



City of Coral Gables
CITY COMMISSION MEETING
August 28, 2018

ITEM TITLE:

A Resolution approving general terms and authorizing the City Manager to negotiate a Purchase and Sales Agreement with Cal Rosenbaum for the purchase of this residential property located at 7000 Old Cutler Road, Coral Gables, FL on the west corner of Cartagena Plaza for purpose of preserving landscaped open space and renovating the existing house for use as a fire station to enhance fire rescue response time to the surrounding neighborhood. (The Purchase and Sales Agreement to come back to Commission for approval)

DEPARTMENT HEAD RECOMMENDATION:

Approval

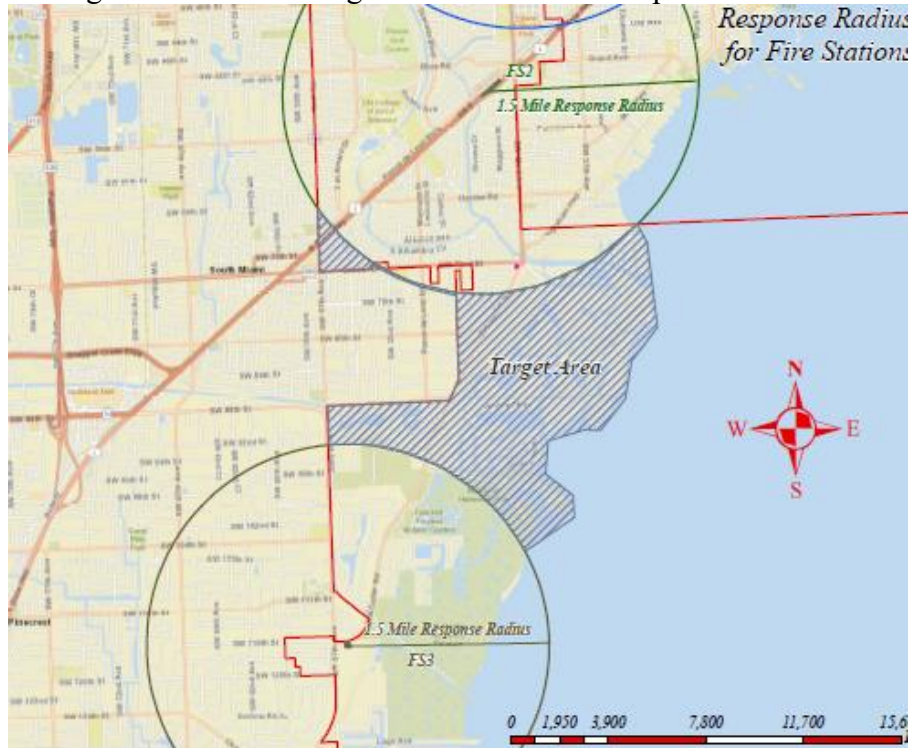
BRIEF HISTORY:

The City is exploring the possibility of locating a fire station between Fire Station 2 (currently located at U.S. 1 and Riviera Blvd.) and Fire Station 3 (located at 11911 Old Cutler Rd), with the objective of enhancing response times. Historically, response to this central area of the City has been challenging due to travel distances and access limitation caused by traffic congestion and lack of alternate travel routes. The fire station is projected to enhance response times to the south end business district, as well as the surrounding communities, such as Coco Plum, Gables Estates, Hammock Lakes, and the west end of the University of Miami.

