

# **City of Coral Gables City Commission Meeting**

**Agenda Item H-1**

**June 3, 2008**

**City Commission Chambers**

**405 Biltmore Way, Coral Gables, FL**

## **City Commission**

**Mayor Donald D. Slesnick, II**

**Vice Mayor William H. Kerdyk, Jr.**

**Commissioner Maria Anderson**

**Commissioner Rafael "Ralph" Cabrera, Jr.**

**Commissioner Wayne "Chip" Withers**

## **City Staff**

**City Manager, David Brown**

**City Attorney, Elizabeth Hernandez**

**City Clerk, Walter J. Foeman**

**City Clerk Staff, Billy Urquia**

**Development Director, Cathy Swanson**

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H-1 [Start: 10:28:56 a.m.]

Resolution authorizing the City Manager to issue a Request for Qualifications and Proposals for the long-term management and operations of a City-owned facility at 997 North Greenway Drive (also known as The Country Club of Coral Gables), subject to final review by the City Attorney.

Mayor Slesnick: H-1, David.

City Manager Brown: Mr. Mayor, this is a resolution authorizing the City Manager to issue a Request for Qualifications and Proposals for the long-term management and operations of a City-owned facility at 997 North Greenway Drive (also known as The Country Club of Coral Gables), subject to final review by the City Attorney, Ms. Swanson.

Ms. Swanson: Good morning Mayor, members of the Commission; you have a copy of the proposed draft both on-line and hard copy, its also available on-line for those watching the television, if you click to City Commission agenda items and we are under H-1, and they can click to the left of that and pull the document in front of them. I caution this is a draft; at the end of the day you really want a numbered official copy to work off of, so if anybody is looking to download that and use that document for submittal they need to have an official registered document through our office; should the City Commission authorize release, should the City Attorney finalize her review, and we issue June 10<sup>th</sup> then those numbered documents would be available. As I mentioned it is subject to final review by the City Attorney, the Assistant City Attorney has done a review, but we are also going to want the City Attorney's final review. If you authorize the City Manager to issue the RFP today, the cone of silence would come into effect when it is issued, we are scheduling that for June 10<sup>th</sup>. This is a Request for Proposals for parties interested in submitting proposals to lease the Country Club, it is not a management

agreement; we want to look at a long term lease agreement. We have suggested in the document that it be twenty years plus options, up to twenty years plus options, but obviously we are only recommending to the City Commission and it will also be up to the proposer to decide the appropriate term they would want to submit. Per your directive, the permitted uses are appropriately broad, it must be consistent with zoning, land use, and neighborhood appropriateness, it also must be good for the Gables both in quality of life and economic return. I'll review the schedule and then we'll walk through the document unless the Commission has questions they want to ask before. June 10<sup>th</sup> would be the release of the document, the advertising, and we are going to wide and heavy on advertising; we want any perspective user to know that it's going to be available and that we would be encouraging those qualified to submit. June 25<sup>th</sup> would be a walk-through of the facility; we also noted in the RFP that individual teams could also set up additional walk-throughs for themselves with the staff members, staff would not be able to answer questions, but they at least as a team would be able to think out loud as they walk through the property; it's really a lovely, lovely facility, the City is fortunate to have it in their portfolio and I think that proposers would want that extra view should they wish to. Questions would be due July 9<sup>th</sup> in writing; proposers may look at something differently as for clarifications, they submit that in writing to us, we disseminate to all those that we have received an official proposal so that everyone has the equal information. An Evaluation Committee would be formed and the Evaluation Committee, I'm sorry, July 31<sup>st</sup> proposals would be due, so we issue June 10<sup>th</sup>; we have proposals due July 31<sup>st</sup>, gives us an opportunity to certify, qualify, review all of the proposals and forward to an Evaluation Committee those that met the minimum requirements of the RFP. The Evaluation Committee as we've done in the past would be an inter-Board Evaluation Committee, Property Advisory Board, Budget Advisory Board, Economic Development Board...[inaudible]... and the Procurement Code procedures, and then also other Boards like Historic Preservation because this is a historic property. The Evaluation Committee would convene the week of the 25<sup>th</sup> meeting with – conducting their interviews; we gave them an extra week September 2<sup>nd</sup> in case there are additional questions for their follow up; and then September 9<sup>th</sup> it would come back as a recommendation to you all. It's rather an aggressive schedule, but I know that everyone's interested in seeing the Club reopened and have the right kind of users. So we believe this is while it's aggressive we also believe it's doable. They are not designing a building; this is an existing building. There is a special provision in the RFP that also allows them, if they are bidding on the building, and it's bidding to lease, if they are bidding on the building they can also propose that they manage, operate, lease, the golf course, the nine (9) hole, and also the tennis courts. They would need to show that they are supremely qualified to do that; they would also need to show us that this is a public course, it would continue to be a public course, and the residents would have consideration, the members would have consideration, the rates would reflect that so that it wouldn't be a closed only to the user type of golf course and the same would be for the tennis courts. Currently the tennis courts were a part of the package, we are separating that out, we are allowing the proposer to bring it back in if he thinks it's appropriate. We talked a little bit about the goals, long term, financial, and programmatic stability; we want the right thing for a long time; exceptional operational and customer service reputation; attentive and ongoing maintenance of the physical plan. There are certain things that the City is going to be responsible to do, but there are also things that the lessee would be responsible, and as I use the term lessee, if they wish to sub out different components of the project they can, but this agreement with the City of Coral Gables when it is ultimately consummated would only be with one lessee, so we are not going to put you in a bind

