

CITY OF CORAL GABLES, FLORIDA

ORDINANCE NO. 2021-

AN ORDINANCE OF THE CITY COMMISSION OF THE CITY OF CORAL GABLES AUTHORIZING ENTERING INTO A PURCHASE AND SALE AGREEMENT (THE “PSA”), AS AMENDED, TO THE PSA FOR THE SALE OF THE CITY-OWNED SURFACE PARKING LOT (#31) AT 350 GRECO AVENUE, CORAL GABLES, FL 33134 (FOLIO NO. 03-4120-017-2240) TO JRFQ HOLDINGS, LLC, A DELAWARE LIMITED LIABILITY COMPANY; PROVIDING FOR A SEVERABILITY CLAUSE AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City (the “Seller”) owns a surface parking lot at 350 Greco Avenue, Coral Gables, FL 33134 (Folio No. 03-4120-017-2240) (the “Lot 31”); and

WHEREAS, on December of 2018, the City received a letter from BF Group, LLC, who was purchasing the two adjacent lots located South of Lot 31 and was interested in acquiring the lot as an aggregate site for a development project; and

WHEREAS, in May of 2019, the City was approached by ZOM Living who controlled several parcels to the East of Lot 31, was designing an Assisted Living Facility, and was also interested in acquiring Lot 31 as an aggregate site for their project; and

WHEREAS, on May 14, 2019, the City Commission, pursuant to Resolution No. 2019-103, directed the City Manager to evaluate options for the sale and/or development of Lot 31 and provide recommendations to the City Commission on how to achieve those options; and

WHEREAS, after holding a meeting with the City on May 22, 2019, ZOM decided to proceed with their project as designed using only the lots to the East of Lot 31; and

WHEREAS, in December of 2019, the City was again approached by BF Group LLC representatives, who expressed their continued an interest in purchasing the Property from the City; and

WHEREAS, in February of 2020, to Sec. 2-1092 of the Division 12- Purchase, Sale, and Lease of Public Property of the City Code, the City contracted Waronken & Rosen, Inc. for an appraisal of Lot 31; and

WHEREAS, the City’s Planning and Zoning Department had provided the owners of the two (2) adjacent lots with a zoning verification letter for the lots; and

WHEREAS, the City’s Planning and Zoning Department also issued a zoning verification letter for the Lot 31 and both zoning verification letters were provided to the appraiser; and

WHEREAS, on October 16, 2020, BF Group, LLC forwarded the City a Purchase and Sale Agreement (the “PSA”) for Lot 31 from JRFQ Holdings, LLC (the “Purchaser”) for \$3,500,000. BF Group, LLC had sold their interest in the two adjacent lots to another entity who also had members in common with JFRQ Holdings; and

WHEREAS, the PSA became effective on February 8, 2021, at which time, the City, pursuant to Sec. 2-1092 of the City Code, contracted Quinlivan Appraisal PA, for a second appraisal of Lot 31; and

WHEREAS, the Purchaser is a private entity which is looking to further improve Lot 31 with the building of an overall project (the “Purchaser’s Improvements”) using Lot 31 and the two (2) adjacent lots to the south of Lot 31; and

WHEREAS, as additional consideration, the Purchaser’s Improvements’ project, which will be subject to the City’s project approval process, will include a parking garage where thirty-four (34) parking spaces (the “Public Parking Spaces”) will be located outside of any restricted parking areas within the garage and be positioned to always be accessible to the public; and

WHEREAS, the required parking spaces needed to meet the City of Coral Gables’ project approval for the Purchaser’s Improvements shall include the Public Parking Spaces; and

WHEREAS, the Purchaser’s Improvements project’s parking garage will be controlled solely by the Purchaser, who will charge parking fees, with parking revenues being the sole property of the Purchaser; and

WHEREAS, the Seller will not be required to pay any fees for the use and enjoyment of the Public Parking Spaces; and

