CITY OF CORAL GABLES, FLORIDA

RESOLUTION NO. 2022-89

A RESOLUTION OF THE CITY COMMISSION AUTHORIZING THE CITY ATTORNEY TO TAKE LEGAL ACTION, INCLUDING THE FILING OF A LAWSUIT, AGAINST TENANTS OF THE CORAL GABLES COUNTRY CLUB, THEIR SUBTENANTS AND PARTICULAR INDIVIDUALS, AS MAY BE APPROPRIATE.

WHEREAS, since August 2009¹, Coral Grand LLC ("Tenant") has leased and operated the City-owned property located at 997 N. Greenway Drive, Coral Gables, FL, commonly known as the Coral Gables Country Club ("Country Club"), and the initial term of the lease was for ten (10) years; and

WHEREAS, in March 2021, the City notified Tenant that it did not intend to renew the lease for another ten (10) year term; and

WHEREAS, in June 2021, the parties entered into a Settlement Agreement which allowed Tenant to continue occupying and operating the Country Club until April 30, 2022 (the "Extended Operating Period"), however Tenant failed to meet several of its obligations under the lease during the Extended Operating Period and failed to meet, or provide proof of meeting, certain obligations under the Settlement Agreement; and

WHEREAS, the City learned that Tenant had subleased the operation of the Fitness Center and Tennis Facility without notifying the City as required, that the Fitness Center was operated by the Coral Gables Athletic Club, LLC which has managers in common with Tenant, and that the Tennis Facility was being operated by Neighborhood Tennis, LLC which was given a ten (10) year management agreement by Tenant in December 2019 (despite the fact that this period extended beyond Tenant's lease term); and

WHEREAS, the City learned that Tenant intentionally withheld, concealed, and/or purposefully omitted financial information going back to at least 2019; and

WHEREAS, at the City Manager's request, the City Attorney has reviewed potential claims against Coral Grand, LLC, the Coral Gables Athletic Club, LP, and particular individuals and has individually briefed each member of the City Commission on the same; and

WHEREAS, appropriate legal action is necessary to safeguard the City's historic asset as well as to preserve claims for unpaid monies due to the City;

¹ While the original lease was signed in August 2009, a First Amendment to the lease was subsequently executed which made the lease commencement date October 1, 2011 (when the 10-year term began).

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

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

SECTION 2. That the City Commission hereby authorizes the City Attorney to take legal action, including the filing of a lawsuit, against the tenants of the Coral Gables Country Club, its subtenants and particular individuals, as may be appropriate.

SECTION 3. That this Resolution shall be effective upon the date of its passage and adoption herein.

PASSED AND ADOPTED THIS TWELFTH DAY OF APRIL, A.D., 2022.

(Moved: Menendez / Seconded: Anderson)

(Unanimous Voice Vote)

(Non-Agenda Item)

APPROVED:

DocuSigned by:

---53B880AB93824A5

VINCE LAGO MAYOR

ATTEST:

APPROVED AS TO FORM AND LEGAL SUFFICIENCY:

DocuSigned by:

-358417D2FA884FF...

BILLY Y. URQUIA CITY CLERK -03A0CB1421E64AC...

DocuSigned by:

MIRIAM SOLER RAMOS CITY ATTORNEY