

**City of Coral Gables City Commission Meeting
Commission Chambers
Agenda Item E-3
October 13, 2020
405 Biltmore Way, Coral Gables, FL**

City Commission

**Mayor Raul Valdes-Fauli
Vice Mayor Vince Lago
Commissioner Jorge Fors, Jr.
Commissioner Pat Keon
Commissioner Michael Mena**

City Staff

**City Manager, Peter Iglesias
City Attorney, Miriam Ramos
City Clerk, Billy Urquia
Asset Manager, Zeida Sardinas**

Public Speaker(s)

Agenda Item E-3 [10:42 a.m.]

A Resolution of the City Commission authorizing entering into a Fourth Amendment to Lease with Coral Grand, LLC with regard to the City-owned premises at 997 N. Greenway Drive, Coral Gables, FL 33134 granting rent deferment for 100 percent of rent due August 1 and September 1, 2020 and 50 percent of rent due October 1, November 1, and December 1, 2020 (\$95,650.31), waiving any late charges, fees, and penalties provided for in the Lease during the deferment period and providing for an eight (8)-month deferred rent repayment plan January-August 2021.

Mayor Valdes-Fauli: And now we go to E-3. Madam City Attorney would you like to read.

City Attorney Ramos: Yes sir. E-3 is a Resolution of the City Commission authorizing entering into a Fourth Amendment to Lease with Coral Grand, LLC with regard to the City-owned premises at 997 N. Greenway Drive, Coral Gables, FL 33134 granting rent deferment for 100 percent of rent due August 1 and September 1, 2020 and 50 percent of rent due October 1, November 1, and December 1, 2020 (\$95,650.31), waiving any late charges, fees, and penalties provided for in the Lease during the deferment period and providing for an eight (8)-month deferred rent repayment plan January-August 2021.

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Commissioner Fors: Mr. Mayor thank you. I asked to pull this item to propose that it be deferred until the next meeting where we can get a better picture of the necessity and the conditions, the financial circumstances at the Coral Gables Country Club is experiencing. I understand as a banquet hall that they have been particularly affected by the pandemic. At the same time, during the pandemic, I've heard numerous complaints of the manner in which they've approached return of deposits by people who were forced to cancel events during the pandemic, of particular concern more than one Coral Gables based non-profit. In order for me to have a full picture and be able to vote on this, I would like to have disclosure by them of the amount of money in deposits that they've retained.

Mayor Valdes-Fauli: Make a motion to defer.

Commissioner Fors: I move to defer and to request, if we can, a disclosure of how much money in deposits they've retained due to cancellations for the pandemic, because I don't believe that's something that would be reflective in the sales tax reports that we reviewed and perhaps also, some information on what their employee situation is like, in terms of layoffs during the pandemic.

Mayor Valdes-Fauli: All those in favor of deferring say aye.

All: Aye.

Mayor Valdes-Fauli: Opposed – likewise. Thank you, Commissioner.

Commissioner Keon: Have they also received any relief dollars; do we know?

Commissioner Fors: I don't that. I would be good to know too.

Commissioner Keon: If they've received any relief dollars through the federal government?

Commissioner Mena: She is answering the question.

Ms. Sardinas: Good morning Mayor and Commissioners, Zeida Sardinas, Asset Manager for Economic Development. The provision that we included in the Fourth Amendment does state that if they have, they needed to use that money as it was given. So, I do believe they have, but I don't have an answer in writing from them that they have, so I could ask that question as well.

Commissioner Keon: Thank you.

Ms. Sardinas: I am happy to pose the questions you have Commissioner.

Commissioner Fors: Thank you.

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Commissioner Mena: Sorry, I just want to follow up on that point. What do we ask for, not just from them, but from anybody who is seeking rent deferment in terms of, do we get like any sort of certified financial statement or anything that really gives us a commitment from them on what their financial picture looks like, so we can make a decision, or is this sort of more of an honor system, if you will.

Ms. Sardinas: No. With respect to the Country Club in particular, Commissioner, we requested sales figures from 2019, all of 2019 and all of 2020, so that we could see the drop off that had happened. And I will tell you that they lost a substantial amount, because they have been technically closed. They are an event venue and that's really where their revenue mostly comes from.

Commissioner Mena: But I assume that doesn't reflect overhead, reductions in overhead, I assume.

Ms. Sardinas: Its all gross revenues. They do provide the city every year with a financial statement that has to be reviewed by a CPA, because there is a percentage of rent for lease, and so, we do receive.

Commissioner Mena: I want to make clear, not just for, again, this is not specific to them, but really for any entity that's seeking rent deferment from us, I think its fair for us to request a complete financial picture which would be more than just their sales figures, because obviously we understand sales figures are down, but if they reduced overhead. There are a lot of businesses out there that have cut overhead significantly, received CARES Act dollars and what not, the picture may not be as grim as it seems from the sales figures, although I have no doubt that its not a good financial picture. We should have that information before we agree to defer rent for any tenant or entities in the city, because I think we are entitled to it.

City Manager Iglesias: Let me clarify Commissioner. We have not done abatement, we've done deferment only for a two-month period, so it has not been any abatement. In addition to that, for instance the Biltmore, we had Finance do a complete review before we gave that deferment. So, we have been very diligent in that, but we have not given any abatement, it's all been deferment.

Commissioner Mena: Understood. Even with deferment I would – we are not asking to go and conduct a full-fledge audit, but just give us a full financial picture so that we can really assess.

Vice Mayor Lago: And you are aware also, as you know, you know better than anybody and I talk to the Manager about this, goes to your point. All these businesses that are getting deferrals across the board, when they renegotiate their contracts in the near future, a new lease agreement, one of the first things they are going to say is, give me the abatement for the deferral. Its going to happen, if you want me to sign another five- or ten-year lease or whatever it may be. A deferral is a very good chance that it will turn into an abatement at the end of the lease anyways.

Mayor Valdes-Fauli: Maybe so, but why don't we continue with this discussion at the next meeting.

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Vice Mayor Lago: That's fine. I agree.

Mayor Valdes-Fauli: There is the Biltmore and there is so much money there that I think we should.

Vice Mayor Lago: I agree a hundred percent.