WHEREAS, the Purchaser and Seller will enter into a Management Agreement for the surface parking lot Property on or after the closing date through the date on which construction begins on the Purchaser’s Improvements with the parking fees/revenues derived during that period being equally divided between the Purchaser and the Seller; and

WHEREAS, City staff concurs that given both appraisers’ opinion of value, the \$3,525,000 purchase price is within the appraised market value range for Lot 31; and

WHEREAS, the sale and subsequent Purchaser’s Improvements of the overall property would provide the opportunity for Lot 31 to become part of a high-quality project in a highly visible location, by and near major streets such as LeJeune Road, Bird Road, and Ponce de

Leon Boulevard, which is well within an area that the City has an interest in activating, thus furthering the City's economic development goals and objectives; and

WHEREAS, the sale of Lot 31 will result in a \$3,525,000 revenue increase which will be reflected in the FY20-21 City Budget and earmarked to fund existing capital projects, including the construction of Garage #7; and

WHEREAS, the sale of Lot 31 will have a long-term positive effect on City services, and provide additional parking and tax revenue to the City, which City staff estimates will surpass the amount of parking revenue that is currently being generated by the surface parking lot; and

WHEREAS, the Property Advisory Board, the Parking Advisory Board, the Budget and Audit Advisory Board, and the Economic Development Board, all reviewed the proposed terms and recommended that the City enter into the PSA based on the terms set forth in the PSA, at their meetings on March 10, March 25, March 31, and April 7, 2021, respectively; and

WHEREAS, at the May 11, 2021 City Commission meeting, the City Commission adopted the ordinance on first reading with a vote of 5-0 and provided direction for certain additional conditions; and

WHEREAS, on May 14, 2021, the First Amendment to the PSA was issued by the City pursuant to the direction provided by the City Commission on May 11; and

WHEREAS, the purpose of the First Amendment was to include a restrictive covenant, with specific conditions, that shall run with the land to bind the Purchaser and any successor-in-interest; and

WHEREAS, the restrictive covenant provided that the Public Parking Spaces shall (i) be available to the public at all times, (ii) be maintained by Purchaser at a standard equivalent to other municipal parking garages in the City of Coral Gables at Developer's sole cost and expense, (iii) include signage indicating the location of the Public Parking Spaces within the Property, (iv) include a certain number of handicapped parking spaces, as required by applicable law, and (v) include eight (8) individual electric vehicle charging stations within the Public Parking Spaces; and

WHEREAS, the restrictive covenant also provided that the charging stations shall be fully accessible to the public at all times and shall be in addition to the City of Coral Gables Code of Ordinances' electric vehicle charging requirement which mandates that new construction include a minimum of two percent (2%) of the required off-street parking spaces be reserved for electric vehicle parking; and

WHEREAS, all electric vehicle charging stations installed at the Property shall have a minimum charging level of AC Level 2; and

WHEREAS, the restrictive covenant also provided that Purchaser hereby agrees that the parking fees charged for the public's use of the Public Parking Spaces shall not exceed the lesser of (i) twenty-five percent (25%) over the maximum parking fee rates charged by the City of Coral Gables; and (ii) the maximum parking rate charged at City of Coral Gables privately-operated lots; and

WHEREAS, at the May 25, 2021 City Commission meeting, pursuant to Resolution No. 2021-85, the City Commission moved to reconsider the motion to adopt the ordinance on first reading, the motion passed, and after further staff presentation, public comment, and discussion, the City voted 4-0 to re-adopt the ordinance on first reading and provided direction for certain additional conditions; and

WHEREAS, on May 28, 2021, the Second Amendment to the PSA was issued by the City pursuant to the direction provided by the City Commission on May 25; and

WHEREAS, the purpose of the Second Amendment was to modify terms of the PSA to state that (i) the purchase price for Lot 31 shall be \$3,525,000, (ii) if the Commission Approval is not obtained by June 30, 2021 (the "Commission Approval Period"), this PSA shall be deemed to be terminated and the Deposit shall be returned to Purchaser, unless the parties agree to extend the Commission Approval Period; and

