

**City of Coral Gables City Commission Meeting**  
**Agenda Item H-1**  
**October 14, 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**

**Public Speaker(s)**

**Nick DiDonato, President of Liberty Group**  
**George Volsky, Coral Gables Resident**  
**Roxcy Bolton, Coral Gables Resident**

---

H-1 [Start: 10:25:55 a.m.]

Consideration of the Country Club of Coral Gables RFP Evaluation Committee's Recommendation to authorize the City Manager to commence negotiations with Liberty Events, LLC, for the long-term leasing of the Country Club of Coral Gables subject to certain terms and conditions and resulting in a draft lease agreement for City Commission consideration.

Ms. Swanson: Good morning Mayor and members of the Commission, just to comment on the nursing home, the Palace has assisted living, but it has no nursing facilities either, so it'll definitely be needed as we progress with that project. We are going to have our proposer set up; and I'm going to do some introduction during that set up, so I would ask Michael Falsetto to come and set up the PowerPoint while I comment. We gave you a very large package. In your package, you have copies of detailed minutes, you have a DVD, it's a three hour presentation before the Evaluation Committee; we gave you the full proposal submitted by Liberty Events for the long term leasing of the Country Club. If you are using Legistar and you can't see that proposal its because it was 25 megabytes when we scanned it and it kicked it back out, but the public is welcome to come and look at the proposal; they were invited and we publicly noticed the Evaluation Committee; we noticed it through the Country Club membership as well as the general public so that they could come and learn with us what the proposal was all about. This all started the end of May when you asked the City Manager to develop a request for proposal for

the long term leasing of the Coral Gables Country Club. Included in that was a very specific process that will be followed; Joe Rodriguez is here from the Procurement Office. We made sure that we were following the proper Procurement Code procedures. We established...we brought it back to you in June showing you the draft RFP including the criteria, the point scores. You all approved that and authorized us to release it. We released it June 10<sup>th</sup> the day after, and we gave a July 31<sup>st</sup> deadline. We received two proposals and we sent the proposals to the Certification Committee; the Certification Committee was a staff committee. It included Kara Kautz from Historical Resources, Alberto Delgado, Joe Rodriguez, and myself; and we were looking at the base requirements not a qualitative review, but the bare bones minimum that had to be included in the proposal in order to forward it to the Evaluation Committee. One of the proposals was not satisfactory and we rejected it; it was not forwarded; we sent the bid deposit of seven thousand five hundred back; we provided notice as to what the deficiencies were and we later reviewed those deficiencies with the Evaluation Committee just to make sure they were comfortable as well. We did convene an Evaluation Committee and we deliberately made it interdisciplinary; we had a member from Parks and Recreation because there was a recreation component. I should say in the R.F.P. we gave people the option of presenting a proposal also for the Granada Golf Course, the Granada Snack Shop, affectionately referred to "Burger Bob's", and also the tennis courts. The proposal that we are reviewing today does not include the golf course and does not include the Granada Snack Shop, but it does include the tennis courts. The Evaluation Committee, then in addition with the Parks and Recreation member, and that was Haydee Polo; we also had Lisa Bennett because this is a historic building, not only in the physical building but the story and how it relates to Coral Gables past, so Debbie Bennett was on. Because its in the middle of a single family neighborhood, traffic would be an issue, so we asked Chris Morrison from the Traffic Advisory Board; and we had it were two hats, not only from the traffic sensitivity standpoint, but also Chris Morrison, although he is a seasoned real estate professional, he was previously almost twenty years with Radisson, with Omni; he understands special events, he understands realistic numbers, and that was a good insight for us. We also had Ray Zomerfeld from the Economic Development Board. Ray is here today, and we thank him for attending and Chris is going to try to attend. Not only is he wearing the hat of Economic Development Board, but Ray is also a Certified Public Accountant, and he is Past Chairman of the Riviera Country Club. So when we talk about business models, we felt that he would be very helpful with it. Because the Property Advisory Board would be the managing entity, the supervisor of this, we had Martha Pozo-Diaz sit in, she is an attorney; we also had Anthony Perrera and he brought up a potential conflict because the vendor, the proposer also has bank accounts within Commerce Mercantile, so we removed him. So we had five members of the Evaluation Committee to review; they convened September 17<sup>th</sup> and we had very critical to this, our consultant. The City went out and hired consultants to help assist us in the process, not only in crafting the R.F.P., understanding what our needs should be, but also in evaluating the operational standards the performances and the expectations from the proposer. The proposal that you received, and I have copies if anyone wants to follow on the detailed minutes as well as in Legistar with the Commission, so you can search for our summary over by the City Clerk's office. I have a stack of about twenty-five, so if anyone would like to follow that they are welcome to. We also circulated anyone that attended whether they were a resident or another interested party received e-mailed copies, if we didn't have their e-mail, it was mailed to them. So the people that were following it have been informed on what the...[inaudible]...Liberty Events is proposing to lease the facilities, the building and the tennis courts for a minimum of ten years and up to twenty

years. They are proposing to be the exclusive provider of food, beverage, hospitality operations throughout the facility to develop a full service banquet and event venue, and a casual food service offering. In addition, Liberty will offer a club membership that will also serve the fitness center, the pool, and the tennis facilities. Later, they will explore additional outdoor dining and the viability of a signature full service restaurant. Liberty will be responsible for all staffing, food preparation and service, facility maintenance, and they will invest their own money, between one million to one point five million dollars in refurbishment and start-up. In their proposal they are suggesting a two hundred and forty thousand dollar annual revenue to the City, plus a five percent rent over a four million dollar in revenue, plus real estate taxes, utilities and so on. Liberty has also brought in Aries Development from Miami to assist in the project. They have a ten percent annual reduction in fees up to ten thousand dollars for former members. Now, while this is the base business proposal, you are not being asked to approve that proposal today; you are being asked to consider the recommendations of the Evaluation Committee that is concluded. They gave us a seven part motion, and we'll go over that, they are suggesting allowing the City staff to negotiate with Liberty to be the long term lessee of the property.

