

# CORAL GABLES

THE CITY BEAUTIFUL

## Property Advisory Board Meeting Minutes

Wednesday | March 13, 2019 | 8:30 a.m.

PAB MEMBERS	J	F	M	A	M	J	J	A	S	O	N	D	APPOINTING ENTITY
	'19	'19	'19	'19	'19	'19	'19	'19	'19	'18	'18	'18	
Alberto Manrara	P	P	P							P	P	P	Mayor Raúl J. Valdés-Fauli
Jonathan Leyva	P	E	P							P	P	P	Commissioner Michael Mena
Jack Lowell	P	P	P							P	P	A	Commissioner Patricia Keon
Valerie Quemada	P	E	P							P	P	P	Vice Mayor Vince Lago
Tony Gonzalez	P	P	P							P	E	P	Commissioner Frank Quesada
Edmund Mazzei	P	P	P							P	P	P	City Manager Swanson-Rivenbark
Andrea Molina Vice Chair	E	P	P							P	P	P	City Commission as a Whole

A = Absent    E = Excused Absence    P = Present    X = No Meeting    Ph = Present by Phone    - = Former Board Member

### STAFF AND GUESTS:

Pamela Fuertes, Director, Economic Development Department  
 Leonard Roberts, Assistant Director, Economic Development Department  
 Francesca Valdes, Business Development Coordinator, Economic Development Department  
 Mariana Price, Administrative Assistant, Economic Development Department

### Meeting Motion Summary:

**A motion recommending that the City Commission does not approve of an exclusive parking garage structure without any other use for the Garage 1 & 4 redevelopment project passed unanimously.**

**A motion recommending that the City only proceed with a ground lease structure for, and not a sale of, either parcel of the Garage 1 & 4 redevelopment project passed 5-1.**

Mr. Manrara brought the meeting to order at 8:33 a.m.

### 1. Economic Development Director's Report

Director Pamela Fuertes briefed the board on the department's recent initiatives, including collaboration with the Information Technology Department to promote the City. The City Manager had previously attended a board meeting in his capacity as Assistant City Manager, and Director Fuertes suggested to the board that it might be helpful to have him return to discuss strategy. Board members agreed but emphasized their desire to meet with the two commissioners who have yet to visit the board. Ms. Fuertes acknowledged their request and said the department has been working with their offices to schedule their visit.

## **2. Update on Garages 1 & 4 Development Project**

Mr. Roberts updated the board on the latest proposals by the developer partnership of Allen Morris and the Related Group, which included the following:

- 245 residential units with 18,000 SF of retail in one structure (west side across from Publix);
- 371,000 SF will be given to the developer;
- The City will sell TDRs from historic sites in order to allow the developer to build beyond the 3.75 FAR limit;
- The value of the project is \$24 million, and the cost to construct is \$27 million;
- The developer is asking the City to waive the impact fees and for the City to pay an additional \$250,000 per year over 30 years, which equals approximately \$4.5 million;
- The developer will have an annualized debt service of \$2 million;
- The Mayor asked for a deferral of the item at the March 12<sup>th</sup> Commission meeting for more time to review, so the item will go before the Commission on March 26<sup>th</sup>;
- The 350,000 SF residential structure will be owned by the developer while the parking garage structure will be owned by the City;
- A “unity of title” will allow the developer to use the garage structure for parking use; and,
- The real estate taxes from the development site will provide \$450,000/year in extra revenue for the City.

Board members discussed these new developments and voiced concerns over the maintenance of the garages, how much of the total TDRs the City owns it is giving to this project (what percentage of existing TDRs), and ownership of each parcel. Mr. Roberts said the four elements the City is taking into consideration are 1) the parking supply; 2) the size of the project; 3) the finances; and 4) the economic benefit. He said there are 630 parking spaces between the two existing structures now, and that demand will increase to 1,080 between now and 2032.

**Ms. Molina made a motion to recommend that the City Commission does not approve an exclusive parking garage structure without any other use for the Garage 1 & 4 redevelopment project. Ms. Quemada seconded the motion, which passed unanimously.**

**Ms. Molina made a motion to recommend that the City Commission only proceed with a ground lease interest and not to sell either parcel of the Garage 1 & 4 development site. Mr. Gonzalez seconded the motion and Mr. Leyva opposed the motion. The motion passed 5-1.**

## **3. Update on Bloom Boutique**

Mr. Roberts told the board that he has already reached out to the City Attorney’s Office for them to send a notice of eviction to the tenant located at 290 Miracle Mile, Bloom Boutique, for defaulting on the terms of the lease. The tenant is two months behind on rent payments, including other debt, and the Property Advisory Board had approved concessions for giving the tenant some time to regroup (beyond the measures extended to the other tenants on the Mile) over the holiday season. Board members stood by their motion at the previous meeting to issue the eviction based on the business still not being able to meet the terms of the lease

despite the generous considerations offered. Board members reiterated their optimism for the space being used as a pop-up to introduce new businesses to Coral Gables and then, if successful, segueing them to permanent locations after an interim testing period operating in downtown.

#### **4. Rent Report**

Mr. Roberts reviewed the rent report with board members, who asked about the expired dates on the leases. Mr. Roberts responded that an old template had been used and verbally corrected the dates of expiration. All tenants are up to date on their payments, and any balances, besides the one for Bloom Boutique, is simply a reflection of the date the report was produced and does not represent delinquency. Regarding the upcoming expiration of the lease term for Open Stage, several board members agreed that the City shouldn't send notice to not renew the lease prior to any replacement tenant leasing progress.

#### **5. Open Discussion**

Mr. Lowell asked what the department is doing to promote retail and office space in Coral Gables. He then suggested to Ms. Fuertes that staff members attend the next meeting for the South Florida Office Brokers Association, which will take place at the Ofizzina building on March 21<sup>st</sup>. He also recommended that staff communicate with Maggie Kurtz to attend a meeting of Coral Gables brokers, which gets together regularly to discuss all things real estate. Ms. Valdes told the board that many restaurants currently have a Letter of Interest (LOI) and that most of the space on Miracle Mile is currently under contract. She said the success of restaurants in the downtown core is compelling many landlords to want to convert their retail space for restaurant use. Mr. Lowell suggested that the department invite Steve Bittel, an owner of a large portion of the space on Miracle Mile, to a board meeting to discuss properties and lease term limits. Ms. Valdes also offered to update the board at a future meeting on the retail strategy, since retail consultant Midge McCauley and will be assessing new developments since her initial report and findings three years ago. After this discussion, Mr. Manrara said that the issues addressed by Mr. Lowell were not within the purview of the Property Advisory Board.

On behalf of the board, Mr. Manrara thanked Leonard Roberts for his service and great work for the City of Coral Gables.

The meeting was adjourned at 10:09 a.m.

Respectfully submitted,

Mariana Price, Administrative Assistant - Economic Development Department