WHEREAS, the purpose of the Second Amendment was to modify terms of the restrictive covenant to state that (i) the Public Parking Spaces shall be located on the first level of the lowest elevated parking deck within the Purchaser's Improvements, (ii) the parking fees charged for the public's use of the Public Parking Spaces shall not exceed the maximum parking rate charged by the City of Coral Gables at public parking lots, (iii) the Seller shall not be required to pay any fees for the use and enjoyment of the Public Parking Spaces; and

WHEREAS, on June 17, 2021, pursuant to the City Commission's direction provided at the June 8, 2021 Commission meeting (Resolution No. 2021-163), the City issued the Third Amendment to the PSA (the "Third Amendment") to extend the deadline for Commission approval of the PSA, as amended, until September 30, 2021; and

WHEREAS, on July 13, 2021, pursuant to Resolution No. 2021-196, the City Commission directed the City Manager to follow Section 2-1091 of the City's Procurement Code for the sale of the Property; and

WHEREAS, on July 16, 2021, Lot 31 was advertised "For Sale" for sixty (60) days in the Daily Business Review, the CoStar real estate marketing internet site, and a "For Sale" sign was placed on the property; and

WHEREAS, City staff kept a log of all inquiries received regarding the sale of Lot 31 and provided a copy of the "For Sale" advertisement to the five (5) inquiries that were received; and

WHEREAS, on September 16, 2021, the sixty-day advertising period concluded and no additional offers for the purchase of Lot 31 were received by the City; and

WHEREAS, pursuant to Resolution No. 2021-196, the City Manager provided a Memorandum of Recommendation to proceed to place the Purchaser's PSA, as amended, on the September 28, 2021, City Commission Agenda for approval on Second Reading; and

WHEREAS, at Purchaser's request, a Fourth Amendment to the PSA, to extend the closing date to November 12, 2021, has been prepared; and

WHEREAS, pursuant to Section 2-1097 of the City Code, this Ordinance requires a four-fifths vote because the sale exceeds \$1,000,000; and

WHEREAS, pursuant to Section 2-1089 of the City Code, the City Commission waives any provision of Chapter 2, Article VIII that may not have been technically followed and finds such a waiver to be necessary in order to proceed with a purchase, sale, or lease which is in the best interest of the City, and that such waiver serves the public interest to the extent that any provision of this section was not complied with; and

WHEREAS, the City Commission finds that the Sale of the Property serves the public interest and that it is in the best interest of the City to authorize the City Manager to execute the PSA and the First, Second, Third, and Fourth Amendments to the PSA;

NOW THEREFORE, BE IT RESOLVED BY THE COMMISSION OF THE CITY OF CORAL GABLES, FLORIDA:

SECTION 1. That the foregoing "Whereas" clauses are here hereby ratified and confirmed as being true and correct and are hereby made a specific part of this Ordinance upon the adoption hereof.

SECTION 2. That the PSA, as Amended, for the sale of Lot 31 is hereby approved in substantially the form attached as Exhibit A, B, C D, and E with any such modifications as may be approved by the City Manager and the City Attorney to carry out the City Commission's intention.

SECTION 3. If any section, part of section, paragraph, clause, phrase or word of this Ordinance is declared invalid, the remaining provisions of this Ordinance shall not be affected.

SECTION 4. That this Ordinance shall become effective upon the date of its passage and adoption herein.

PASSED AND ADOPTED THIS TWENTY-EIGHTH DAY OF SEPTEMBER, A.D., 2021.

(Moved: / Seconded:)
(Yeas: / Nays:)
(Vote:)
(Agenda Item:)

APPROVED:

VINCE LAGO
MAYOR

ATTEST:

BILLY Y. URQUIA
CITY CLERK

APPROVED AS TO FORM
AND LEGAL SUFFICIENCY

MIRIAM SOLER RAMOS
CITY ATTORNEY