Commissioner Cabrera: What's the timeline then for any other policy setting?

Ms. Swanson: If you authorize the City Manager to proceed, then we would need to come back to you with a letter of intent. If you approve that letter of intent, then we would need to come back to you and through the Procurement Code process, so Economic Development Board, Budget Advisory Board, Property Advisory Board would need to review a draft lease; we would bring that to you. This proposal suggests an opening of September or October the way that they presented it. We have said, we have alerted our attorneys, while we don't want them to be doing the work yet, if the City Commission approves today, the authorization, then we would want to bring to you in your only meeting in November the letter of intent; if you approve that letter of intent, we are going to strive to bring a lease agreement to you in December because Liberty Events is going to need to do some permits, some construction work, some readying of the facility, in order to also train staff and our Evaluation Committee; included in their recommendations that one of their conditions on moving forward is that the City move forward expeditiously in both approving this agreement and through the regulatory process to facilitate the opening of the club in a timely manner. The grabbing of September or October really the pre-season, is important for these numbers all to come together.

Commissioner Cabrera: And that's why I'm concerned because I'm willing to make decisions today, at least I am; what I'm worried about though in the process of making those decisions that we are not going to be able to provide you with enough direction as to giving you the opportunity to negotiate with the vendor, the business model, and that is one of the things I'm most interested in providing the City with, the vision for the business model. So, I don't know when that occurs; obviously from what I'm hearing from your presentation its not going to happen today, but it should then happen sometime within the next sixty days.

Ms. Swanson: We want it to happen. This proposal is what Liberty has made. It's not a bad proposal, but it's not the finished proposal...

Commissioner Cabrera: I understand.

Ms. Swanson:...we need to get your input, we need to get our consultants working on it, we need to understand what are the frameworks and conditions that this City Commission wants to have incorporated in the lease agreement. So we would be with you over the next thee weeks getting your feedback and direction. It would be absolutely important to have it earlier rather than later.

Commissioner Cabrera: OK, and that feedback would occur in a private setting or in a public hearing?

Ms. Swanson: It was originally my intention to meet with the Commissioners individually just to save on time, but your individual comments would later show up in the letter of intent with our draft agreement. If this Commission would rather meet in a...and I'm not trying to avoid the public discussion, I'm just trying to meet the timeline that you could do it in your second meeting in October if you wanted.

Commissioner Cabrera: I would prefer to have that kind of discussion in a public setting so I could hear from my colleagues their, for the lack of a better word, lack of a better phrase, their wish list, for what they would like the facility to look like and be modeled.

Ms. Swanson: Some of that can actually be expressed, if there is some particular vision that should be expressed now can be, otherwise we'll set it up as a...we'll include that at a future Commission meeting, if that's the desire of all the Commissioners.

Commissioner Cabrera: Could we do that today or would you prefer that we do it at another time?

Mayor Slesnick: I think it will probably better if we brought it back with some of the recommendations of staff so we could work off that.

Commissioner Cabrera: OK.

Mayor Slesnick: And so, that's what I'd prefer.

Commissioner Cabrera: Alright, well we don't need...

Mayor Slesnick: I mean, what we are going to do today is we'll hear a proposal, I mean, a brief form of it; we know what the recommendation were of the Review Board, when they bring back the letter of intent; the letter of intent will certainly give us direction, give this Manager direction to go forward in negotiations, but I think that between their and the time they bring back the final proposal is when we need to have that discussion.

Commissioner Cabrera: I agree. What I just don't want to see us go through is that we loose sight of what this group collectively wants.

Ms. Swanson: Absolutely.

Commissioner Cabrera: That's the only reason I continue to harp on this.

Ms. Swanson: With two readings, it is an ordinance. So while the first one maybe November with a letter of intent, the next meeting will be first reading December, the next and final meeting theoretically would be January and then we would set them off on their ways. If the Commission decides they want to move forward we are going to try to help them reach that September-October...

Commissioner Cabrera: Well, let's see how far we get today, but I'm going to reserve the right to discuss this a bit further right before we vote on it, so that we can at least come away with an understanding of...see I think its important that if in fact we are going to move forward with this new contractor, that they understand what we want the facility to look like; and what we want it to be; and who we want it to serve, and so they have a clear understanding of this so that they don't plan the resources and make the investments and then find themselves in an awkward position where they are really not set up to do what we may want them to do, which maybe something totally different from what they originally thought they would be.

Ms. Swanson: And then nobody...

Commissioner Cabrera: Yeah, let's face it, we don't have a lot of choices here, so if we can go ahead and get off on the right foot with each other and not give each other false expectations, I think we are going to have a much better product at the end, that's the only reason for me continuing on this issue.

Ms. Swanson: I understand; and your comment about not having a lot of choices is a really good one. We addressed that with the Evaluation Committee. We have one proposal, and as long as it's a great proposal it's something that can be brought to you as a City Commission.