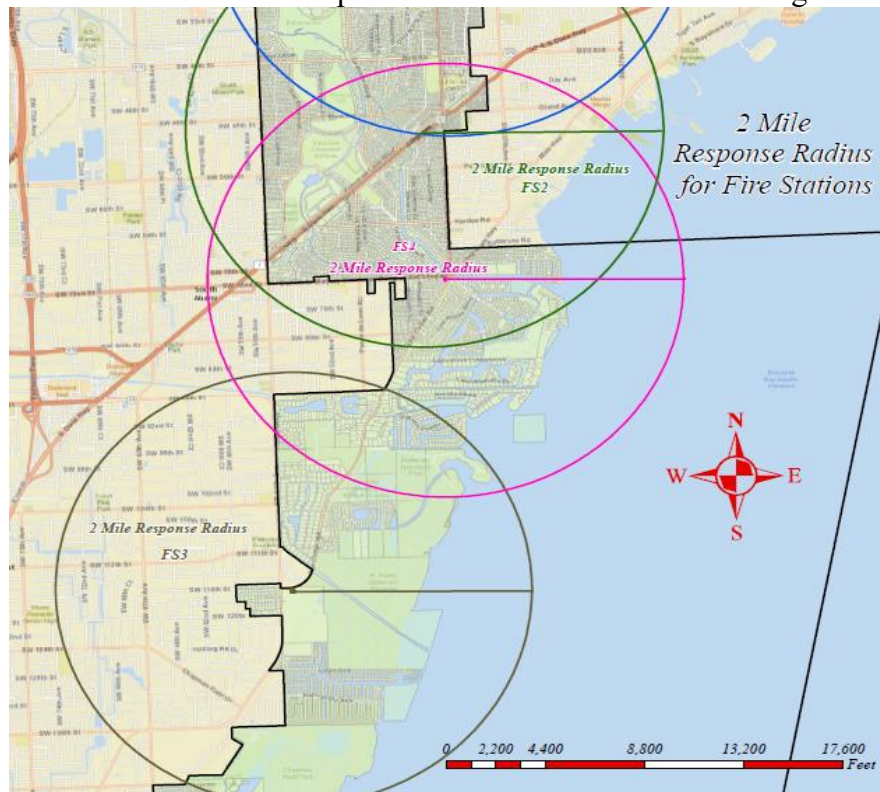
The Fire Department has provided the following criteria in search for a new location:

- A location near Sunset Drive to enhance East/West travel routes south of US-1 where access to communities such as Coco Plum, Gables Estates, and Hammock Lakes has been challenging;
- The location should narrow the 5-mile gap between Fire Station 2 and Fire Station 3; reducing the distance between the fire stations to 3 miles or less.
- The location should provide alignment of resources within a set boundary without creating duplication of efforts. This arrangement will enhance the effectiveness of response radiuses and response times.

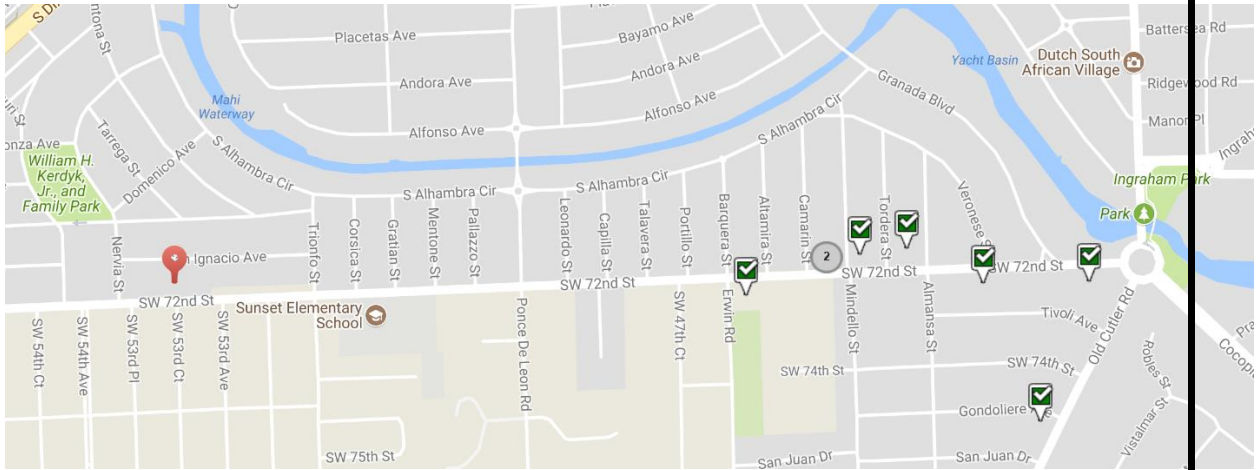
Staff wants to ensure it finds a site that provides for a response enhancement with minimal impact to the neighborhood in the target area noted in the map below:



The result of a new firestation in the prescribed area creates the following coverage:



The Economic Development & Fire Department has analyzed the criteria and has reviewed several possible sites including city-owned sites, commercial, residential and green spaces, example of sites are noted below.