where you are having to have several different sub groups that you are going to be working with. I've reviewed the schedule; I've talked about the pre-proposal conference; the exceptions to the RFP, as would every RFP as long as it is not – as long as they are allowed to make an exception in that provision, we don't specifically preclude it; they can make an exception, they have to explain why; they have to show us clearly what that would mean so the Evaluation Committee could review it. A perfect example of something that would not be allowed to be an exception would be something that was inconsistent with Zoning. The proposal format is reviewed on pages eleven and twelve. One of the considerations a management plan, we need to see the qualifications; we have the right to go visit facilities that they are holding up as items that show their experience; benefits to the community, the relationship to the neighborhood; the financial proposal. We have a minimum guarantee rent stated here, a participation rent, other financial benefits; so we are holding out what some of the expectations would be for the City. Page twenty-seven, the evaluation selection process. Your Evaluation Committee will review several different criteria and I'll just review that in terms of what we are proposing as a percentage. Proposers and management teams experience in qualifications in funding, organizing, designing, managing the type of operation that they are proposing; so they may be supremely qualified in something else, but if it is not what they are proposing that will not be relevant.

Commissioner Cabrera: Can I ask you then on that particular item, which is number one; you have a line and then twenty-five percent (25%)...

Ms. Swanson: With particular emphasis – that was a drafting, I thought maybe I would come up with something that was so inspirational and perfect; I haven't, so we are just going to cross that off, and put the finishing touch, I was using that as a place-holder, and I thought that...

Commissioner Cabrera: Could I get back to you with a suggested verbiage?

Ms. Swanson: Sure, sure, as the City Attorney review this, any changes that are significant we would be bringing back to you; any changes that are clarification, amplification, formant, we would submit to you in writing, how we changed it so that you could review that and be aware of what we've done after we looked at it, so that would be a perfect time.

Commissioner Cabrera: Since we are talking about the little blanks that were in the...

Ms. Swanson: There was a couple.

Commissioner Cabrera: The only other one that I saw was on page four, and again, I don't want to take away from what you've done, because I think you've done an exceptional job.

Ms. Swanson: Those were just in case we came up with something that was just...

Commissioner Cabrera: OK, got it, got it; what I'm going to do then, not that I can give you any perfection because I certainly cannot, but what I'm going to do is take a shot at giving you some ideas both on page four and on that page, so I appreciate you letting me interrupt you.

Ms. Swanson: Absolutely absolutely; but I'm just being totally honest and the blame. The ability of the development concept and uses to enhance and contribute to the quality of life of the Coral Gables community and the immediate neighborhood; this is in the middle of a very special area so the use has to be complimentary to it; twenty-five percent (25%) is our suggested number. Financial benefits to be derived from lease revenues, real estate, and other significant fiscal revenues; twenty percent (20%), we make note that it is not the driver and the decider, but we do want to see an appropriate return for the City Commission and the residents. Likely market and financial viability of the proposed project as they indicate a likelihood that the project will operate successfully and done in a timely manner, it doesn't matter how good your idea is if it's not going to be successful at the end. So we want to see that information, twenty percent (20%), and then we built in a special category, considerations given to former Club members, Coral Gables residents, and Coral Gables based organizations. This is a very special building, it has a special role, and we want to see how they would consider that.

Commissioner Anderson: Can we do a definitions page because I think consideration might give hopes to people.

Ms. Swanson: I tried to be vague.

Commissioner Anderson: No, I agree with you, but I don't want to give false hopes because I think we all talked about in the last meeting, our general consensus was that this was not going to be the same Club as before, and consideration, we might consider defining it, depends on the consensus of the Commission.

Ms. Swanson: I'll talk to the City Attorney to see how she suggests tightening that.

Commissioner Anderson: But we're not promising anything to the older members, but we hopefully giving them some potential, that the potential responder some ideas but I don't want to give the impression here in this community its going to be the same as it was before, just a thought.

Ms. Swanson: Absolutely, now the – if the Commission authorizes the RFP, we incorporate any final review of the City Attorney, we issue the RFP, its still not over. You have the June 10<sup>th</sup> issuance, the June 25<sup>th</sup> walkthrough, July 31 submittal of proposals, you have the recommendation brought to you September 9<sup>th</sup>; if you authorize that and its exclusively your right, its very clear in here; you have the right to pick any proposal that's in the best interest of the City. Then you will authorize the City Manager to negotiate, and we said as a place-holder they should look at that – that agreement would be negotiated by December 1<sup>st</sup>. If it can be done earlier, we'll try, but we want to get this moving, and we want them to be able to grab some of the season by getting that done on that December 1<sup>st</sup>. So we are requesting authorization to release and to move forward, and I'm here to answer whatever questions the Commission has.

Commissioner Withers: I have a couple questions Cathy. How are you going to deal with someone that might want to come in and do capital improvements?

Ms. Swanson: We left – talk about vague, we have a provision there that the City will negotiate with the successful proposer on what it is and is not willing to do. You do not have their economic proposal, you do not see what their rent is, so we left that in the negotiation process for something that we would have to – we are not presenting that we will do something; we are also not closing that.

