

City of Coral Gables City Commission Meeting
Agenda Items H-3 and H-4
June 2, 2026
Public Safety Building, CMR
2151 Salzedo Street, Coral Gables, FL

City Commission

Mayor Vince Lago
Vice Mayor Rhonda Anderson
Commissioner Melissa Castro
Commissioner Ariel Fernandez
Commissioner Richard D. Lara

City Staff

City Attorney, Cristina Suárez
City Manager, Peter Iglesias
City Clerk, Billy Urquia
Finance Director, Diana Gomez

Public Speaker(s)

Jackson Rip Holmes

Agenda Items H-3 and H-4 are related

H-3: Discussion regarding Mobility Hub financing.

H-4: A Resolution of the City Commission establishing its intent to reimburse certain project costs incurred with proceeds of future tax-exempt financings; providing certain other matters in connection therewith and providing for an effective date.

Mayor Lago: Moving on to H-4.

City Attorney Suarez: H-4 is a resolution of the City Commission establishing an intent to reimburse certain project costs incurred with proceeds of future tax-exempt financings, providing certain other matters in connection therewith and providing for an effective date.

City Manager Iglesias: Through the Mayor.

Mayor Lago: Yes sir.

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City Manager Iglesias: H-3 and H-4 are related.

Mayor Lago: Yes.

Finance Director Diana Gomez: So, if we can do the presentation, which is the start of the presentation, is the H-3 presentation.

City Manager Iglesias: Commissioners, I'll be tag-teaming with our Finance Director.

Mayor Lago: Oh, that's nice. This is a breath of fresh air. I like this.

City Clerk Urquia: Mr. Manager, can you bring your microphone up, please, sir?

Vice Mayor Anderson: You got to listen to this man.

Mayor Lago: Does anybody need a five-minute break?

Commissioner Fernandez: Let's do it.

Mayor Lago: Ah, you said you, my guys need a five-minute break. Five-minute break.

Commissioner Fernandez: Thank you, Mayor.

Mayor Lago: I got to stretch my back out.

[Note for the record: After a brief break, the Commission reconvened the meeting]

Mayor Lago: Mr. Manager, Madam Director, the floor's yours.

Finance Director Diana Gomez: All right, good afternoon. If we can put the presentation up. So, Diana Gomez, Finance Director. So, this presentation is intended to provide an update on the Mobility Hub project, explain how the project has evolved over time, discuss the planning that has occurred over the last several years, and present the rationale for the requested intent resolution, demolition authorization, and future financing plan. So, the Mobility Hub has been discussed for many years. During that time, the project has evolved. Construction markets changed dramatically, and the city took deliberate steps to strengthen its financial position and prepare for implementation. What we're going to walk through is that progression and explain why we believe the city is now positioned to move forward with the financing. Sorry, how do I move it? How do I move it forward? Okay. So, this intent resolution preserves the city's ability to reimburse eligible costs from future tax-exempt bond proceeds. The prior reimbursement resolution was used for the design phase, and it's no longer valid for the construction phase. The \$50 million amount in that resolution is not the final project budget or the final bond size, but it creates the IRS-required reimbursement framework so that work can begin on demolition while final construction pricing and bond financing are completed. The current plan is to finance the project with tax-exempt special revenue bonds for over a 30-year period. The bonds would be secured by legally available non-ad valorem revenues, which allows the city to use its AAA credit profile and reduce borrowing costs. Operationally, the expectation remains that the parking system will absorb the annual debt

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A resolution establishing its intent to reimburse certain project costs incurred*

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service. A key point is that parking revenues are legally unrestricted. They can be used for any general governmental purpose, and the city has been planning for that debt service with the parking system over the past several years. We evaluated whether to issue a traditional parking revenue bond, but that structure would carry lower ratings and higher borrowing costs because the pledge would be limited to the parking revenues. The recommended structure gives the city a lower-cost financing tool while still maintaining the operational plan for the parking system to carry the debt service. So timing is important. Today's action preserves reimbursement eligibility for demolition costs. So, item H-4 will be that intent resolution, which is the next item. After that, the next major Commission action is the bond resolution scheduled for the July 7th meeting agenda. Approval at that meeting is a critical milestone for the financing schedule. After that, the financing team will complete the rating agency work and bond preparation in July and August, target a competitive sale in mid-September, and close in early October. That schedule is designed to have proceeds available before execution of the construction agreement expected in late October 2026. So, with the intent resolution covered, I'll turn it over to the city manager for a project update.

