



City of Coral Gables
CITY COMMISSION MEETING
May 13, 2014

ITEM TITLE:

Discussion regarding request for proposal for the City owned garages 1 and 4 on Andalusia Avenue.

BRIEF HISTORY:

On May 28, 2013, through Resolution No. 2013-91, the City Commission authorized staff to enter into an agreement with Abramson & Associates to develop a request for proposal (RFP) for the redevelopment of the City's two garage properties on Andalusia Avenue known as Garages 1 and 4, which are aging structures in need of replacement. It was proposed that the RFP process would occur in two stages, first a stage to pre-qualify interested developers, and then a more in depth proposal for those that qualify.

Since that time, staff has worked with the consultant to prepare the Stage One portion of the RFP that is now being presented to the Commission.

The draft has been structure in accordance with the May 28, 2013, presentation and cover memo that noted:

The garage site behind Actor's Playhouse at 245 Andalusia Avenue (Garage 1) is 34,941 square feet. Developers have noted that this site is too small to be viable for many uses if the public parking is replaced and increased on site. The garage site at 385 Andalusia Avenue (Garage 4) across from Publix, is 55,000 square feet, and is a more viable site for development. Several developers have indicated a desire to consider the sites together, so that they could fully develop the larger site for private development and plan for all the public parking spaces on the smaller site, which is strategically advantageous for public parking because of the two paseos and central location relative to restaurants and retail. Therefore, issuing an RFP for both sites with the Garage 1 site being dedicated to public parking would allow developers to propose private development solely on the Garage 4 site providing greater efficiency for the operation and/or construction of the public parking and/or greater efficiency for the private development projects. Developers all noted that it is less efficient to mix the public and private uses in the same project. This also enables a developer to control the staging (with reasonable constraints set by the City) by completing replacement of the garage on the smaller site prior to demolition on and redevelopment of the larger site.

Additionally, the draft proposal provides that developer(s) when selected to pursue negotiations would reimburse the City towards the City's consultant and attorneys' fees and other out-of-pocket expenses related to this process, and it would be the intent that in the executed agreement, the selected developer(s) would agree to reimburse the City for the balance of its expenses in this regard. As previously noted, it is possible to place both sites into a Mixed Use District, so that development rights could be transferred to allow for the best development in this significant area of the City.

The draft proposal provides that the City Commission is not obligated to designate a developer for the two sites. Rather, based on the input derived at each stage, the City Commission may make an informed determination, in its sole discretion, to proceed or not based upon an assessment of the various proposals. Today, neither site is at its highest and best use.

On April 22, 2014, the Commission requested that the current RFP draft proposal be presented for further discussion. Among the items raised for consideration, were two issues that were mentioned in the May 28, 2013, meeting (see attached transcript):



First whether some public parking can be accommodated on the Garage 4 site; and

Second whether the Garage 4 site should be developed under a long term land lease only, as opposed to allowing the opportunity for a developer to propose a transfer in fee simple.

Staff discussed these concerns with Barry Abramson, who has provided the attached memorandum outlining some of the pros and cons. You will note that we have received input both from Mr. Abramson and several developers that accommodation of a floor a public parking on the Garage 4 site would not be a "deal breaker", but it would likely impact the bottom line return to the City on the project.

Additionally, we received feedback that there are some developers who will not participate in the RFP process if there is no option for obtaining the Garage 4 site in fee simple. It is likely that developers who would propose a condominium project and/or their lenders will require the title to be owned by the developer/condominium association. Requiring a long term land lease in the RFP, would likely limit the range of proposers and projects that the Commission would be able to consider.

APPROVED BY:

Assistant City Manager	City Manager
	

ATTACHMENT(S):

1. Draft Request for Proposal
2. Minutes from Commission Meeting of May 28, 2013
3. Memo from Abrahamson & Associates dated May 8, 2014