Commissioner Withers: I guess what I'm saying is, how much weight is given to that? I know that when the Rouse Project was RFP'd that Rouse's proposal was looked upon favorably because of their willingness to buy additional lands, and package it with the City's land. Are we going to give additional weight if someone comes in and will do capital improvements that we need to have done, roof, A/C, or something like that?

Ms. Swanson: That would be loaded as part of the financial proposal of what the City would be receiving. We say the taxes the revenues, and any other financial benefits. So if they come in and they do the HVAC, and the City, whether or not it would be willing to do it, the City does not do it, then there is a cost savings to the City, and that would be shown in...

Commissioner Withers: Well, I know that, but are we advertising that fact? My point is we might have the opportunity to get some of this work done, not on the City's dime, but on the new operator's dime, and if this is something the Commission is interested in moving forward, then I suggest we rewrite that portion where we actually invite someone to come in and maybe that will be weighted additionally. I don't know how the rest of the Commission feels about that, but if we don't ask for it...

Mayor Slesnick: It's a good idea, yes; why should we pay for it if they pay for it, and why should not be given credit if they pay for it.

Commissioner Anderson: That's seems reasonable.

Commissioner Withers: I mean, we are in a cash flow crunch right now; I'm not as concerned about picking up additional ten thousand or twenty thousand dollars a year in lease over the next twenty years if we can go ahead and have the capital improvement done, instead of us mortgaging the cost of that improvement, having the...

Mayor Slesnick: That raises an issue and we went through – when I went through my briefing with Cathy that ties right in. Cathy has outlined an aggressive amount of three hundred and sixty thousand dollar (\$360,000) a year, and that bothers me in the sense that I think that we should be playing this where we have certain goals, but I hate to tie it; first of all we have Club that hasn't produced ten thousand dollars a year (\$10,000) a year for the last thirty years, and we are now looking for three hundred and sixty.

Commissioner Withers: Right.

Mayor Slesnick: I don't mind being assertive and I know that this Commission wants to do the best it can economically for the citizens and for the Club; but seems to me that we should terms

that in a little bit looser terms that there are ways in which to meet thresholds to make this Commission happy...

Commissioner Withers: That's where I'm going with this, Don.

Mayor Slesnick:...and I don't know that we should tie it to a specific, I mean, it seems to be that the different bidders should come up with....one of the things that I think has happened with the Club is that we set maybe some unreasonable goals for ourselves and for the LLC to meet; I mean, we need to maybe talk about that we want to make this economically profitable to the investor or else they won't be around long, they'll be gone too just like the last one, and economically successful for the citizens. So, I would like to see some of Chip's ideas worked in and also maybe back off of the demand that there be a set, we want 360 a year. If one bidder wants to come in at 280, and one bidder wants to come in at 310, and one bidder wants to come in at 180, they will be proposing any number of things which might attract their bid to our attention, like improvements to the Club, changing – bringing in new kitchen equipment, taking care of some of the plumbing that we've told needs to be taken care of, and another one may say, listen because we are Ritz Carlton and we run forty-seven thousand clubs around the country, we know after looking at this, the best that you can hope to do is this amount of money up front and then we can phase into this, as opposed to some small company that doesn't know what they are doing saying, oh yes, 360, we'll give you 360, and then a year later we'll be back here trying to figure out who's going to give us 360.

Commissioner Anderson: That's a good idea.

Ms. Swanson: So we can certainly amend that section if its important to the Commission and come back with some – insert some other wording where it shows that the City is expecting a significant rent, but that rent could be off-set by reductions in City costs or they're assuming other obligations; we can come up with some kind of wording that shows that if they are taking the lion-share of the, not the maintenance, because it's the City's responsibility, but capital improvements then we would off-set our revenue requirement to get that.

Mayor Slesnick: We've been somewhat successful, maybe grandly successful in places where we participate in what they do; giving them the incentive to do well, and giving us a reward that is, I hate to set up some type of failure; I hate for someone to come in thinking they are going to make enough to pay us "X" amount of dollars and not make it and then close up shop again. So, it seems to me that we have very good leases with other places that we share in their profits, and we encourage them to make profits.

Ms. Swanson: I'm hearing what you are saying. The Grand, The Village of Merrick Park, The Palace, bigger, bigger projects, all had a guarantee base rent, but we can certainly look at, if it's the consensus of the Commission to revise the wording but at the same time make certain that your successful proposer doesn't get rich at the expense of the cost of the City.

Mayor Slesnick: That's your job to make sure that we're, I mean you are...

Ms. Swanson: And we absolutely will make certain that...

Mayor Slesnick: I'm not being facetious; I think we all have confidence, Cathy, that you are a person that's going to know in your advice to us and the Selection Committee, as to what the good business deal is.

Ms. Swanson: Thank you. We did look at in terms of looking at rent; we looked at number of seats, we looked at what the likely type of proposals would be, whether or not that would be realistic; we also looked at [inaudible]...on the building, so we looked at a variety of different ways on it, but if you all would prefer that we revise the wording to reflect what I'm hearing...

Commissioner Anderson: Flexibility, flexibility....yes.

Ms. Swanson: We'll do that, but we'll also remind them that twenty percent (20%) of their proposal will be based on the financial. So, while you are going to be flexible, you are not going to be push-overs.

Commissioner Withers: Is there any, is there any...do you think there would be any push back from any of these folks concerned about possible litigation or pending litigation?- is there a way to address that?