City Manager Iglesias: Thank you. I want to shift to the broader update. This is where we will address the project, how the project evolved, what happened to the pricing between 2020 and now, why the city paused the project, and why we are recommending that the city move forward. As you can see, the Mobility Hub encompasses Garage 1 and 4. The project was initiated by the development proposed by the Allen Morris Company, composed of a mixed-use building on garage site, on the Garage 4 site, and a parking garage on the Garage 1 site. Connecting Garage 1 and Garage 4 as a development site was that it was used as a PAD, a planned area development, which would connect both sites, because since the sites are separated by right-of-way and city property, they could be viewed as one site as a PAD. The FAR proposed on the site number four, the site four was 6.3, since the FAR from the parking garage on site one is not counted towards the FAR calculation. You recall, Mayor, that I think that was the reason why you voted against the project, because the FAR was so high on that particular site.

Mayor Lago: My understanding was over 6.0, I think it was?

City Manager Iglesias: 6.3.

Mayor Lago: 6.3.

City Manager Iglesias: Over 6.3. We also had the legal hurdle to start the project, and I think we've forgotten about that, that we had to start the Mobility Hub about October 1 of 2022, or the project would come back and be approved. The project documents were completed, but due to the pandemic, we did not start construction. And it was deemed to be, to be set to that, that that requirement was satisfied at that time. And we currently have the drawings permitted. We could, if we had a contractor, we could permit those, pull that permit tomorrow. What we are doing now is as a revision, provisioning, providing a revision to the skin and to the activated deck on the ninth

floor, by changing it from a more of a kiddie park to really more of a restaurant event place. This shows the, how the cost evolved on the project. The project design evolved into a garage more in line with the future. The mobility hub would provide for EV, micro mobility, adaptive reuse, and an activated roof. By 2023, contractor feedback and market escalations that pushed the product pricing to above \$73 million. This was the decision point. We could not proceed into an open-ended escalation environment. Project was paused, reassessed, and monitored. The pause was not because the project was abandoned. It was in response to market conditions. Design period overlapped with COVID disruption, labor shortages, material shortages, concrete and steel inflation, electrical equipment delays, and broader supply chain problems. Construction escalation was more severe than general inflation, particularly during the 2021 to 23 period. This graph is, this chart is intended to show the rationality of what happened. If we look at the bottom line, it is the CPI. If we look at the red line, that's a construction cost index based on engineering news record. And if we look at the green line, we can see how that escalation took place within that period. It was, it was so great that we could not sign a contract with a contractor without an escalation clause. So, we really did not know what the upper end cost of that project would be. I think that was, if you recall, Mayor construction at that time was, was interesting to say the least.

Mayor Lago: Very risky.

City Manager Iglesias: Why that project was paused. It's clear explanation to the positive, or for the pause. In 2022 and 23 projected pricing exceeded \$73 million. The contractor needed an escalation clause in any signed agreement. There was not enough clarity around final cost. As mentioned, we paused rather than recommend moving forward under those conditions. As evident in the prior graph in 25 and 26, the projected cost is back down below the escalated 23 projection and back to constructability. We could go back to that prior slide. We can see how the costs are now below the red line and what we are doing, that's through value engineering, which we are proceeding to do now in addition to a strong negotiation. What happens if we do nothing? Doing nothing does not avoid costs. Garage 1 remains an ageing asset with limited capacity. A minimal replacement will address some immediate needs, but would not deliver the mobility improvements, public amenities, or long-term downtown support reflected in the mobility hub. Also, minimum replacement would require an equal minimal replacement of Garage 4, an operational obsolete facility with considerable land value. Moving forward only addresses a problem of an aging obsolete facility, but offers support, growth, and vitality to our very important downtown. Why move forward now? The reasons we are moving forward now are the project estimate has stabilized. There is greater cost certainty. The parking system has been strengthened. The financial planning is ready, and the city has maintained a AAA credit profile. And we are in a much better position today than it was during the peak of construction market volatility. So, our requested action today is the approval of the intent resolution and general authorization for demolition set preparation. The bond resolution will come back next month. Later this year after bond closing, the city would be positioned to execute the construction agreement and begin full construction

