

City of Coral Gables City Commission Meeting
Agenda Item E-5
September 26, 2023
City Commission Chambers
405 Biltmore Way, Coral Gables, FL

City Commission

Mayor Vince Lago

Vice Mayor Rhonda Anderson

Commissioner Melissa Castro (On Zoom)

Commissioner Ariel Fernandez

Commissioner Kirk Menendez

City Staff

City Attorney, Cristina Suárez

City Manager, Peter Iglesias

City Clerk, Billy Urquia

Public Speaker(s)

Agenda Item E-5 [1:05 p.m.]

An Ordinance of the City Commission of the City of Coral Gables, Florida approving the Purchase and Sale Agreement between the City the City of Coral Gables, a municipal corporation existing under the laws of the State of Florida and C/LeJeune, LLC, a Florida Limited Liability Company, for the Transfer of Development Rights, as defined in Article 16 and Sections 8-114 and 14-204 of the Zoning Code, from the Coral Gables Museum Property, located at 285 Aragon Avenue, Coral Gables, Florida 33134 directing that all proceeds from the Transfer of the Development Rights be placed in the City ’s Historic Building Fund; and providing for a repealer provision, severability clause and providing for an effective date.

Mayor Lago: We’re going to listen to one more item before we go to lunch and that would be item E-5.

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Agenda Item E-5 – Ordinance approving the purchase and sale agreement between the City of Coral Gables and C/LeJeune LLC

[Date]

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City Attorney Suarez: E-5 is an Ordinance of the City Commission of the City of Coral Gables, Florida approving the Purchase and Sale Agreement between the City the City of Coral Gables, a municipal corporation existing under the laws of the State of Florida and C/LeJeune, LLC, a Florida Limited Liability Company, for the Transfer of Development Rights, as defined in Article 16 and Sections 8-114 and 14-204 of the Zoning Code, from the Coral Gables Museum Property, located at 285 Aragon Avenue, Coral Gables, Florida 33134 directing that all proceeds from the Transfer of the Development Rights be placed in the City 's Historic Building Fund; and providing for a repealer provision, severability clause and providing for an effective date. This does require a four-fifths vote and it is a public hearing item.

Mayor Lago: Perfect. How are you.

Asset Manager Sardinas: Good afternoon, Mayor, Commissioners, Zeida Sardinas, Asset Manager. On August 17, 2022, the Historic Preservation Board approved the issuance of certificates of transfer of development rights for the 285 Aragon Avenue, Coral Gables Museum property, in the amount of 71,136 square feet, as well as the maintenance plan for the property. On August 24th, the City Commission found that it would be in the best interest of the city to make the property TDRs available for sale so that proceeds from the sale of the TDRs could be used to fund the continued restoration and maintenance of city owned historic buildings. At that time, the Commission also authorized the City Manager and the City Attorney to negotiate purchase and sale agreements for the sale of the TDRs and directed that the proceeds from those sales should be placed in the city's historic building fund. On June 28th, the City Commission approved an application for the receipt and use of TDRs for the mixed-use project referred to as Regency Tower on a property that encompasses 290, 272, 250, 244 Valencia Avenue, 247, 297 Almeria Avenue, and 2701 Salzedo Street in Coral Gables, Florida. Recently, C/LeJeune, LLC expressed an interest to the city in purchasing 40,000 square feet of the city's available TDRs. The proposed terms of the purchase and sale agreement negotiated and stated in the agreement are a purchase price of \$40.00 per square foot for the TDR or \$1.6 million dollars. A ten percent deposit of \$160,000, and a closing within 30 days of the effective date, subject to the provisions of the agreement. C/LeJeune has also requested to purchase additional TDRs up to 61,789 square feet, inclusive of the 40,000 square feet. Upon the same terms and conditions if they provide notice to the City Manager in writing within ten days after the City Commission approves the ordinance. Staff recommends approval.

Mayor Lago: Thank you very much. Mr. Manager, do we have any other further comments.

City Manager Iglesias: Mr. Mayor, Commissioners, these TDRs come from the Museum. We have a total of 71,136 TDRs that can come from the Museum. The price is \$40.00. We feel, due to the amount, it's a premium number.

Mayor Lago: In reference to the most recent sales in TDRs, how are we in regard to the market.

City Manager Iglesias: Between 25 and 30 is the rest of the market.

Mayor Lago: So, we're well ahead. Perfect. Is there any public comment?

City Clerk Urquia: No, Mr. Mayor.