Commissioner Cabrera: I agree.

Ms. Swanson: We used the Gables Grand as an example; we only had one. Yes, we had thirteen for the Village of Merrick Park, but when it came to the Palace the senior housing, we only had one. So we can take good proposals and bring them through the process, it's not a negative and we believe, the Evaluation Committee, they believe this is a good proposal.

Commissioner Cabrera: And I read that, and to a great degree we also have time against us, and there is a sense of urgency because this facility is going to need some upkeep and we need to bring back or create favorable interest once again for the facility for those that used it before. So, on top of everything else it's a great proposal, it may be a great proposal, but we are also running out of time.

Ms. Swanson: I understand your concerns.

Commissioner Cabrera: Thank you.

Ms. Swanson: The criteria that we asked...we told the Evaluation Committee it wasn't there job to negotiate the deal; it was their job to review the specific criteria that was included in the R.F.P. That included the proposers experience and qualifications, and in the R.F.P. you allowed us to value that at twenty-five (25%). The ability of the concept and uses to enhance and contribute to the quality of life of Coral Gables and the immediate neighborhood, we valued that at twenty-five (25%). The City's financial benefits, again we valued that at twenty percent (20%), it's important, but it's not an overriding consideration. The likely market and financial viability, twenty percent (20%); and these are not new figures, these are the figures we brought to you in June; and consideration given to former club members, Coral Gables residents, and local civic organizations, we gave ten percent (10%). We used the word "consideration" because it's not the City's obligation, but if they wanted to address it and include it in their proposal, we would consider it at a ten percent. The included DVD's of the proceedings in very detailed summary minutes so that you could see all the different questions; you could hear the summary reports of the consultants; we also included the consultant's reports in your package today. While Liberty Events is new to the City of Coral Gables, it was not new to the City of Toronto, and we did a very extensive background check, a multi-level background check. They gave us a two inch binder with extensive qualifications, but in terms of summary Nick DiDonato who is here, with his wife Nadia DiDonato, are Liberty Events and they are the proposers of the...that has been submitted; over twenty years of successfully presenting special events and banquets, operating restaurants housed in historically significant properties throughout Toronto including Casa Loma, there is a picture; beautiful fairytale castle in the middle of a residential neighborhood, so they understand some of the valet parking, or music, or other issues that were involved. They also purchased a surplus courthouse and painstakingly restored it into a landmark, so they value their role of historic properties within the venue; and then they are recognized by the City of Toronto and a variety of charities in their community role. We had our consultants review their credentials, their concepts, their operating assumptions, and we had them conduct separate from this binder a series of interviews to determine their reputation and affirm their capabilities. Chuck Martinez and Gil Katzman are here, they are Adelfi; Chuck is also a legal resident. They are hospitality consultants because I am not a hospitality expert, they are. We brought Barry Abramson in because when you start us negotiating, we are going to look at what is a reasonable return, we don't want to overburden the project, but we want to get an appropriate return for the City. In Gil's and Chuck's reviews, David Whitaker, who was former number two in Greater Miami Convention and Visitors Bureau, is the head now of Tourism Toronto, so they were able to call him, they were able to call their colleagues and connections in Toronto to say, tell us really what they are like; and all of those reviews came back very strong, they are included in your report; and then I conducted the reference checks that were included here. They gave us four names, one was the Mayor and Deputy Mayor of the City of Toronto; one was the CEO of Harbor Front Center, Toronto; and one was the General Manager and CEO of Exhibition Place; and so I just wanted...we included them in your detailed minutes, but I just wanted to review them because they are very relevant, because this government giving us a reference government to government. William Boyle, the CEO of Harbor Front Toronto, has known Mr. DiDonato for twelve years in that capacity; Liberty manages all food and services and catering for special events, and manages over four thousand (4,000) events annually on that property. He says they are the best in Toronto for special events and catering; they were selected through a competitive selection process ten years ago, and Harbor Front just now renewed the contract. Mr. Boyle said Mr. DiDonato is totally honorable, an incredible visionary, and there was, as he put it, "no funny

business" in the financial realm. That was a very strong...I wanted to do the ones that he gave us himself. The Deputy Mayor of Toronto, Joe Pantaloni, who is also Chair of Exhibition Place, so he serves as Deputy Mayor and he is the Chair of a very large area for Toronto, has known Mr. DiDonato for ten years; it was also selected through a competitive selection. Liberty was based on quality not money; they had a higher proposal that was going to garner more money; they didn't think that the vision of that project was in keeping where Toronto wanted to be, so they chose him based on quality. He said Liberty has done a wonderful job in the build-out and the restoration, interiors are outstanding, the food is delicious, the service spectacular, these are not my words, and they have a wonderful sense of style. Mr. DiDonato treats people with respect and attention, and he concluded saying that he had nothing but praise. So we checked those and we did another type of background check. We haven't worked with these people before, it's appropriate for the City to have varicies through the assistance of the City Attorney; we had varicies to do complete background checks, former FBI, complete background checks on both of the companies and all of the team members. Everything came back fine, so we felt that was an appropriate process for us to follow, and we shared those findings with the Evaluation Committee. After the Evaluation Committee heard past experiences, saw the menus, saw the concept plan that was proposed, the Committee passed a seven part motion. The first part of it was that the City negotiate with Liberty Group for the long term leasing of the Country Club; that the City Commission note concerns expressed by the consultants in their summary reports; we have our consultants here; some of it was building in a more local flavor in their menu selection, different things like that; looking at a detailed business plan before we come back to you; that the Liberty Group ensure public access to the Coral Gables Country Club facilities for a fee and not limited to a membership class; that Liberty Group endeavor to accommodate local civic and service organizations by providing reasonable pricing for breakfast and lunch, so these organizations may avail themselves to the facilities; that Liberty Group's proposal further delineate the separate responsibilities of Liberty Group and Aries. We have two groups in this proposal; the Evaluation Committee wants to know exactly who is responsible for what; that the City establish regular and appropriate oversight of the operation. If you ask us to move forward, if we develop a lease agreement, if we enter into that lease agreement, the Evaluation Committee is asking for possibly quarterly updates to you as to how this project is going both in numbers and in operations; that was a condition of the Evaluation Committee. I had originally suggested perhaps annually and they suggested quarterly; and that the City move forward expeditiously, both in approval and regulatory processes to facilitate opening of the club in a timely manner. If this opens in February, we missed a lot. So that's where the time piece comes. We've ask Nick DiDonato to come forward, he could give you a forty-five minute presentation, but I told him he cannot, that he has some brief pictures so that you can understand some of the things, so if you actually need him, you can ask him questions; and then our Evaluation Committee is represented by Ms. Pozo, our consultant is out here, and I'm here to answer further questions. We'd like to ask Nick to come forward for his vision of the Country Club.