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activities. We recommend approval because the intent resolution preserves reimbursement eligibility and allows the project to keep moving forward while financing is completed. Finance Director and I are ready to answer any questions on the intent resolution, financing schedule, project cost history, and our decision to pause and restart the project.

Mayor Lago: So first and foremost, before my colleagues, and I'm going to reserve my questions. I want to listen to what they have to say. I want to say thank you to both of you. I think that we are at the precipice of accomplishing something that has been dreamed about, just like we've talked about City Hall finally getting done. As we talked about Venetian Pool, just like we talked about the Water Tower, just like we talked to medians on Ponce, just like we talked about so many things over and over and over again. We have taken charge, and we've addressed these issues. Let me not forget the referendums. We talked about the referendums for a long time, and we got them accomplished. So, with that being said, doing this for a living brings me great joy and pride to see that we are bringing this to a final close where we're actually going to embark on this process. We would not have gotten here without you, Mr. Manager, and your incredible team. This is one of the most complex projects in South Florida. And to have that accomplished here in the City of Coral Gables is truly going to be a milestone that's going to have significant dividends for our downtown. This is an investment in our business community. We've heard recently that we're not pro-business. Then they have us confused for somebody else. This is an investment in the business community. This is a massive investment in the business community. So, we can't be any clearer in regard to the fact that we're investing in our business community. Why? Because over 25% of the taxes that we bring in come from the business community. And if you add the downtown apartments, almost 40%. But why would we be against the business community? Why would we be making such a significant investment? The reason why I'm in favor of this project, and I'll go more into detail, because I'm going to talk about the actual breakdown costs, because certain comments were made in the last Commission meeting that I want to clarify. Because now you're stepping into my territory when you talk about the fact that this project is not affordable as a result of, for example, Commissioner Fernandez says that he made this project possible. No, that's not the case. Just like the sidewalks were not, the budgets were not tripled. That's not the case. This project was made possible because of your hard work. And let's not get that even remotely twisted in your team's hard work. We face an unprecedented challenge, and I was at the face of that, at the front of that in my industry, where projects, prices were changing on a daily basis. Escalations were happening on a daily basis. Projects were being abandoned on a daily basis as a result of this unprecedented challenge that was COVID. Our Finance Director dealt with it on a daily basis because every single contractor was asking for more money, and it wasn't out of greed because we were showing you the increases a la canteras. We were showing you the supplier costs that were going up every single day, the concrete costs that were going up every single day, the labor costs that were going up every day. So, it was unprecedented moments that put an immense amount of stress on the system. But I want to congratulate you, Mr. Manager, because we are here today, just

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like we are in regard to City Hall, accomplishing that goal and moving forward because of your leadership and because of your technical expertise and the team that you have around you. I want to go into more of the details of finance after, and I want to have a real discussion on that, but I'm looking forward to the negotiated amount because I think we're going to be very pleasantly surprised. I've spoken to the contractors. I have a lot of faith in the contractors, and I know they're drilling down on the numbers in regard to the new skin and the structural system that we have there. And I know there's been some savings already in regard to the foundations, and you're working on the relocation of FPL. These are things, again, that are going to pay huge dividends and I'm looking forward to them. Are we going to be able to do it for \$40 million? I'll tell you right now, we're not going to do it for \$40 million. We're not even going to be able to do it for \$50 million because there's been a reset in regard to prices. But I think that we're going to have a project on our hands that's going to be palatable, that's going to be funded through parking revenue, which is something why I'm supporting this project because there's a revenue source in line and that it's going to feed this parking garage and feed this debt for the next 30 years. So, I wanted to thank you first and foremost. Do my colleagues have anything they'd like to add?

