

City of Coral Gables

*405 Biltmore Way
Coral Gables, FL 33134
www.coralgables.com*



Meeting Minutes

Wednesday, October 11, 2023

8:30 AM

Police and Fire Headquarters, Community Meeting Room

Property Advisory Board

The Property Advisory Board will be holding its Regular Meeting on Wednesday October 11, 2023, commencing at 8:30 a.m. Members of the public may participate in person but are also able to participate via the Zoom platform. Members of the public may join the meeting via Zoom at <https://us06web.zoom.us/j/88481493942>). In addition, a dedicated phone line will be available so that any individual who does not wish (or is unable) to use Zoom may listen to and participate in the meeting by dialing: 305-461-6769 Meeting ID: 884 8149 3942.

To speak on an Agenda Item, please "Raise your Hand" or send a message to one of the meeting hosts using the Zoom Platform. If you joined the meeting via telephone, you can "Raise your Hand" by pressing *9.

CALL TO ORDER

The Meeting was called to order by Chairperson Jack Lowell at 8:34 AM.

ROLL CALL

Chairperson Lowell, Vice Chairperson Manrara, Board Members Mazzei Anderhub, Nicolas, Maderal, Moreno, and Zoller were present at the meeting.

1 APPROVAL OF THE MINUTES

Board Secretary Garcia announced that the minutes were updated to include the election of Board Member Alberto "Papo" Manrara as the Vice Chairperson. Following that, Board Member Mazzai Anderhub proposed a motion to accept the amended minutes, which was seconded by Vice Chairperson Manrara. The motion was passed unanimously.

2 APPROVAL OF THE MINUTES

23-6496 Property Advisory Board - September 20th - Draft Minutes

Attachments: [Sept 20 - Draft](#)

3 UNSOLICITED/PROPOSALS BIDS

Zeida Sardinas, the Board Liaison, informed the Board that the City had not received any unsolicited proposals or bids.

4 ASSET MANAGEMENT REPORT**a. Rent Report**

Staff Liaison Sardinias informed the Board of an item she presented to the City Commission in October regarding the Coral Gables Country Club cafe. Staff Liaison Sardinias stated that she had been negotiating with the previous operator of the restaurant for six months; she further informed the Board that the City and the operator of the Cafe had a revenue split instead of a traditional rental agreement.

Ms. Sardinias informed the Board that the business side of the Country Club is a new venture for the City, providing memberships for access to the facilities and gym. The Country Club further offers event rentals with catering, in which the renter could choose from a list of vendors and price points. Chairperson Lowell inquired whether a renter could cater their event, to which Ms. Sardinias stated that they could not. Chairperson Lowell further inquired if the City receives anything from the catering side of the business, to which Ms. Sardinias noted that she is not familiar with that side of the business, further stating that Mitch Zuriarrian is the Director and that the Country Club has its own Advisory Board. Ms. Sardinias clarified that her involvement at the Country Club as the Asset Manager is to Manage the contacts between the tenants of leased properties on site (Cafe and Granada Diner) and the City.

Staff Liaison Sardinias proceeded to update the Board on the Cafe at the Country Club (Le Parc); she started by providing background and stating that the City had been negotiating with Fresh An to extend the contract. The City had gone to the commission to extend the agreement while the contract was negotiated, and Fresh An decided not to continue negotiations. Ms. Sardinias further explained to the Board that the parties could not agree on terms and that the operator vacated the space. Ms. Sardinias informed the Board that the Cafe did not stay closed for long, stating that Community Recreation temporarily hired a local vendor called Coffee Vibes to serve the community; the City purchased baked goods and pastries from another vendor, and City staff was working in the Cafe.

A Board Member inquired about the status of the Granada Golf Course Diner (Burger Bob's). Ms. Sardinias answered by stating that the City has a contractor in place and hopes construction starts soon. Ms. Sardinias further informed the Board that the City Commission had directed staff to negotiate with Rita Tennyson, who used to work at Burger Bob's. Ms. Sardinias stated that the City does not want competing menus at both properties on the Country Club complex and to stray within the Diner concept at the new Diner Location. A member of the Board inquired about the type of contract to be awarded at the Diner; Ms. Sardinias answered by stating that the City has not yet negotiated the terms plans on a revenue split.

Ms. Sardinias informed the Board of a case at the Supreme Court of Florida, *Brown v. City of Gulf Breeze*, which she is monitoring regarding municipal tax exemption, as it will determine the taxation of the Golf Course and the three properties on its campus.

The Board discussed the rent report; Board Member Zoller inquired on Sra. Martinez and the rent abetment. Ms. Sardinias informed the Board that Sra. Martinez and Francesco's negotiated a rent abetment period during their build-out.

Ms. Sardinas informed the Board that she is working on a vertical subdivision for the Miracle Theater and Francesco's due to the Miracle Theater being a non-profit organization. Ms. Sardinas further explained that the City is currently working on the legal description for the property.

The Board went around the room and introduced themselves.

b. Vacancy Rate Report

Staff Liaison explained that the Coral Gables office submarket has an overall asset value of \$5.1 Billion. The citywide office vacancy rate for 2023 Q3 is 10.1%. The board reviewed the vacancy of the Central Business District, 12M SF, with 10.1% vacancy and a rent of \$49.04/SF. Rents for 4 and 5-Star office properties are at \$53.00/SF, while 3-Star rents stand at \$46.00/SF, representing lower premiums for high quality spaces. Coral Gables is an active market in Miami, with sales volume representing over 7% of broader Miami market activity in the last three years. The previous two years' largest sales occurred in August 2023 for over \$54 million. This sale involved the purchase of the 255 Alhambra, a 221,000 SF property at 255 Alhambra Circle. This older 4-star property, built in 1974, traded for over \$245/SF, a discount relative to market pricing of \$370/SF. In the leasing vacancy forecast, according to Co-star, it is projected that 3-star properties will have a decreased vacancy rate, while 4-5-star properties will have an increased vacancy rate. The retail occupancy rate is currently at 99% citywide, leaving a 1% vacancy.

For more information, please reference the Occupancy/Vacancy Retail & Office 2023 Q3 PDF.

c. City-owned Leased Property Condition Report

5 OPEN DISCUSSION/ OTHER BUSINESS/ BOARD MEMBER ITEMS

During the meeting, the Board discussed the possibility of opening up local businesses in the City, with a focus on exploring the City's European-styled aspects, in order to make it more leisure-friendly. However, for businesses in that category, the rent becomes too expensive and can become a hindrance. One of the members expressed a desire to collaborate with the Board to come up with recommendations and present a possible solution to this problem. This would potentially bring more citizens who have specialty shops in.

Staff Liaison Sardinas, stated that she will circulate the list of the Cityowned properties for the Board to discussed at the next meeting.

6 ADJOURNMENT

The meeting was adjourned at 9:44 AM

NOTE