Mr. DiDonato: Thank you all, good morning. Thank you for allowing me the opportunity to come and speak to you on behalf of Liberty Group.

Mayor Slesnick: I hope you don't mind having been publicly dissected here; Ms. Swanson seems to have checked you out pretty well.

Mr. DiDonato: Yes, she's done a pretty thorough job; I'm pretty impressed when she was telling me about all she's done unbeknownst to me, but I'm glad it all came out very positive on it. What I'd like to do is give you a run down of Liberty Entertainment Group. In Toronto we are very well known, but here in the United States and Coral Gables and with respect, we'd like to present who we are and what we've done over the years in Toronto, and hopefully move down to Coral Gables and work with you. Liberty Entertainment Group is one of Canada's largest privately owned hospitality companies with over a thousand employees, fifteen properties, and close to forty million dollars in sales per annum. We have grown fairly quickly in the City in terms of the largest spaces, and we do lots of work with the City of Toronto, as you would be aware of the comments made. We run several City of Toronto properties much like the Coral Gables property. I do have a little bit of a presentation, so I'll walk through it. Aside from being the present CEO of Liberty Group, I personally believe in giving back to the community, so I do a lot of work with the City of Toronto and with many charitable organizations in the City. Most recently, I worked with Mayor David Miller, and we've developed the agenda for prosperity for the City of Toronto, which really sets out the framework of where Toronto is going in the next decade, and my responsibility was to provide input on tourism and the hospitality sector, that is currently available on the City of Toronto website, and is actually where the City is moving forward and moving along; we are doing extremely well with that. I've done lots of work with different areas in terms of the communities, developing city strategies in terms of restaurants, traffic flow, entertainment facilities, and so whenever there is a new Bylaw or City, they usually call on Liberty Entertainment Group to give their input from an expert management corporation hospitality group. Aside from that, I've sat on many boards in the charity areas; Hostel for Sick Children, I've sat on their foundation; I've sat on the Board of Variety Village, and with those areas, I always believe in giving back to the community, giving back to the organizations that need the most, and our budget on an annual basis for charitable sponsorship is about half a million a year from Liberty Group to various different organizations. Walk through some of our facilities for you, just to give you a sort of capsule; some of the locations that are really similar in terms of style, and in terms of facility as the Coral Gables. The facility here is a large facility, but in terms of what we do is actually a smaller one, so it's not something that's a stretch for Liberty and can fund a forty thousand square foot facility, most of our facilities are that large, we wouldn't do anything smaller; and this is one of the reasons there is a synergy here in terms of us...[inaudible]...this market, but have a facility where we can bring in the people and the expert staff and justifying them being here and execute it. The courthouse for example, the twenty-five thousand square foot facility built in 1853, this was owned by the City of Toronto, it was an original courthouse; I purchased it from the City several years back because of the surplus property, they didn't know what to do with it, and it was becoming deteriorating over the years; it sat for fifteen years completely empty and abandoned. We took over the facility and created a spectacular event facility; we restored the building to its original grandeur, and now it's currently a restaurant. The Rosewater Supper Club, one of our premiere restaurant facilities, and we will in the food component for Coral Gables, will emulate this style of restaurant. It's a jewel in downtown Toronto; it's been awarded the "DRONA", which is the Distinguished Restaurants of North America, very few restaurants in North America have it and as a matter of fact in Miami, in South Miami, the Forbes is the only restaurant that has received that kind of award. So it's not only a Canadian award, local award; this is an international award; South America, North America, and we were able to get that award for service, dining, facility, food and so on. So it's a great restaurant and doing extremely well, and we've had that for about twelve years. Casa Loma

is another City property; it's a ninety thousand square foot castle built in 1911; its number two tourist attraction in Toronto with millions of people going through their doors; its number two to the CN Tower. What we have done with the City of Toronto is partnered with the Kiwanis group; they run the daytime operations, we run all the food and beverage facilities and special events in Casa Loma. The Liberty Grand, really the Liberty Grand is virtually a similar situation as Coral Gables concept. The Liberty Grand was built in 1926, was used by the City of Toronto only three weeks a year, and boarded up the rest of the time, since 1926 only during exhibition. In 2000, I approached the City of Toronto with a concept and idea for this facility; it's a hundred thousand square feet, spectacular building and very similar to Coral Gables on a larger scale; and the Liberty Group invested eight million dollars into this space to make it year round use space to accommodate up to four thousand people for events, and its been a spectacular success and its really changed the City flow in terms as to where people go to for events, because when we first got the space it's a little further west in the downtown core, and most people thought its impossible to be able to make this a successful venue; lots of hotels in downtown Toronto, it's a little off the beaten track, it's a complete destination, but we've made tremendous success and we are there as I said since we opened in 2001. The City of Toronto is pleased and has taken this model into other facilities in the City's portfolio. We are also event producers and the Liberty Group has produced several events, I'll just show you this piece for a second.