Commissioner Lara: Through the Mayor.

Mayor Lago: Yes, sir.

Commissioner Lara: I agree with you and Peter in particular, both of you, but Peter Iglesias in particular, thank you for spearheading this, navigating it correctly through incredibly choppy economic times. It will ultimately be a legacy that you can claim rightfully as yours because the Mobility Hub project, it's replacing two obsolete garages. I mean, just the level set, right, with one, right, modern ADA-compliant facility that supports our downtown businesses. It improves accessibility. It accommodates future transportation technologies. It protects Coral Gables economic engine. Now we, as reasonable residents, we can always debate height or design, which is perfectly appropriate, that's what we do. But what I don't think can be debated is that doing nothing, if we did nothing, that will no longer serve the residents, the people who come to visit, or the people who do business here in an effective way. So, I'm fully supportive of this project. This is the time; the time is now. So, I'm fully supportive of this resolution. Thank you.

Mayor Lago: Madam Vice Mayor.

Vice Mayor Anderson: City Manager, I applaud your efforts in marshaling this forward through many difficult times. One of the things that I had to answer the questions to early on back in 2023 when we were dealing with this project is why are we replacing the older garages? And did we really need that much parking? So, for those who are watching this now, I'm going to remind you that I did issue a memo based upon the parking studies that were done in the past and the parking demand that we had in the past that we needed these garages. And the date of the memo is May 22nd, 2023. It's up on the city website and 2023 is one of the issues that I issued. The investment

that we would have to put in these old, out of date, poorly designed garages to make them ADA accessible, millions and millions of dollars of wasted funds, it's not going to get us an additional parking space. Not going to be the world-class facility that we need to supply for our residents. Not a well-lit, clean-looking garage that will attract customers to come to Miracle Mile, to go to the restaurants and have the amenities that we will have available within this very modern, clean and well-designed garage. So I am looking forward to that era where we're going to have a facility that's centralized, that can serve all the needs for our central business district, serve the customers at the mile, serve all the restaurants and also be within a stone's throw of where you can also pick up a trolley service and use the rail as well. So, thank you very much for all your hard work on this amazing project.

City Manager Iglesias: Thank you, Vice Mayor. And if I may, it's also designed for adaptive reuse. So, the 12-foot height and the design can be converted to multifamily very easily. Even the skin adapts to multifamily, so you don't have to replace the skin. Simply remove the vehicle guard, put a storefront and you've got fenestration, the fenestration requirements for multifamily. So, it has so many uses. The upper floors in the future could be multifamily and so could be living in the hub and the bottom floors could be used for micromobility and EV. And of course, we have an activated first floor, which is aligned with the Paseo coming from Miracle Mile. So, the garage is really, that's why we called it a Mobility Hub because it's really beyond that. It really deals with our future requirements and not so much a garage that will be really obsolete and be torn down in the future as most of our other garages will be, except for the one next door, which is a garage designed to store our vehicles. It's to store our vehicles for police and fire. That's a hardened garage. We saw what happened on the West Coast when there was no protection. Police and fire cannot function without vehicles, without their equipment. So, the Minorca garage is actually part of our EOC. When the EOC is activated, that becomes our storage area for our vehicles. And we have, this building has been designed with very high floors. So, you can put the larger vehicles in here, the smaller vehicles next door, and we'll be ready to really assist our residents after a major storm. If you leave things out, they're not going to be there after a major storm.

Mayor Lago: So, like you mentioned before, we talked about legacy and Commissioner Lara mentioned it. This is also your legacy, Public Safety Building. And I'm going to be honest with you, since we moved over here and I've been parking for the first time ever in the parking garage next door, I mean, it's a very pleasant experience. Very pleasant experience. Well lit, it's again, it's not hot. It has multiple points of egress and ingress, very comfortable. And I was taken aback, and it made me appreciate even more the level of quality that we're going to be producing in the Mobility Hub. Another opportunity to congratulate you for this parking.

City Manager Iglesias: That was done as a pilot program for really for mobility.