Based on the City's search, the City has identified 7000 Old Cutler Road (the "Property") which meets the criteria established above. The lot is 32,716 SF and includes a house built in 1936 that is 3,381 SF. The City's Historical Preservation reviewed home and determined it did NOT have historic significance. The property lies adjacent to approximately 16,000 SF of City right of way (ROW), and has three entrances: Old Cutler Road, Coco Plum Plaza and Sunset Drive (see arrows in image below for entrances). In addition, there are 136 trees that create a visual barrier from all three streets and the neighboring homes.



Below is a streetview from Cocoplum Plaza facing south



This location not only provides an opportunity for a Fire Station, but also creates synergy for the potential use of green space due to its proximity to Ingraham Park, Cartegenra Park, and the Old Cutler Trail.

The City would operate a Fire Station hub in one of the three existing structures and initially have one fire truck responding from the site.

In accordance with Section 2-1092 of the Procurement Code, two real estate appraisals were conducted with regard to the Lot. The appraisals were done by MAI certified appraisers' Blazejack & Company and Waronker & Rosen, Inc. The appraisers valued the site based on its current allowed used and a hypothetical institutional use.

	Value	Structure	Lot	Value	Structure	Lot	Premium
	Value PSF of			Value PSF of			
1. Waronker and Rosen	\$1,300,000	\$384.50	\$39.74	\$1,800,000	\$532.39	\$55.02	38.46%
2. Blazejack	\$3,400,000	\$1,005.62	\$103.92	\$3,900,000	\$1,153.50	\$119.21	14.71%
Appraisal Difference	(\$2,100,000)			(\$2,100,000)			
3. Magenheimer	\$1,900,000	\$561.96	\$58.08	\$2,900,000	\$857.73	\$88.64	52.63%

Due to the significant difference in values, the City has ordered a third appraisal. The appraisers valued the site as a vacant parcel since its highest and best use is an optimum size single family vs. the smaller home currently on the site.

The proposed terms would be as follows:

- The purchase price would be \$4,000,000;
- The Owner conveys title to the City on January 15, 2019;
- The City would order a thorough inspection during a reasonable due diligence period;
- Any delay in closing by the City will result in a \$20,000 a month penalty

- The current owner will continue to live in the property for up to two years providing liability protection to the City at the cost of the City.
- The owner will continue managing the everyday repairs & maintenance and the City will be responsible for replacement of capital items such as windows, appliances, roof and other major capital items during the tenancy;
- Contingent on immediate neighborhood and Commission review/approval;
- No Broker involvement.

The City plans on paying for the Property via the following funding:

	Funding
Impact fees	\$2,300,000
General Cap Improv.	200,000
State Grant	1,500,000
	<u><u>\$4,000,000</u></u>

The proposed deal terms were presented to the Budget Advisory Board met on June 28, 2018 who voted to 4 to 1 in favor of the deal terms proposed. The Economic Development Board (EDB) met on May 2, 2018 and motion was made to accept the deal terms contingent on the state grant be used towards improving the public green space (e.g. adding a bicycle pump station) and was unanimously agreed too. The terms were presented to the Property Advisory Board (PAB) on May 9, 2018, who unanimously recommended a purchase at \$3 million (not \$4 million) and recommend the City locate an alternate site within the criteria established.

Staff is requesting authorization from the City Manager to negotiate and draft a contract based on the proposed terms and submit to Commission for first and second reading.

ADVISORY BOARD/COMMITTEE RECOMMENDATION(S):

Date.	Board/Committee	Comments
6/28/18	Budget/Audit Advisory Board	Recommended approval of proposed purchase (vote: 4 to 1)
5/9/18	Property Advisory Board	Recommended approval at \$3 million not \$4 million and an alternate site as a backup.
5/2/18	Economic Development Board	Recommended approval of proposed contingent on state grant funding be used towards the proposed green space

FINANCIAL INFORMATION: (If Applicable)

No.	Amount	Source of Funds
TBD	\$2,300,000 \$ 200,000 \$1,500,000	Impact fees General Capital Improvement Funds Awarded State Grant
	Approved:	

ATTACHMENT(S):

- 1. Proposed Resolution;**
- 2. Letter of Intent;**
- 3. Public Notice to neighbors and comments**
- 4. Appraisal from Magenheimer**
- 5. Appraisal from Waronker & Rosen**
- 6. Appraisal from Blazejack**
- 7. Excerpt minutes of the Economic Development Board meeting of May 2, 2018**
- 8. Excerpt minutes of the Property Advisory Board meeting of May 9, 2018**