[Video Presentation]

Mr. DiDonato: Not sure if you could hear that totally, but the concept here is we partnered with Entertainment Tonight Canada to develop something at the "Casa Loma" called the Entertainment Studio Lounge, and produced something over the film festival for four nights, which brought the stars, the global stars, into that facility; spectacular event; and we partnered with Toronto International Film Festival to develop significant number of events throughout, not only at "Casa Loma", and events at "Casa Loma" for Ben Kingsley. Each year for the film festival we provide sponsorship also; and we've sponsored the Toronto International Film Festival to the tune of two hundred and fifty thousand dollars a year for the past ten years, to help develop that festival and create that festival and expand it; and Toronto's International Film Festival is now the number two in the world in terms of attendance, and in terms of sales, and it brings to the City one hundred million dollars in sales throughout the City. So we identify areas where we can help the City and obviously have some synergy in our event spaces. Again, the Liberty Grand, we did the opening party for the film festival, this is all in September; we did four thousand people for an opening gala; we've hosted the opening gala for the past six years at Liberty Grand. "Spice Route" is one of our newer facilities I didn't identify, but we opened "Spice Route" back in May of this year. This restaurant is projecting sales in nine million dollars, its one of the busiest restaurants in the City, and much like your Houston's in downtown it's become a phenomenon in Toronto, and we hosted the Brad Pitt party for that event. Again, the Rosewater, this is just in the past couple of week's number of events we've done. Now, really I can sit here and tell you what we've done, but over the years you can go back and see other people speaking about us, so we've been covered in every international or national magazine in Toronto, television stations, and we've always at the forefront of getting those events out there, getting the name out there, and creating those events. In the center you can see the "Ishash" Magazine, that's the Liberty Grand, we were able to get the cover of that magazine just last month for Canada, and again promoting our events and what we do at Liberty Grand; and next

month we'll be on the cover of "Wedding Bells" Magazine, which is Canada's premier magazine. So our marketing department is very savvy in terms of making sure we get the editorial press we need. Aside from running events and restaurants and producing the events, we also have been awarded several construction awards. Historical awards based on the renovations we've done in the facilities we've taken over, specifically three of them. I mentioned the Courthouse, which was an original courthouse for Toronto...[inaudible]...not run for ten years, we took over that construction. It was a four million dollar investment in terms of restoration, and now its one of the most prolific buildings in downtown; we have regular tours of the City through the building because of the historical significance, and it's also a restaurant. The Rosewater built in 1873, again most of the historical nature of the building was gone, we restored it and won awards for the restoration in that facility; and the Liberty Grand, when we took it over, as I said, it was used only three weeks a year, and now its year round usage. So, it brings us to this point here in Coral Gables and why I'm standing here before you. My first reason for visiting regularly and getting to know the community and the business area, was because my son, last year, was accepted in the University of Miami in the pre-med program. So having that, I need to understand the community, my son is going to be living hopefully for the next eight years, Nadia and I decided to spend some time in Coral Gables and investigate what is going on, the community itself, the people that live here, and obviously the business component; and within the year since my son has been accepted brings us to today, I think there was a synergy in terms of this opportunity at the Coral Gables Country Club, and what we do, and I thought there was a tremendous opportunity for both, it's a win-win situation in terms of my organization which is fairly large, and does this kind of project on a regular basis, and happens to have this come available at this time when my son is coming to school in Coral Gables. So I thought it was a great synergy, that's why we stand here today because there is a personal relationship here also with my family and my son who will be here for the next few years, and gives me an opportunity to spend some time with my son and conduct some business. What do we want to do with the Country Club of Coral Gables? To me it's important; it's a great facility; we believe it's very similar to some of the other facilities we have, and I believe in the historical nature of these facilities; in improving it through the space itself, although it's a great space, we can still enhance it to some degree. We can enhance the historical features, enhance the entrance space and the facility itself, and upgrade all the furniture and fixtures to elevate the level of where the Country Club should be. We feel at this point where it was it was medium to lower end, and we want to make it a fairly high end facility with fine dining restaurant in the long term. And what are our rejuvenating objectives? Really, for us it's to have the space used year round; it needs to be used year round to make a viable business; we need to make sure that is happening. We want to make sure it's accessible to the general public, it's not just a small group of people, it's accessible to everybody who wants to use it; it's a historical facility; it's a City property, and we want to ensure that everybody is able to use the space. We want to make sure it has a positive impact on the City. We are not going to come in the City and take the City property and create something that is incontiguous to what goes on in the neighborhood, and what goes on with the people; and then we've looked at the neighborhood, it's a high end neighborhood; we can't have a low end restaurant, we can't have...it was part of the R.F.P....we can't have a "Dave and Busters" there; we want gala events; we want the right people and the right opportunity for the space and for the community. Again, we want to bring added value to the community; I think this is going to be a positive return on the City itself, in terms of the financial component, and it will be a positive thing on the City in terms of an economic component. We believe that we can