Commissioner Menendez: I'll like just to comment. I think it was at the last Commission meeting we recognized Ellen Uguccioni, our first Historic Preservation Director, our long-term Historic Preservation Director. If I'm not mistaken, she created the TDR program, specifically to provide funding for Historic Preservation of our city assets and our landmarks, and I thought it was great to know the history and why this program was created. We've had discussions in the past, we have items today regarding a lot of city historic assets that need work, need preservation – the windows at City Hall, the Water Tower, a great many other facilities. This program was created just for that and I'm sure it was created probably more than 20 years ago. So, I'm not only a supporter of the program, I'm encouraged to know that if everything goes well, we'll have additional funds for the assets that are near and dear to the hearts of our entire community and everyone here. I think every little bit helps.

City Manager Iglesias: And if I may say Mayor, this will not be going to the General Fund. We have a historic account, which all this money will be going to, and it will just be spent on historical projects.

Vice Mayor Anderson: Mayor. I had the pleasure and opportunity to spend from 8:30 in the morning till about 12:30 on Sunday with Ellen Uguccioni, who I'll confirm for you, did make the TDR program in addition to other code changes that encouraged people to preserve the historic buildings, as opposed to having them torn down. Was an amazing historian, she's an amazing woman, and I will hold it dear in my memory forever more. I'm a strong supporter of this program. I think it's a wise choice in order to help deal with the historic buildings are expensive to maintain and they are a labor of love, and we

constantly need to keep in mind on a budgetary process. So, I don't know if we have any public comment and if we're ready for a motion. I'm ready to move this.

Commissioner Fernandez: Just to chime in. I've always questioned the sale of the TDRs in the past and I've been able to meet with the Manager and with the City Attorney over the last few weeks to kind of discuss this process and make sure that the city is getting their best bang for the buck on these, and we are selling – and its important for residents to know, we are selling above market value, and we're also ensuring that these are going to a project that is currently approved. It's not for a project that has not been approved already. It's a project that is already approved, ready for construction and ready to move forward. The one question that I did have, Madam City Attorney, at agenda review I had asked if it was possible to include in the agreement that the TDRs were going to this specific project. I don't know if we were able to get an update on that.

City Attorney Suarez: So, the representative of the purchaser is here.

Mayor Lago: How you doing sir.

Mr. Jimenez: Good afternoon, Joe Jimenez, on behalf of C/LeJeune, offices at 2020 Salzedo Street. Commissioner, as you correctly state, we are very ready to go, but this is a marketable instrument. If, for whatever reason, we have funding, we have everything in place, except the permit. We are in for foundation permit. We are about to go in for the vertical permit, which we've already gotten some comments from the city on. It just makes me uncomfortable in just the small event that anything happens, we wouldn't be able to abandon this and do another project on this very site maybe when the time is right. It is a miniscule, miniscule chance, but I could only use them anywhere else with specific approval by the process that would allow me to be a receiving site and be approved by this Commission as a receiving site. So, I don't want to limit myself to just not be able, but I couldn't do it anyway at the flip of a switch, because my client is buying a marketable instrument. If he turns around and sells them, they will have to then come to this Commission. I'm sorry Commissioner.

Commissioner Menendez: No, no, no. Very well explained. I have a suggestion, because I think we've gone down this road before. Madam City Attorney, let's say this gets approved first reading, comes back for second reading, if I'm not mistaken, can we then or I and I'll be more than happy to sponsor/co-sponsor a company a resolution that once a transaction is completed that once the city has received those dollars that we can then direct it toward the Water Tower, or – separate legislation not tied.

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City Attorney Suarez: The use of the funds is something that the Commission can address, obviously at a later time, but that does not really have to impact the approval of this item. This item is approving the deal.

Commissioner Menendez: And that's why I'm saying as a separate piece of legislation when this comes back for second reading, we can put something at the end of the day, that once the certain amount of money is received, then do it. I don't want to connect the two, but I think we can get to where we all want to get to.

City Attorney Suarez: You all can decide on the timing of when you do that.

Commissioner Menendez: Perfect.

Commissioner Fernandez: And as to my question on the reuse, if it didn't apply to this project, it would still come back to the Commission.

City Attorney Suarez: Correct. Whenever TDRs are going to be used on a site, that has to be approved, that site has to be approved by a receiving site, as a receiving site by the Commission, I'm sorry.

Mayor Lago: Perfect. Do we have a motion or any further comment?

Commissioner Menendez: I'll move it.

Vice Mayor Anderson: I did.

Commissioner Menendez: Then I'll second. Sounds good to me.

Commissioner Menendez: Yes

Vice Mayor Anderson: Yes

Commissioner Castro: Yes

Commissioner Fernandez: Yes

Mayor Lago: Yes

(Vote: 5-0)

Asset Manager Sardinas: Thank you so much.

Mayor Lago: Thank you very much guys. I appreciate your hard work. Thank you to staff, as always.