Ms. Swanson: I think that's probably....this is an RFP that's moving forward, I would refer anything like that to our City Attorney.

City Attorney Hernandez: What was the specific issue with the litigation?

Commissioner Withers: Well, we are putting this RFP out, and obviously there is some litigation going back and forth, how does that affect the actual finality of signing the RFP?

City Attorney Hernandez: The former operators have turned over the keys; they've walked away from the project.

Commissioner Withers: How about existing vendors that might be owed money?

Commissioner Anderson: Can they come after the proposed person....?

City Attorney Hernandez: No, they cannot come after the proposed, but we will look at that issue with regard to perhaps equipment that's out there, if there is a claim made, and we should put notice and advice and make sure that we've disclaimed anything that needs to be disclaimed.

Commissioner Withers: Has all time frames for liens expired?

City Attorney Hernandez: No, not for all.

Commissioner Withers: I just don't know what impact that might have on a....and last but not least, the existing club membership – I don't know if we've really heard anything, and I'm not

really willing or wanting to discuss that today, but is there anything that precludes that group from speaking with any of these potential RFP responders?

Ms. Swanson: You are the decision-makers, not a group of people that have been formed as a former club...

Commissioner Withers: I understand that. I understand that. I just don't know, I just want to make sure there are not any cones of silence or anything like that involved with this group.

City Attorney Hernandez: The cone of silence applies to the Department Head and the Selection Committee until the formal written recommendation is provided to the City Manager. So those are the people that are prohibited from having discussions with anyone, except at a formally noticed Selection Committee meeting.

Mayor Slesnick: So out of courtesy Cathy could arrange bidders to talk to representatives of the old former members.

Commissioner Withers: That's what I'm getting to.

City Attorney Hernandez: Out of courtesy Cathy could refer them to the City Manager to coordinate those meetings; Cathy would not be able to engage in discussions with them outside of the Selection Committee.

Commissioner Withers: That's where I'm headed with this whole thing, Don.

Commissioner Cabrera: I'm very uncomfortable because I didn't want to get into it either, but I have to tell you that the fact exist that we are waiting for some sort of proposal from this group to possibly....that's what the Manager has informed me, I see the Manager nodding his head that there is a possible proposal for an operational use on an interim basis.

City Manager Brown: That's correct; has not been forwarded, but...

Commissioner Cabrera: Nothing has been done. The point that I'd like to make is, I'd like the City at some point in time to look at this possible situation, and my question becomes, if we are going to contemplate a proposal to allow some group to use the facility, and Chip I'm going to get to you in a second, to use the facility under no rent, and no cost on utilities, could there be some sort of discrimination that could potentially be involved here because we are not making this same opportunity available to any other group; if I want to form a club, I'd like the City to give me the same opportunity to come to you with a proposal to run that Club on an interim basis. So at some point in time I'm going to need either the City Attorney's office or the State Ethics Commission to render some sort of opinion on this matter. But then I'd like to say, back to Commissioner Withers, Chip is your concern that any group that wishes to be a part of any of these proposers – proposal, could contact these proposers and present to them a roster of members or...

Commissioner Withers: No, no, my concern is “ABC Country Club Development Group” comes in and says City of Coral Gables would love to be a part of this, we’d like to see if we can work a deal with the existing memberships; and what’s the City’s role in putting those two groups together.

Commissioner Cabrera: OK.

Commissioner Withers: Do we as a City voluntarily help assemble the meetings, put these groups together, promote the two joining together; I just want to make sure we’re at arms length from any kind of partnerships putting the existing group together with the new group, because I don’t want the City to be caught in the middle of this.

Commissioner Anderson: I would be uncomfortable with that arrangement. I support you on your...

Commissioner Cabrera: I would too.

Commissioner Withers: I’m not against it, I’m just saying what is going to be the protocol if that phone call does come in and say, if someone calls Cathy’s office I heard there is an existing group out there that might be interested in “X” amount of days, how do we contact...

Commissioner Anderson: I would be uncomfortable that.

Ms. Swanson: Can I interrupt for one second?- when we had the RFP for the Palace, there was a property owner nearby that wanted to be considered and possibly folded in; what we did was had them submit a letter and the letter was an attachment that everybody got. If you would like we can standardize it by having, it’s up to you all, the Country Club former membership submit...

Commissioner Withers: I don’t know.

Commissioner Anderson: No.

Ms. Swanson:... I’m more nervous about a lot of side discussions happening...

Commissioner Anderson: I am too and how do we avoid that, that’s....

City Attorney Hernandez: If you look at the RFP how Cathy has addressed it, its fairly similar to when the Biltmore deal was done, we’ll look what consideration you are giving to former members; we’ll look at it, and that’s exactly how the process evolved.

Mayor Slesnick: How will they know what the thing is unless...are we going to give them the membership?- wait...

Commissioner Cabrera: Well you can’t, you can’t give them the membership roster.

Mayor Slesnick: I don't understand what our hang up is, I'm just letting them speak to the former membership because the former membership is a very concerned group, and they are the only people in the City that have an investment in this Club as well as what they pay in taxes and we have invested in the Club, they also have an additional investment.

Commissioner Cabrera: The citizens of Coral Gables, I mean, all of the citizens of Coral Gables.

Mayor Slesnick: All of the citizens have "X" amount of investment; these people have an additional investment...

Commissioner Cabrera: I understand.