support the City in their economic initiatives, whether you bring a film festival to the City, or working with them on other initiatives to create some things at Coral Gables. I was involved with several things in the City of Toronto, "Winterlicious" for example was a concept I came up with for the City of Toronto eight years ago, where the restaurants in Toronto are usually the slowest time of the year, is February; people are inside, indoors, cold hard to get them outside; we worked with the City of Toronto to come up with a concept called "Winterlicious" where we developed a package or component where you get a winter festival outside City Hall, and throughout all the restaurants in the City; that right now is one the busiest times of the year for our restaurants. We are generating an average of four hundred people a night to our restaurants in February, where we would typically generate one hundred people. So creating those kinds of initiatives and working with the City to make sure it's for the overall good. We've also developed the...we do have a health club and a facility there, we developed that component to ensure that the public is able to use it and the community is able to use it; that with the swimming pool, the gym, and the tennis courts. We did put together a timeline; as expressed to you earlier, we are looking at opening in September, we are not going to be fixed on this, but time is critical in that the busy season for this kind of facility would be September-October, and we don't want to miss that festive season; you always want to launch with a big splash in terms of number of events; you don't want to start...so September would probably be the perfect season for us to open this facility. That's in a nutshell what Liberty Group is and what we intend to do with the Coral Gables Country Club.

Mayor Slesnick: Very good. Thank you very much. Cathy, remind us again where we are at right now and what you are asking from us today.

Ms. Swanson: We are asking you to accept the recommendation of the Evaluation Committee and authorize the City Manager to commence negotiations subject to the seven points that the Evaluation Committee raised. Our consultants are here if you have questions for them; the Evaluation Committee is represented by Mr. Zomerfeld, Joe Rodriguez is here from the Procurement Code process, if you have more questions for Mr. DiDonato.

Mayor Slesnick: Today what we will do is move to move forward, and the next step would be a letter of intent would be brought back for us to approve at the next meeting.

Ms. Swanson: Correct – a letter of intent, and then if you all accept that letter of intent we'll build a lease agreement, we'll take it through the Procurement Code process, and you will have two readings of that lease agreement.

Mayor Slesnick: The letter of intent, I'm sorry, will come back in November, right?

Ms. Swanson: We'll get feedback from you all in terms of uses or expectations, we'll include that in the letter of intent, but it basically condenses the business terms and expectation of the agreement, we'll use that to build the lease agreement.

Commissioner Cabrera: OK, and once again the letter of intent is going to, for the lack of a better definition, provide Mr. DiDonato and his company with our vision for the facility, is that correct?

Ms. Swanson: Um huh. (Yes).

Commissioner Cabrera: OK. Individually and collectively?

Ms. Swanson: Um huh. (Yes).

Commissioner Cabrera: OK. Couple housekeeping questions. Mr. Manager, where are you with the recent repairs that we authorized for the Club?

City Manager Brown: Mr. Delgado.

Commissioner Cabrera: Well, if you don't know, I don't want to slow the process down.

City Manager Brown: I don't know. We just authorized those monies for the termiting, for the roof, and for the A/C.

Commissioner Cabrera: Mr. Delgado does not have to come up here and tell us; the reason I asked, if we are trying to move this quickly, I want to make sure that we as a City are moving as well to ensure that we are doing all the things we agreed upon we were going to do; fix the air conditioning, fix the roof leaks, fix the termite problem, and any unforeseen issues that may arise, I think those were the thee major approvals we gave.

Ms. Swanson: They were, and you all included that in your CIP budget for this year, however, I would want them to consult, if you select Liberty, I would want them to consult Liberty and the specifications as it relates to the HVAC within your budget, but I think they should have input as to what that would be.

Commissioner Cabrera: I agree, I agree. I hope we are fixing the roof leaks.

Ms. Swanson: The roof and the termites are...

Commissioner Cabrera: We've seen the down-pours we've had in the last two weeks, so I certainly hope that we are preserving the structure, because you know, we've been through that structure already and I counted over thirty roof leaks. OK. I have a quick question for the City Attorney. Madam City Attorney, if the Commission approves Liberty Group, are we still in the cone of silence?

City Attorney Hernandez: No. The cone of silence will be lifted and you are free to discuss with anyone including Evaluation Committee members.

Commissioner Cabrera: OK. I wanted to thank the Chairperson of the Selection Committee for a great job Mr. Zomerfeld, so please be sure to extend that thanks to, not only to you, but to your colleagues, thank you very much. That's it for me.

Commissioner Anderson: I had the luxury of watching the DVD at home, and I was very impressed with the offerings that were brought forward, and most of all I was very much in agreement with some of the recommendations made by the Advisory Committee. The concerns about the long term leasing, some of the issues of public access, all the things you've listed here are concerns of mine as well, oversight obviously being an important component. So, I'm comfortable with this as of now, and seems you've also done a thorough evaluation as far as background checks; and I'm satisfied that for now this seems to be a very good proposal and hopefully, we can get this going when you bring the letter of intent back to us. Thank you.

Commissioner Withers: On the background check, what checks were done Cathy?

Ms. Swanson: We sent the report to Reider Glass, who is our Special Counsel, but they didn't pull any criminal, any financial, any corporate, charges against the company; we can give you a listing...