Mayor Lago: And it's also something that you and I talked about. When you were designing and you were working on it was the fact that one day, because they talk about the fact that maybe one

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day we'll be using flying cars and there'll be actual transportation here in South Florida. We're working on that for years, God willing. And parking garages will be obsolete. Well, look, that's another example of a parking garage that could be transformed into a commercial building. We transformed into housing as needed. So again, there's not that it would, because obviously it's part of our Public Safety Building, but who knows? Who knows at the end of the day what these incredible parking garages slash mobility hubs could become in the future once parking becomes obsolete, which I don't see it happening in the foreseeable future but at least we're designing it in a way that we leave those options open. Anything else from the commission?

Commissioner Lara: Well, even flying cars need someplace to go.

Mayor Lago: So, I was hoping to debate construction costs today because I studied for this. I guess nobody wants to debate construction. My point is this, you and I have a very, along with DCM, have a very good understanding of costs of construction, of what we saw during COVID. And we used to have a lot of conversations during those moments. It was the wild, wild west. It was \$200 a yard of concrete, and if you want it, it's 205. You want to pump this concrete right now? Well, this is how much it costs. And when we priced this project and it went from the number to the went, there was no other choice but to obviously shelve the project. And one of the items that we didn't mention here, and I'm going to be very careful talking about this, was the fact that when the project was awarded, which I voted against, I want to be very clear, there was a reverter for a certain amount of years that we had to extinguish in regards to the individuals that won that. But we were never going to allow that to happen going back to that project. At least I wasn't because I thought that a 6.3 FAR was a behemoth of a structure that would cast an immense shadow over the entirety of Miracle Mile. While a very beautiful design, there were certain things that I wanted. And what was that? Number one was a smaller project. And number two, I wanted a green space in downtown. And you know what we ended up doing? I ended up working out because we got a 20,000 square foot park deeded to the city in Publix, which is something that you and I worked together for four years to bring to fruition. Another part of your legacy.

City Manager Iglesias: We have a rooftop park in this.

Mayor Lago: And now we have a rooftop. So, at the end of the day, these are things that are forgotten. One day they will be remembered at the end of the day. But I think we're in a much better position like Commissioner Lara mentioned before with this project than we were with that project. And with a 20,000 square foot park instead of a little postage stamp that was being proposed on the corner of the building, which was, remember it was a park that had a cantilevered roof over it. One of the questions that I remember asking it's a public record was that's not really a park. The sun can't shine. It's an invention of a building where people can congregate, but it's not really a park. The Publix 20,000 square feet is truly a park that is under the sky. And it's something beautiful. It's going to be enjoyed by all the residents, just like the one where adjacent to Boschetti's project and the other one where we have there next to the plaza and the adjacent one where Codina

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and Cadre are putting together. So, these are all things that were not even in discussion four years ago, we were in this situation.

City Manager Iglesias: If you recall, Mayor, how many talks we had about escalation? I don't know how many it was, but it was constant. The cost was going up on almost on a daily basis. It was, I don't know how many discussions we had, but it was almost every day.

Mayor Lago: I want to thank you for your leadership. I want to thank the staff, the Finance Director, DCM, ACM. I want to thank Surami Cabrera, who's not here with us. She played a major role really on our whole construction team. I want to thank our Public Works team, our City Attorney, our City Clerk, everyone that played a role, our outside consultants that are working on this project. Thank you for, we're one step closer to delivering something that again, we don't need to say it, but I'll say it anyways, because obviously, politically, everything's about politics. We're making the biggest investment anyone has ever made in regard to the business community here for Coral Gables. I don't think we need to prove to anyone that we are in favor of the small businesses here in our community.

City Manager Iglesias: If I can say, Mayor, I'm blessed with an incredible team.

Mayor Lago: Yes, you are. Yes, you are, and we're blessed to have you. If there's nothing further, I'll entertain a motion.

Vice Mayor Anderson: I'll move it.

Mayor Lago: We're going to do that now.

City Clerk Urquia: I'm sorry, Mr. Mayor, who seconded?

Mayor Lago: Commissioner Lara second.

City Clerk Urquia: Thank you.