Mayor Slesnick: ...I don't see what the problem is for them to have a concern as to what...

Commissioner Cabrera: They have already been quoted in the paper as saying; we haven't made a decision as to who we are going to...

Mayor Slesnick: I'm not talking about anything...

Commissioner Cabrera: ...Other than...

Mayor Slesnick: Let me reclarify; I don't care, and I'm not talking about any interim deal, I don't even know that we are going to see an interim deal, I think that that has somewhat hit a snag.

Commissioner Cabrera: Well, finances I think, that's the cost of the snag.

Mayor Slesnick: I'm not talking about any interim deals, I'm not talking about them playing a role in the future management, what I'm saying is though that we are all talking about consideration for the former members and their investment that they have made, there is only one way for the bidders to understand the former members and the investment that they have made and that is to share information.

Commissioner Cabrera: Well, but you know what...

Commissioner Withers: I don't have a problem with that.

Commissioner Cabrera: Well there is a problem with that; there is a problem with that because that information is not, according to the Manager, that information is not readily available.

Mayor Slesnick: It's available to the members.

Commissioner Cabrera: You know, if you read the Operating Agreement it says that's its available to the Coral Gables Country Club and it doesn't exist anymore.

Commissioner Withers: I'm not as concerned about Ralph's issue; I'm more concerned about how the City gets involved with that.

Mayor Slesnick: And I don't disagree with that; I'm just saying I don't see what our sensitivity is if you have three bidders, let's say you have "Corporation A", "Corporation B", and "Corporation C", and they are trying their best to get a handle on what they are going to bid, and we are saying here consideration of the former members, what is the problem with them meeting or talking to the former members so they will get in their minds what the consideration is going to be; they may meet with them and decide they don't want to give any consideration.

Commissioner Cabrera: I would prefer rather than they meet with a group that doesn't represent the City of Coral Gables...

Mayor Slesnick: But they do represent people who have invested in the club...

Commissioner Cabrera: I got it, I got it; they represent the Club, they don't represent the City; I would prefer to give them information, financial information that allows them to make an educated assessment on say, potential fees, potential earnings from this membership. So, that information sits with the Manager's office, that information is available in the computer records.

Mayor Slesnick: But why would you not want, if you're...

Commissioner Cabrera: You want to know why I would not want that group to talk to, I'll tell you why...

Mayor Slesnick:... and sit down and have the group say listen, my concern is that we like to play bridge on Friday afternoons, and we like to do this, and we like to do that.

Commissioner Cabrera: Because model "A" has not worked, number one...

Mayor Slesnick: Wait, wait, Ralph, I'm not asking for models.

Commissioner Cabrera: Needs and wants, OK needs and wants, you want to talk about needs and wants.

Mayor Slesnick: If the man, woman, corporation knows what some of the needs and wants are and can work that into the system then that's great.

Commissioner Cabrera: Then I would say that that becomes available to any citizen of Coral Gables that wishes to have that kind of dialogue with the proposers. I don't want to limit it to Country Club members because they have their own agenda; they've been building their own...

Mayor Slesnick: That's right; they paid to have their own agenda because they invested money to have their own agenda.

Commissioner Cabrera: Fine Don, I understand; and you know what they invested knowing that this may not work, and it didn't work, so now we have to take the bull by the horns and this is what the City is trying to do.

Commissioner Withers: So the bottom line Liz is that if this group reaches out to somebody, a part from the City, there is nothing we can do, it's not in violation or anything like that?

City Attorney Hernandez: No.

Ms. Swanson: I was speaking to Don Nelson on the status of the audit, and what would be included regarding the Club, so that we have envisioned that as an attachment, its going to be done we believe in thirty days, all of the prospective bidders would have it, it would say the number of Club members, what they paid, it would give them a snapshot; and then we have everyone that has picked up a copy of the RFP process because this is totally public record...

Commissioner Cabrera: Right.

Ms. Swanson:...item number 134, 135, you know, "Joe Smo" picked up, that's all public, so that whether the Club wanted to receive that they are welcome to that record.

Mayor Slesnick: And I think Chip hit that on the head, if a bidder goes out and reaches out to the citizens whether they are citizens as Ralph talked about, any citizen or Club members that their business.

Commissioner Cabrera: I just don't want to give the perception of preferential treatment to any particular group, regardless of what their investment has been, that's all I want Don.

Mayor Slesnick: I don't understand that though, Ralph, what is wrong with preferential treatment to a person who's put in their own money?

Commissioner Cabrera: We've been giving this organization...

Mayor Slesnick: I'm not asking for preferential treatment in the final analysis...

Commissioner Cabrera: I understand, I understand.

Mayor Slesnick: Just consideration of talking.

Commissioner Cabrera: I know, but we've been giving preferential treatment...

Mayor Slesnick: To people who have paid.

Commissioner Cabrera: OK, we've been giving preferential treatment to this organization since I was a very young man, I mean to the tune...

Mayor Slesnick: The City landscape, it is.

Commissioner Cabrera: OK. This debate could go on forever between you and me...

Mayor Slesnick: It could, I don't see it as a personal debate at all, I just see it as...

Commissioner Cabrera: Oh I don't either, I don't either; I have no personal investment in this thing.

Mayor Slesnick: And I'm not a member of it, so...

Commissioner Cabrera: Well, OK. Can I jump to something completely different?- that alright?

