

City of Coral Gables City Commission Meeting
Agenda Item H-4
June 16, 2015
City Commission Chambers
405 Biltmore Way, Coral Gables, FL

City Commission

Mayor Jim Cason
Commissioner Pat Keon
Commissioner Vince Lago
Vice Mayor Frank Quesada
Commissioner Jeannett Slesnick

City Staff

City Manager, Cathy Swanson-Rivenbark
City Attorney, Craig E. Leen
City Clerk, Walter J. Foeman
Deputy City Clerk, Billy Urquia
Assistant City Manager, Carmen Olazabal
Cindy Birdsill

Public Speaker(s)

Agenda Item H-4 [12:00:41 p.m.]

A Resolution approving (i) an Agreement for Release of Condominium Unit between the Palace Management Group LLC (“Palace”) and the City, (ii) a Declaration of Condominium, (iii) a Fourth Amendment to Parking Garage Lease and Development Agreement between the Palace and the City; and (iv) all other ancillary documents necessary for the creation of a condominium at 2 Andalusia Avenue and for the release by the Palace of its long term leasehold interest on the ground floor retail space, at 2 Andalusia Avenue, so that same may be used by the City as an Adult Activity Center.

Mayor Cason: The next item is H-4. City Attorney.

City Attorney Leen: Thank you Mr. Mayor. Item H-4 is being taken out of turn and then Item I-2 because we have attorneys present. So, Item H-4 is a Resolution approving (i) an Agreement for

Release of Condominium Unit between the Palace Management Group LLC (“Palace”) and the City, (ii) a Declaration of Condominium, (iii) a Fourth Amendment to Parking Garage Lease and Development Agreement between the Palace and the City; and (iv) all other ancillary documents necessary for the creation of a condominium at 2 Andalusia Avenue and for the release by the Palace of its long term leasehold interest on the ground floor retail space, at 2 Andalusia Avenue, so that same may be used by the City as an Adult Activity Center. And the reason I’m introducing this before I turn it over to Cindy Birdsill and to Gil Serotta, is that I’m asking the Commission to waive the Procurement Code by a four-fifths vote here. Now, I want to just say something about that, I don’t think it’s an issue in this particular case. I think you could do this by majority vote and there is already an ordinance on point approving the original ground lease, which says that you can act by resolution, but in an abundance of caution because this is such an important item for the City just to ensure that there is no challenge. I also think you should waive the Procurement Code. None of the problems of waiving the Procurement Code exist here, because we know exactly where this is going and we have a long term relationship with the Palace already. So, with that I’ll turn it over to Cindy Birdsill, if the City Manager is OK with that.

City Manager Swanson-Rivenbark: And as Cindy comes forward, Jacob Shaham called me personally explaining that he will be in Tel Aviv for the 10th anniversary of their development in Tel Aviv, he and Helen. So, he has sent his staff to answer the questions, but he is very committed to this process and he wanted me to share that with the Commission.

Ms. Birdsill: Good afternoon Mayor and Commissioners, Cindy Birdsill. As you know, we did a senior housing facility and a garage project with the Palace and they built a beautiful facility. Since that time, we have identified the ground floor retail space of the garage as an ideal location for our adult activity center, and January 2014 we were authorized to start negotiations for release of that space to the City from the long term ground lease. It’s been a pretty complicated deal because it involves the Palace, their lender TD Bank, the Community Development District, which has bond funds for the public parking portion of the project. Their bond counsel had chosen to do a sub-lease of the ground lease to the CDD previously, but over the last summer we’ve spent a lot of time with the tax assessor’s office and the only way that the City could have the space and have it be tax exempt is for us to impose a Condominium Regime. So, we’ve gone through that process. So its taken a while to figure out the complexity of the deal to do this, but Gil Serotta is our outside counsel is here to answer any questions you may have about the documents and Mark Faust representing the Palace is here and Oscar Ruiz is the Chief Financial Officer of the Palace is also here.

Mayor Cason: Can you tell us if we approve this, what are the next steps?- what’s been done?- when do you anticipate – this was one of the first projects of the Neighborhood Renaissance

Program that's been over four years, so I know seniors are very eager to see their facility. We are 25-26 percent seniors.

Ms. Birdsill: I'll let Carmen get into the details of the timeline, but Jacob went ahead and did the shell space, pursuant to the letter of intent that we had, so that has been – it has a certificate of occupancy, its ready for us to go and start our work on the interior. We've been working,...I don't know the full name of the firm, is working with us and Fullerton on the design of the interior. We've been having several meetings with staff, with Fred, and Letty to organize the space.

Mayor Cason: So the money is there. So, now this is a question of finishing up the legal niceties getting through the waiver of the Procurement and then we are going to start?

Ms. Birdsill: The money for the purchase of the space is in the Neighborhood Renaissance Program. I believe that in the budget you are going to be looking at some additional funds to complete the interior build-out and make all of the purchases necessary for operations.

City Manager Swanson-Rivenbark: But we have identified those monies, so it is not a funding issue moving forward.

Commissioner Lago: Excuse me, we approved today's item. When will you expect for us to be able to have occupancy, so that we can have a definitive answer when someone asks?

Ms. Birdsill: We are planning to close this week, so we should have occupancy hopefully this week.

Ms. Olazabal: We are actively working on the project moving along. So, what we are doing right now is we are having bi-weekly meetings with Public Works, with Parks, with the consultant, myself to make sure that we keep it on track. Right now we are expecting that we will have architectural engineering plans by July 17th, the next process is to get it permitted. We expect to do that by the end of July, then we have to procure it and get a contractor on board. Expect to have that by September 22nd. We are hoping maybe we can do a little more there, but I don't want to over promise, and have a contract in place by October 6th with substantial completion by March 8th.

Mayor Cason: So this speeds up the process somewhat?

Ms. Olazabal: Sorry?

Mayor Cason: This speeds up the process...?

Ms. Olazabal: It takes us to the next step and we are able to get in and start construction, we are also able to kind of go and see everything, the current condition and start any initial work we can before the full scope of the permits are ready.

Ms. Birdsill: Today, what you would be approving is allowing us to enter into the agreements necessary to close and for the City to own the space.

Mayor Cason: Any discussion?

City Attorney Leen: So your vote, if you do decide to go forward with it would be pursuant to 2-2011 and consistent with 2-583, and then you'll be approving all these items in one vote, with one motion.

Mayor Cason: OK. Do we have a motion?

Vice Mayor Quesada: Move to approve.

Mayor Cason: Vice Mayor makes the motion.

Commissioner Lago: I'll second.

Mayor Cason: Commissioner Lago seconds.

City Clerk

Commissioner Slesnick: Yes

Commissioner Keon: Yes

Commissioner Lago: Yes

Vice Mayor Quesada: Yes

Mayor Cason: Yes

(Vote: 5-0)

[End: 12:10:10 p.m.]