Commissioner Withers: No, that's fine, as long as...

Ms. Swanson:...it was very specifically on a detail check, and they reviewed that...I can get that to you.

Commissioner Withers: No, I don't need that, as long as it's been done; and has all of the issues regarding the current litigation we are in been shared with Liberty?- and do they understand where we are with each of these lawsuits?

Ms. Swanson: They are aware there is a lawsuit, a series of lawsuits, but we kept this process separate from the litigation process.

City Attorney Hernandez: It's their responsibility to do their due diligence, so they work with our notice that we have lawsuits that are ongoing at the present time.

Ms. Swanson: But at the same time we've said the issues of the litigation are not their obligation, so if there are...

Commissioner Withers: I understand; my point is, I don't want to get six, eight months down the road and all of a sudden Liberty says, well, what is this all about?- and we are walking away from the deal after we've moved forward, and just don't want to get that far down the road; I just want to have total transparency and give them the opportunity to know exactly where we are with our current lawsuits. I think its only fair to them moving forward, I'm not saying whose responsibility it is, or where its going to end up, just so that they know about it and doesn't give them a reason to walk out of an agreement, if in fact that's part of the agreement, that's all.

Vice Mayor Kerdyk: I'm very comfortable moving forward on this. I will be looking forward to seeing exactly where the refurbishing dollars of one million to one and-a-half million dollars is going to go specifically; talking to you a little bit more about the rent; the five percent over four million dollars seeing the projections on a more detailed basis, which I'm sure you are going to incorporate into their detailed business plan. How the existing members, if the existing members

are incorporated into the business model?- how that works out?- and also the health club, if they think that is a viable health club location; I assume the location is viable, but I'm somewhat concerned about the existing facility if that really meets the standard of the surrounding competition and how they would better that facility? So at this point this is our initial move to get to a letter of intent and all those items along with others will be more specifically detailed at that point. I look forward to having this discussion either at our next meeting or on an individual basis, which ever way you would select to move.

Mayor Slesnick: I'll just incorporate everybody else's statement; I think each person has hit upon some important points and say that I'm comfortable moving forward at this time; obviously, as I've expressed in the past, I am concerned as to how the former members will be included in the mix?- and what considerations, if any, will be given to them to incorporate them into the future of the Club?- or into the business whatever that business form is? Mr. Cabrera points we don't really know the exact business format yet; I read what the proposal said, but as we go through and design what it will be for the future; I'm also concerned as to the integration of the facility and to the neighborhood, the continued integration; parking issues and so forth, that sounds like Liberty is certainly prone to be experts at large events; and we obviously have a facility that's in the middle of a residential area, and even though it has historically been there, and even though there has historically been events at all times when the Club was open, we have always had that concern of trying to make sure that there is no major overflow into the community. I also understand that some of the sites that they have responsibility for in Toronto are in residential areas too, so they are familiar with that. So I say this not concerned, but I say this, that this is something I want to address knowing that they can address it.

Commissioner Cabrera: Mr. Mayor, I'm going to move to approve this and I'm just going to reiterate something Ms. Anderson said, which is I don't want to paraphrase you, but I think one of the key words that came out of your mouth when you were sharing with us your views was oversight; and I want to just remind the Manager that whatever we end up doing as a letter of intent, or any kind of contract there is very clear oversight on our City's part.

City Manager Brown: I'll do.

Commissioner Cabrera: Thank you sir. With that I move to approve.

Commissioner Anderson: I'll second that.

Mayor Slesnick: You second that Ms. Anderson?

Commissioner Cabrera: Yes, she did.

Mayor Slesnick: OK. This was not publicized as a public hearing, I see a number of people in the room that may want to address this, if we would do that; I had one card filed. I'm not sure why the Clerk accepted the card, but Mr. Volsky has asked to speak. Mr. Volsky, you filed a card and we accepted it, you may speak if you wish, and anybody else who then feels compelled to speak since I've allowed one person, if they will file a card with us.

Mr. Volsky: Thank you all. I am in favor of the process, and I speak as one of the most immediate neighbors of the Club, but I came here to urge transparency of the process. I also, I wouldn't say check, Mr. DiDonato, but I check the company, and I spoke with the Counsel General of Canada, who assured me that the company seem as being very serious in Canada, this coming from a very serious and very respectful diplomat in the Canadian Diplomatic Service was enough for me, and I really congratulate Liberty for pursuing the process. Now, why do I ask about transparency?- because so far transparency has not been the word of the process which we went through. We have invested since 2001 possibly close to ten million dollars in the Coral Gables Country Club and we are at square one. It has been said that we gave the Club four million dollars and the Mayor has said this on a number of occasions, and actually it's much more than that, because the four million dollars represents three hundred payments of twenty-five thousand dollars each, of which the previous Manager only paid five or six. So we should be paying, not we, our sons and our grandsons will be paying for that amount for a very long time. I think all of you here except the City Manager who doesn't live in Coral Gables and pay taxes. So it has been a tendency of, actually I noticed today, because Ms. Swanson said she was talking individually with you about the conditions of the management contract; and the conditions were set before 9/16; 9/16 of this year when our economic conditions in the country suffered a collapse. I don't know, but I wish to know whether these conditions of management would be changed by our economic situation. I think all of you in recent days have received statements of your wealth from brokers, and I'm sure none of you were very happy about it. This drives to my assumption that maybe conditions of the contract might be changed or will have to be changed because of the economic situation of the country. We are changing, as you know, the banking system, but not the economic system; we are in for months if not years of [inaudible]. So the question is how this will affect the economic viability of the Club?- and this of course affects the contract, and I would like to end in a way that you said you wanted this contract to be transparent; and I would like to urge you that each step of this is consulted with neighbors and our views are adhered to. As you know they were not adhered to in 2001; the contract was flawed, and now of course you mentioned the lawsuit; I don't know the conditions of the lawsuits either, two I understand. So please make sure that all the details and all the numbers and small letters of the contract are known to us. There is one small item that I would like to refer to which has to do with the Coral Gables Country Club. I think Vice Mayor Kerdyk and members about two years ago, one of his community meetings, I referred to swale, which is on the north side of the parking lot of the Club; and I think the Mayor knows where it is, because...[inaudible]...This swale is a jungle; it has been abandoned; ironically places around it have been very well kept. I think if you pass by you'll see it's a jungle, which is full of rodents and of snakes, it looks absolutely awful. So I believe the City ought to do something about this and I think that the new management, the one that comes on board, should know how it is, and I think you all should pass by and see it.