Commissioner Withers: Yes, I'm fine.

Ms. Swanson: ...[inaudible]...publicly available anyone that wants copies we'll make them available.

Commissioner Cabrera: Alright, can we talk for a minute about page two, and in page two you have an opening paragraph that talks about the offering, and the four words that caught my eyes were, "with full liquor license", "with full liquor license"; can someone kind of expand that for me? What is the current status of the liquor license?

City Manager Brown: The current status as it is right today, is we are retaining attorneys to transfer the name form the City of Coral Gables and Granada LLC, I'm sorry, the Country Club of Coral Gables and Granada LLC to the City of Coral Gables.

Commissioner Cabrera: So in essence the liquor license would potentially....wait, wait, before I go any further; am I OK in asking these questions?

City Attorney Hernandez: Yes.

Commissioner Cabrera: OK, no, I just don't want it to affect any law suits.

City Attorney Hernandez: No.

Commissioner Cabrera: OK. So am I to understand that the current liquor license lies with the Coral Gables Country Club and Granada LLC?

City Manager Brown: And Granada has to be on there since they were the operator.

Commissioner Cabrera: And you are in the process of transferring that license to the City of Coral Gables.

City Manager Brown: And then Commissioner, the successful operator would also be named on that license that has to be on there.

Commissioner Cabrera: OK, and then that's the way we would manage that going forward?

City Manager Brown: Correct.

Commissioner Cabrera: Someone needs to make that clear to the operators how that will work, because that could...

Cathy Swanson: It would be jointly.... the liquor license in the future would be the City of Coral Gables and the successful proposer.

Commissioner Cabrera: The successful proposer.

Cathy Swanson: We can also make notes, we can make it clear now and we'll also put a reminder as the negotiations come through so we are very clear.

Commissioner Cabrera: OK and when do you anticipate this transfer to occur?

City Manager Brown: I don't know that answer Commissioner, I'll find out.

Commissioner Cabrera: Please find out for us, the timeline for the transfer, and secondly, do you anticipate any issues?

City Manager Brown: I do not.

Commissioner Cabrera: Good, good.

Ms. Swanson: And obviously if there were any issues we would be required to advise all of the prospective bidders because they have to know that there is a liquor license as a part of their revenue projections, because that would be significant. And other questions that I can help you with?

Commissioner Withers: I just have one question. Cathy, what other uses are you going to entertain there?

Ms. Swanson: What other uses are we going to entertain there?

Commissioner Withers: If someone wanted to have a night theater there; how broad a net are you trying to throw?

Ms. Swanson: Checking to see if there are Zoners around – the land use and the zoning is site specific for the Country Club, if it is not listed as a permitted use it is not an allowed use. So the concept of a "Dave and Busters" or something else coming in is not permitted in that zoning designation that was drafted exclusively for the Country Club of Coral Gables, and we'll have that as an attachment for all of the proposers to see. Now it doesn't mean that the uses today may take a different shape....

Commissioner Withers: That's my point.

Ms. Swanson: ...or play a different level of importance; the health and fitness, or the conferences, or you know, more of an emphasis with a restaurant, more of an emphasis with the catering function, the banqueting function, but those uses are listed in the permitted zoning today.

Commissioner Withers: Well, what if someone comes up with an idea that's not a permitted use, but is a really, really great idea, and let's just say, we've talked about a senior citizen center, I'm not saying that's what it is, but what is somebody just comes up with a phenomenal idea for a senior citizen center, but they are precluded because we have it as a site specific Country Club use, is there a way to entertain those other options without stopping them at the gates?

Ms. Swanson: Well, your senior example actually could be permitted within that...

Commissioner Withers: OK, maybe that's a bad example.

Ms. Swanson: A NASA space ship launching center, which was not.... because there is plenty of parking, at this point the way we drafted it, it would be excluded in the process and not forwarded to the Evaluation Committee.

Commissioner Withers: Well I think that's a little short-sighted, that's just my personal opinion. If someone has an idea that doesn't fit in our little box of country club...

Ms. Swanson: We can...I would love to hear your colleagues comment on it, because we were very sensitive to the location.

Commissioner Withers: Like a dinner theater for instance.

Ms. Swanson: I would have to check with Zoning to see...I'll have to check the language is dinner theater allowed.

Commissioner Withers: Those are the kinds of things I'm talking about that might be...

City Manager Brown: We want to get the process to continue to roll forward while we determine whether this bright box idea can be facilitated.

Ms. Swanson: And I have not had conversations with...[inaudible]...

Commissioner Cabrera: But you know what, I was intrigued by the idea when you mentioned it.

Commissioner Withers: Or a horse riding academy.

Commissioner Cabrera: You know that would be nice to make the whole golf course an equestrian center; he's not listening, he's not listening.

Vice Mayor Kerdyk: So when they come back with this Committee with the recommendation; they come back with one recommendation, come back with five recommendations, how exactly do you see this being presented back to the Commission?

Ms. Swanson: They come back with the best recommendation when they rank them. Now I don't know how many people are going to respond, but in the past your committee has said the first and second because there was such a difference in three, four and five...

Vice Mayor Kerdyk: Right, right.

Ms. Swanson:...or they have used the top three. The Evaluation Committee will look at what is the best – it's not intended for them to only give you one choice because that's no choice, but it is intended for them to rank the proposals, and we say that in here and forward their recommendation to the City Commission.

