Meeting
Agenda Item H-1
January 23, 2018
City Commission Chambers
405 Biltmore Way, Coral Gables, FL

City Commission

Mayor Raul Valdes-Fauli
Vice Mayor Pat Keon
Commissioner Vince Lago
Commissioner Frank Quesada
Commissioner Michael Mena

City Staff

City Manager, Cathy Swanson-Rivenbark
City Attorney, Miriam Ramos
City Clerk, Walter J. Foeman
Deputy City Clerk, Billy Urquia
Economic Development Interim Director, Leonard Roberts

Public Speaker(s)

Agenda Item H-1 [2:17:48 p.m.]

A discussion regarding sale of Lot 24 to Doctors Hospital originally proposed in Resolution 2017-212. (Sponsored by Commissioner Quesada).

Mayor Valdes-Fauli: OK. We will take up Doctors Hospital issue.

Commissioner Quesada: That's my item H-1.

City Manager Swanson-Rivenbark: And, Leonard Roberts from Economic Development is prepared to make a presentation. This item also went to Property Advisory Board, I believe Economic Development Board and Budget Advisory Board, so whatever questions.

Commissioner Quesada: Thank you Madam City Manager. It's my item, so stay there definitely just in case. So, I've gone back and forth on this item quite a few times, and you know, I was against it, I was for it, I was against it, I've gone back and forth quite a few times. And, sometimes even though it could be exhausting for us here, for us up here when an elected official does it, I think sometimes it works out better for the residents in the neighborhood. I will tell you

leading into today, I placed it on the item and I had thought that I was going to move to bring it back, but over the last few days I've gotten a lot of phone calls and actually before the last Commission meeting that unfortunately I missed, because I got into a little fender-bender, I was contacted by residents that live near that location; and first and foremost, I wanted to bring this up, I wanted to discuss this again with really the Commissioners that voted against it last time, which I believe it was Commissioners Lago, Mena and myself. I want to know if you guys have been contacted by those residents at all.

Commissioner Mena: No.

Commissioner Quesada: Oh, you haven't at all?

Commissioner Mena: Zero.

Commissioner Quesada: And then, I wanted to have Leonard walk through with me, with all of us, what you explained to me based on the financial breakdown of this. I think it came up the first time, but I don't think you went into the same detail as you did when you sat down with me that you did in the public hearing.

Mr. Roberts: Sure – Leonard Roberts...

Commissioner Quesada: Well actually, let me understand something. Am I the only one that's received calls from residents?

Commissioner Lago: You asked me a question, so I wanted to answer. The reason why you were contacted and I haven't told anybody to contact you, but the rumor has come up that this is going to be dealt with for a fourth time, and obviously everybody knows I've been pretty adamant about that. This is my neighborhood. I take a lot of pride saying this is my neighborhood, because I was raised in that neighborhood for the last 30-plus years, not only as a young child, when my parents lived in Coral Gables, but also finally when I was able to afford to move into a house, so I'm pretty familiar with this neighborhood and a lot of the residents that live there, like all of us are with the neighborhoods that we live in. So, when they contacted me and told me this is potentially going to be again on the Commission, on the agenda, I told them listen, I'm not putting it on, obviously it has to be one of my fellow colleagues. Due to the Sunshine we are not able to have this conversation, which is again, I've said it 50,000 times, I'll say it for 50,001 times, that it is embarrassing that we can't even have a discussion to really air this out and we have to wait till the Commission meeting to discuss this. So, I haven't gotten phone calls, except for maybe one or two residents. People thought it had died at the last Commission meeting; and again, I didn't want to have a situation like we did today with the bikes, where we had over 100 people show up and 40 of them speak. So, I told some of the residents not to come. I know we can never stop Maria Cruz from coming, so she's here, obviously to discuss and represent our neighborhood, but again, I'm all ears, willing to hear what the fourth iteration of this proposal will be.

Mr. Roberts: Leonard Roberts, Economic Development Interim Director and Asset Manager. We have a presentation, which is more of a rehash or a summary of the property itself. So, the site is located on the north side of University on Pisano and it consists of roughly about 150 valet parking spaces, there are 95 designated spaces, it's referred to as Lot 24. The current lease terms that we have in place right now; the lease was set to expire December 31, 2017. It commenced on January 1, 1988, it was a 30 year term. The tenant renewed and the term has now been extended to December 31, 2047. The current rent as of right now, it just went up on January 1st is \$114,000 a year; it used to be \$91,600. The proposed deal terms that Doctors Hospital and the City were considering was a sale at \$3 million dollars as is, a restrictive covenant that will state the lot to be used as parking, which will allow them to potentially put a parking structure at some future date.

Mayor Valdes-Fauli: A limited parking structure, right?

Mr. Roberts: Excuse me?

Mayor Valdes-Fauli: A limited parking structure.

Mr. Roberts: Yes, limited – I want to go further into those details. The hospital continue to maintain the common area, there will be a due diligence period attached to it, 30-day closing, fairly standard terms. Then some other components that we added was that the City would have the first right of refusal to purchase a site at some future date, if they chose not to go forward for parking purposes, and of course it would be contingent upon the approvals. Now in reference to the parking restriction, there is an existing restrictive covenant in place that allows a surface parking lot. Baptist or Doctors would like to put a, potentially another parking use, like a parking lift potentially and they would have to go back to the actual residents to get that approval. So, there can't be allowance for that use unless they get the restrictive covenant; and then on top of that, the Development Service will have to review this and look at the actual allowance of that and another consideration you can look at is putting a restrictive covenant in the deed or the purchase and sales agreement that would also restrict any kind of parking component that they seek.