Mayor Lago: Do we have a public comment?

City Clerk Urquia: Yes, Mr. Mayor.

Mayor Lago: Go ahead.

City Clerk Urquia: Jackson Holmes.

Mayor Lago: Thank you.

Jackson Holmes: So, forgive me. I should have a better prepared speech on this, because I've been working on this along with Shamim, Amad, Zagan, Gensler, and all their team. And so, what do you say if you're in the middle of the Sahara Desert, and you're dying of thirst, and somebody shows up with a gallon of water? You say, thank you for saving my life. Thank you for saving my life. Thank you all for saving my life. Now, what do I mean by saving my life? I don't like to discuss my personal business, but it's the only way to really bring it home. Two or three years ago,

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I was talking with my tenants at my store at 256 Miracle Mile, Massage Envy. And I said, “look, things are not going well at the City Commission. All these developers don't like to build parking, but they want to use parking. Things are in flux. And they said, “Well, let me make it simple for you. I said, go ahead. They said, if you don't have adequate parking, we're not going to renew the lease. And so of course, for me, since this is my sole source of major income in life, the world stopped. And then I started remembering all of the things you were discussing today about the alternative plan and all of that. And then I remembered that this mobility hub, which I hadn't even had center place in my mind, but then I said, I called him back like a week or two later. I said, listen, don't worry. Look what's in the works here, the mobility hub. And he said, okay, then we'll renew. But that's it, it's life and death, whether you're in the Sahara Desert or you're on Miracle Mile. And it's with the city too, this doesn't end our parking problem. There's more to go. That's why I want-

Mayor Lago: Rip, can I ask you a quick question?

Mr. Holmes: Yeah.

Mayor Lago: So, would you say that this is the largest investment for small businesses in the city's history?

Jackson Holmes: Well, if you say so-

Mayor Lago: I'm asking you, would you?

Mr. Holmes: Is it the best investment? Yeah. Yeah, absolutely, it's life or death. It's like somebody giving you water or not giving you water in the Sahara Desert.

Mayor Lago: Okay.

Mr. Holmes: Absolutely. That's what I've been saying all along. This is life or death. Thank you for saving my life. Because if I don't have income, guess where I end up? Eating out of Dipsy Dumpsters. This is as important to businesses as water is to continued life. So, can I say more? I think that, thank God, I think I heard possibly that you'll break ground possibly even before you leave, hopefully. And that seals us off from any kind of comeback from the alternative plan. And so, thank you for life.

Mayor Lago: Thank you, sir.

City Clerk Urquia: That's it, Mr. Mayor.

Mayor Lago: Perfect, then we have a motion and a second. By the way, I know that he mentioned that you're leaving. I'm trying to make sure that you stay. We're going to figure out a way. We need you to stay. There's too much work to be done. We need a person of your caliber to stay.

Commissioner Lara: I'm in denial, by the way.

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Mayor Lago: You're not going anywhere.

Vice Mayor Anderson: So, we may end up just tying you down.

Mayor Lago: You're not going anywhere.

Vice Mayor Anderson: If you can visualize this or tape.

Mayor Lago: Just let it be.

Vice Mayor Anderson: Do you prefer duct tape or rope?

Mayor Lago: You're going on a nice vacation right now. You deserve it. You deserve it. You're going to go on a nice vacation and then you're going to come back and you're going to, you're too young. My dad's 77 years old. He's a surgeon. He goes to work and it's a good opportunity for him. You're young. You're staying. You're not going anywhere. The DCM is not ready yet. The DCM needs a little more cooking.

Commissioner Fernandez: It may shock some of you, but my conversation with Peter the other day, I told him I was disappointed in him leaving. I appreciate the work you've done and a reset in our relationship this last year. And you're working with me on projects and putting the city first. Thank you.

Mayor Lago: All right.

Vice Mayor Anderson: I think we're ready.

City Clerk Urquia: Vice Mayor Anderson.

Vice Mayor Anderson: Yes.

Commissioner Castro: Yes.

Commissioner Fernandez: Yes.

Commissioner Lara: Yes.

Mayor Lago: Yes.