Vice Mayor Kerdyk: You know, I hope Mr. City Manager, if we have a lot of bids hopefully we do, and hope some to pick from that we make, of course we are going to make the appropriate time on our agenda but if necessary maybe even have a separate meeting to deal with the situation if we feel that maybe the proposals need to be looked at more extensively by the individual Commissioners here, have questioning of the Committee members, then I think it might be appropriate that we go ahead and have a separate meeting for that, and of course this is a little presumptuous at this point hoping that we get a multitude of respondents, but if we do and...

City Manager Brown: That's always an option, Mr. Vice Mayor, and I think that would become more and more clear as we get a chance to look at the number and what they are, and where the invisible line draws itself between what's acceptable and what's not.

Ms. Swanson: We had for September 9<sup>th</sup> that the Evaluation Committee has to give you their recommendations, we don't have when you all have to decide; we just say negotiations with preferred developers will commence upon approval of the City Commission.

Vice Mayor Kerdyk: But you know a lot of time when you do our piece you'd pick out the one that has the best return on your assets, or return on your money, or whatever, in this particular case I might think that a lesser is a better thing for me than it might be for somebody else on this dais. I can see more discussion being generated on a proposal like this than I can on an RFP for a parking garage that we were going to, its either yes or no. So that's why I say it might be a situation that we look at extensively from the Commission's perspective.

Ms. Swanson: Absolutely. Now we will go back and revise the wording on the 360 so that it reflects the financial benefit of the City in dollars and in-kind.

Vice Mayor Kerdyk: And in-kind, I think that was a good suggestion, for somebody who doesn't make very many good suggestions. (LAUGHTER) I can't laugh any more.

Commissioner Withers: Maybe it should be a bike riding camp.

Ms. Swanson: Other questions that I can...

Mayor Slesnick: We talked about the mention of the members - is there, and maybe it's just my oversight, but do we key them in on the desire to service the civic clubs in here?

Ms. Swanson: We have in the rating, we put ten percent for City residents, former members, and community based organizations.

Mayor Slesnick: OK, and I guess what has caused some of our concern, discussion up here is that these people are possibly very new, or don't know anything about what we are talking about, and that's why we are concerned that they understand what the membership is and I think all of us will agree whether we agree on that one or not that they need to understand what it is about the civic clubs that we are talking about. I think there needs to be an attachment or some kind of explanation of what is the Kiwanis, what is the Rotary, what is the Sons of the American...whatever it is that uses...the Coral Gables Bar Association, and their importance to the City and that these are paying customers even to the private club, but they are customers that we would like to see given the opportunity to have a place to do business.

Ms. Swanson: Would you like us to be more detailed...

Mayor Slesnick: I would.

Ms. Swanson: ...to put in community based organizations.

Mayor Slesnick: But I don't think that truly...we've lived this but they haven't, I mean, is there an agreement that we could be a little more explicative about what community based organizations are?

All Commissioners: Yes. No problem.

Ms. Swanson: And so do you want me to do that by saying, i.e. Rotary, Kiwanis...

Mayor Slesnick: Somehow I want them to get to the understanding that some of these clubs have met there for decades and it's of interest to us that this is one of the place-things that we see as a goal is that they will continue to have a meeting place there, if it's their desire.

Ms. Swanson: If they could work out a...

Mayor Slesnick: Right, exactly, I'm not forcing anyone and if they can't come to a deal then that and they may not want to come back.

Commissioner Cabrera: But it may be advantageous for the prospective operators to consider that.

Ms. Swanson: Oh absolutely, for you to know that "X" number of people every Thursday are going to come and eat and pay, if you can work out a menu that works for them and works for you is definitely an event.

Commissioner Cabrera: Now once this thing goes out to bid, we just discussed the cone of silence, the City Attorney referred us to it, if there are any other prospective operators that are interested in considering an RFP or have questions my office is going to refer them to your office.

City Manager Brown: And I'll send them down to Procurement to pick up an RFP package.

Ms. Swanson: We're actually issuing...

City Manager Brown: I'm sorry; we'll send them to Development.

Ms. Swanson: But City Attorney I'd to ask you a question, in the past and in our public notice we have that they can contact our office for an official copy of the RFP.

City Attorney Hernandez: That's fine provided you fore-dated that to the Procurement Department.

Ms. Swanson: Absolutely.

City Attorney Hernandez: Right.

Ms. Swanson: But I think we are the point.

Commissioner Cabrera: OK, I would prefer then to refer them to your office. In the past several weeks what we've done is I've told the Manager about prospective operators that wanted to tour the facility, and we've then referred them to your office, and you or your staff did the tours, so I just want to make sure we stay consistent.

City Manager Brown: Once the cone opens Commissioner...

Commissioner Cabrera: Just go to your office.

City Manager Brown: Right.

Commissioner Cabrera: Just refer them to your office.

City Manager Brown: Because she is in the cone.

Ms. Swanson: We will not be conducting tours...

Commissioner Cabrera: I got it. Just one time you will.

Ms. Swanson: ...of the facilities, the 25<sup>th</sup>, then afterwards they can have their own team, but before that, before those questions, before that time there should be no tours conducted at the facility.

Commissioner Cabrera: Will you be giving the prospective operators, the interested operators, any information relative to the issues we've discussed with some of the repairs that could be needed to the facility?

Ms. Swanson: Yes.

Commissioner Cabrera: You will be doing that?