Mayor Slesnick: Thank you.

Mr. Volsky: So transparency is the key and I hope that you will keep this in mind because one does not recall the past one will come to regret it, because...[inaudible]...Thank you.

Mayor Slesnick: Ms. Roxcy Bolton.

Ms. Bolton: Good morning gentle persons. My name is Roxcy Bolton. I have two items, I'll be very brief. Who was responsible and how will the City be repaid the four million dollars?

Mayor Slesnick: Part of a lawsuit, Ms. Bolton, the courts will decide.

Ms. Bolton: Sir?

Mayor Slesnick: Its part of a lawsuit and the courts will decide that issue.

Ms. Bolton: So if the courts decide...

Mayor Slesnick: Its important to know since both speakers has mentioned the four million dollars, that the four million dollars did not disappear in someone's pocket; it is in the Club building, whether it is needed to be repaid or not the courts will decide, but the four million dollars in the building, it is invested in the building, and the citizens own the building; they are not out four or ten or eight whatever Mr. Volsky said, wherever he got his numbers. The citizens own the building and the building was improved by more than four million dollars, but the answer to your question is Ms. Bolton, the courts will decide the legality of who owes what to whom, OK.

Ms. Bolton: So should the court rule against us, you mean we would have to come up with four million dollars?

Mayor Slesnick: No ma'am, we are not being sued for four million dollars; we are suing other people for repayment of certain amounts of the four million dollars, although the other people have suggested that we may owe them some money because they invested more than four million dollars into the public building. There is probably about six million dollars has been spent in the building itself; four of the citizen's money, and two of a private company's money; and of course we would have to weigh and adjudicate, if anyone owes anyone something in that.

Ms. Bolton: Has the case been set for hearing?

Mayor Slesnick: I don't think so.

Ms. Bolton: Sir?

Mayor Slesnick: I don't think so.

Ms. Bolton: My second question is, a well informed person gave the opinion that it would cost one hundred thousand dollars to put a roof on, that the roof cannot be patched because there is so much rotten wood underneath, that it will at least cost one hundred thousand dollars. Had we brought in a roofer to give us an estimate on this?

Mayor Slesnick: Yes, we have...

Ms. Bolton: What did the roofer...

Mayor Slesnick: Based on the opinions of our own Public Works Department and the roofing company, we approved an amount of money that will sufficiently take care of the roof at this time.

Ms. Bolton: What was the name of the roofing company?

Mayor Slesnick: I don't know, but we can get that for you sometime, I don't know. The person who is taking care of it is our Public Works Department and if you'll refer to Mr. Delgado he'll give you all the details of that.

Ms. Bolton: But it's possible we may come up with a hundred thousand dollars to re-roof, not to patch, but to re-roof.

Mayor Slesnick: That is possible.

Ms. Bolton: Thank you.

Mayor Slesnick: Thank you. We have a motion and a second. Is it clear to the members of the Commission what they are voting on? OK. I think that it was enumerated, the seven conditions...Mr. Zomerfeld, we appreciate you being here and all your work; and if you think you have anything to say, you've been courteous to show up today and take time away from your business to be here again for the umpteenth time, thank the members of your committee.

### **Mr. Clerk**

**Commissioner Withers: Yes**

**Commissioner Anderson: Yes**

**Commissioner Cabrera: Yes**

**Vice Mayor Kerdyk: Yes**

**Mayor Slesnick: Yes**

**(Vote 5-0)**

Mayor Slesnick: We look forward to moving forward, we look forward to moving ahead in this process with all the players and with the citizens and the neighbors of the Club and former members.

Commissioner Withers: Good luck with the medical student.

Mayor Slesnick: Did you wish to introduce your wife, Mr. DiDonato?- I mean she was referred to.

Mr. DiDonato: Nadia DiDonato is the creative director for the group and will be responsible for the direction of the construction and details of the facility. She basically has done all our properties for the past fifteen years, the Liberty Grand, the Rosewater, and all the improvements to Casa Loma, so very talented person in terms of design, but also very astute in terms of

working with the historical community to ensure the properties are maintained and the historical significance is addressed. So Nadia does that work for us, and that's why she's here.

Mayor Slesnick: Well, welcome to Coral Gables to both of you and to your whole group and to the Falsetto family who I know you work with here, who we know here well in Coral Gables, to all the consultants. Thank you.

Mr. DiDonato: Thank you all, appreciate it.

[End: 11:29:11 a.m.]