Commissioner Mena: Can I ask you a question, a simple question about one of those and I don't know if it's a question for you or Miriam, but you said lift the existing restrictive covenant. I understand they need the agreement of the neighborhood, but is it like unanimous?- did every neighborhood agree?- is it majority?

City Attorney Ramos: To lift it or to place a new one?

Commissioner Mena: Existing restrictive covenant that's in place now.

Mr. Roberts: There's about over 80 signatures on that restrictive covenant and so, and that allows a parking surface lot.

Commissioner Mena: Right.

Mr. Roberts:...in order to use any other use they would have to get, I guess either an amendment or a revision of that agreement from pretty much all the same 80-plus...

Commissioner Mena: Well that's my question. I don't know if Mitch would know the answer to this or you know, do all 80 have to agree to...

City Attorney Ramos: I don't know the answer, but I can find out.

Vice Mayor Keon: But, it's only those 80 and it could be that some of them have moved, some of them have passed away, some of them are no longer there, you don't go to anyone else other than the 80 that were the signatories on the covenant at that given time.

Mr. Roberts: I think it might pertain to the properties, so if a person was there and they are no longer there, I think it would probably require them to have, and I'm not sure Miriam, it will require that property to actually have a signature.

Mayor Valdes-Fauli: I have a problem; I have to leave in about five minutes. If we can't take it, can we postpone it to the next...is it going to be a long discussion?

Commissioner Quesada: I don't know if it's going to be long or not and I'm being completely honest with you that I'm on the fence, I'm on the fence here, I am.

Commissioner Lago: Can I help you right now to get off the fence?- real quick, less than two minutes if you let me. Let me explain to you why we should not even entertain this and why we should keep control of this property. Right now you have St. Augustine Church, you have Riviera Country Club under construction, you have University of Miami it's in perpetual construction and you have West Lab, which is under construction. I'm building West Lab; my firm is building West Lab as everybody in this room knows already. There are a few reasons why that piece of property should remain in perpetuity in the City's holdings; number one, you have a forty year lease remaining there, why would you sell it?- what is the benefit to the City? You said before parks, you don't need to worry about parks. I passed legislation that you all voted on, I think except for Commissioner Mena and the Mayor who weren't here, that's going to bring the City over the next ten years \$21 million dollars. I showed that to you the other day, because you had an interest in it, and the figures are right here and they are in Miriam Ramos' hands. So, if you are looking for money to buy parks, we have the money over the next ten years, it's coming already, as per Park Impact Fees. The reason why I think it's important to keep this property is because it brings financial strength to the City. The reason why we have a Triple A bond rating and he'll tell you is because of our real estate portfolio. The stronger our real estate portfolio is, the stronger the City of Coral Gables is, why would we sell this property when we can collect \$3.5 million dollars' worth of rent over the next 40 years and maintain Baptist in line. When I talk about in line, I'm talking about certain issues that I field every single day. When I drive on Camposano, and by the way, it's gotten much better, but we still have to all this attention, once in a while I have to call Code Enforcement or I have to mention to the City Manager, the amount

of parking by 18-wheelers on Camposano is at points disrespectful to the residents. Another issue that we continue to have...

Commissioner Quesada: 18-wheelers what going to the University of Miami?

Commissioner Lago: No, no – right in front of, in between...

Commissioner Quesada: I'm looking at the map.

Commissioner Lago:....in between Doctors Hospital and the beautiful townhome development that's....

Mayor Valdes-Fauli: As a matter of courtesy to me, I would like to postpone this, because I have a lot of answers to this and I think it deserves a response and I don't have the time to do it. So, I would like to have this tabled.

Vice Mayor Keon: I voted in favor the last time. I'm still in favor of it. If it would help you to postpone it, I'm willing to postpone it.

Mayor Valdes-Fauli: OK. Thank you.

City Attorney Ramos: I'll suggest you continue it, not....

Vice Mayor Keon: Continue it to the next meeting, unless you are ready to vote on it today.

Commissioner Quesada: The reason I put it on, I want to have a lengthier discussion on it. I did. And, my apologies to the people at Baptist that are here, but the problem was to have a lengthy conversation on this.

Mayor Valdes-Fauli: Thank you.

Vice Mayor Keon: So, we'll continue it to the next meeting.

Commissioner Mena: Can we make sure to make this the first item at the next meeting, since they've been postponed twice.

Commissioner Lago: I think that would be a good thing.

Mayor Valdes-Fauli: Let's do it at 9:30 time certain.

City Attorney Ramos: Would somebody like to make a motion to continue it?

Commissioner Quesada: So moved.

Commissioner Mena: Second.

Vice Mayor Keon: Call the roll please.

Commissioner Quesada: Yes

Vice Mayor Keon: Yes

Commissioner Lago: Yes

Commissioner Mena: Yes

Mayor Valdes-Fauli: Yes

(Vote: 5-0)

City Attorney Ramos: Commissioner Mena, the answer is that it depends on how it's drafted, so we need to look at the document and figure it out. We will do that for next meeting.

Commissioner Mena: We need to make sure it happens early in the morning – two meetings in a row.

Vice Mayor Keon: So, this item will be set for 9:30 at the next Commission meeting, which is January – February 13th, I'm sorry, February 13th.

[End: 2:29:46 p.m.]