Ms. Swanson: Yes, and we've also asked that Parks and Recreation give us a detailed review of the tennis courts, and the golf course of what is needed there.

Commissioner Cabrera: I thought we had discussed that and it may have slipped or gone past me when someone mentioned it earlier today.

Ms. Swanson: It is not ready yet but it will be, it is looked on as an addendum forth coming.

Commissioner Cabrera: OK. Just a couple of housekeeping items, and they really don't have anything to do with the RFP, but what I'd like to know Mr. Manager, the last time I brought this before you, you made a comment that an e-mail was going to be responded to last Friday, did Dr. Hendrickson get a response to his e-mail?

City Manager Brown: I don't know Commissioner, let me check.

Commissioner Cabrera: I'd really like...let me tell you why it's so critical for me to have the citizen receive a response that I think either he requires. We get all excited when a citizen writes us an e-mail about the golf course, and we are all jumping all over each other trying to respond to some silly e-mail about some event that occurred on the golf course...

Mayor Slesnick: [Inaudible].

Commissioner Cabrera: OK but I'm just saying; here's a citizen who e-mails the world and you know we go through hoops, this guy writes us an e-mail on March 23<sup>rd</sup> with some very pointed information, with some very good questions, and in fact some of us even respond and say that we are going to forward it to the Manager's office so that they can be followed up, and to this day, here we are June 3<sup>rd</sup> the man has not received a response, and maybe one is not forthcoming, maybe one is not forthcoming, but if that's the case then let's tell him. And then lastly, Vice Mayor Kerdyk made an interesting recommendation last Tuesday and that was that we the City consider giving the former Club members some sort of a...I forgot how you phrased it, but some sort of temporary membership to the fitness center...

Vice Mayor Kerdyk: Right at the Youth Center.

Commissioner Cabrera: Did anything ever happen with that?

City Manager Brown: Right now we are providing them with the resident rate on a daily basis to walk in.

Commissioner Cabrera: OK.

City Manager Brown: We are not requiring them to get membership or anything like that, we are giving everybody the resident rate, we've not gone any further than that, as a matter of fact I want to talk to the Commission a little bit to see how they felt as a group. There are some concerns we can certainly accommodate it, but my number one concern overall at the end of the day when the new operator is in, and the Club does or does not appear within that facility and we've now extended a benefit to them...

Commissioner Withers: I'm not in favor.

City Manager Brown: ...what do I do then? So that's why I was keeping it on a daily rate basis.

Commissioner Cabrera: Well you know what at least with a daily rate basis there is still revenue coming into the City, again...

City Manager Brown: Commissioner you're right, the other concern was do I just give them...

Commissioner Cabrera: You're absolutely right, you know what Commissioner, I'll tell you why, I just realized its preferential treatment.

Commissioner Withers: Yes.

Commissioner Cabrera: It really is.

Commissioner Withers: It's a private business enterprise that failed and here we are subsidizing a private enterprise that failed because their members lost out on....Coral Gables resident. If I'm a Coral Gables resident and we are giving free memberships to a non Coral Gables resident because the Country Club failed...

Commissioner Cabrera: You know what you're right, I supported the idea last Tuesday, but now that I talked it through and I listened to Manager's response, I don't know if that's in the best interest of the City to do that.

City Manager Brown: And we are certainly happy to be able to extend the daily rate at this time that they are paying.

Vice Mayor Kerdyk: What is the daily rate?

City Manager Brown: I don't know what it is. Now...

Commissioner Cabrera: You understand my position now?

City Manager Brown: The only other – what Commissioner Withers just brought up is that maybe I'm giving a residential rate to a non resident because a non resident Club member, but as a Club member and they were part of the fitness center they are getting a resident rate, that could be happening at the present time.

Vice Mayor Kerdyk: You are talking about...[inaudible]...you are not talking about a substantial amount of people...

City Manager Brown: No, we are not.

Vice Mayor Kerdyk:...this is...

City Manager Brown: 680 members.

Vice Mayor Kerdyk: Alright – but how many, twenty, thirty-five?

City Manager Brown: Vice Mayor, I don't know those numbers.

Vice Mayor Kerdyk: But I can assure you it's not a lot, there is not many members using it.

Commissioner Cabrera: Well what happens if everybody finds out then?

Vice Mayor Kerdyk: I agree, let's just go ahead and do it with the daily rate; it was just trying to be a goodwill gesture to the Club.

Commissioner Cabrera: It was very nice.

Mayor Slesnick: With the comments that we have given Cathy are we in a position of moving forward and telling her to move forward and issue the, with the consent of the City Attorney and Cathy's digestion of our comments. You feel comfortable Cathy, you know?

Commissioner Cabrera: Yes.

Mayor Slesnick: Do we need an official motion to do this to issue the RFP. Do I have a motion?

Commissioner Anderson: I'll move it.

Mayor Slesnick: OK, moved by Mr. Cabrera, seconded by Ms. Anderson, and any further discussion.

**Mr. Clerk**

**Commissioner Withers: Yes**  
**Commissioner Anderson: Yes**  
**Commissioner Cabrera: Yes**  
**Vice Mayor Kerdyk: Yes**  
**Mayor Slesnick: Yes**  
**(Vote 5-0)**

Mayor Slesnick: Thank you Cathy for a good job.

End:11:19:39 a.m.)

DRY DRAFT