

City of Coral Gables City Commission Meeting
Agenda Item E-2
May 22, 2018
City Commission Chambers
405 Biltmore Way, Coral Gables, FL

City Commission

Mayor Raul Valdes-Fauli
Vice Mayor Frank Quesada
Commissioner Pat Keon
Commissioner Vince Lago
Commissioner Michael Mena

City Staff

City Manager, Cathy Swanson-Rivenbark
Assistant City Manager, Peter Iglesias
City Attorney, Miriam Ramos
City Clerk, Walter J. Foeman
Deputy City Clerk, Billy Urquia
Interim Economic Development Director, Leonard Roberts

Public Speaker(s)

Nick Di Donato

Agenda Item E-2 [12:56 p.m.]

Appearance by Nick Di Donato to present Coral Gables Country Club's Annual Report, as specified in the Management Agreement.

Mayor Valdes-Fauli: Appearance by Nick Di Donato to present...

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Agenda Item E-2 - Appearance by Nick Donato to present Coral Gables Country Club's Annual Report, as specified in the Management Agreement.

Unidentified Speaker: Thank you very much.

Mayor Valdes-Fauli: The Coral Gables Club's Annual Report, as specified by the Management Agreement.

City Manager Swanson-Rivenbark: So, you'll remember at the last meeting the Property Advisory Board passed an...

Commissioner Lago: But wait. Can I interject just one second in regards to the two projects that we've heard today? I want everybody to be very clear and be very cognizant of the fact that Planning & Zoning Board has approved all these projects 6-0...

Commissioner Keon: So did the Planning director.

Commissioner Lago: 5-0.

Unidentified Speaker: Yeah.

Commissioner Keon: I...

Commissioner Lago: Just take a look into that.

Mayor Valdes-Fauli: Yeah.

Commissioner Lago: Take a look into that.

Commissioner Keon: But in looking at the minutes...

Commissioner Lago: No, no, no. Trust me.

Commissioner Keon: You know what surprised me...

Commissioner Lago: Trust me. I'm saying that to myself.

Commissioner Keon: Yeah. Well, but...

Mayor Valdes-Fauli: Okay.

Commissioner Keon: In looking at -- there's no discussion...

Commissioner Lago: Yeah, that's -- I'm pointing...

Commissioner Keon: Of unit size.

Commissioner Lago: I'm looking -- I'm pointing one figure at you and I'm pointing three back at me or four back at me.

Commissioner Mena: I'm still waiting for the (INAUDIBLE).

Mayor Valdes-Fauli: Okay. Let's go on. Come on.

Commissioner Lago: Yeah. I'm still waiting for...

Mayor Valdes-Fauli: Mr. Di Donato.

Interim Economic Development Director Roberts: So, as an introduction, Leonard Roberts, Economic Development Interim Director and Asset Manager. As part of the lease requirement for the Coral Grand, LLC, they're required to report to the City Commission twice a year. And the last City Commission, you guys approved one of those meetings, occurring with the Property Advisory Board. And today, they're here to present on their annual review.

Nick Di Donato: Good morning, Mayor and Commissioners.

Mayor Valdes-Fauli: Good morning.

Mr. Di Donato: Thanks for having me here.

Mayor Valdes-Fauli: And I apologize for the delay.

Mr. Di Donato: Well, that's okay. I'm here...

Mayor Valdes-Fauli: We'll stop the clock and it'll be time certain 12 o'clock.

Mr. Di Donato: I'm here for the meeting, so I'm pleased to be here addressing you today. I do want to keep this fairly informal because, you know, things are moving along very well at the country club. I will address some of the items in terms of, you know, the Liberty Entertainment Group operating and running the Coral Gables Country Club venue has been successful and continues to be successful for the past eight years. And, the Coral Gables Country Club continues to generate awareness not only in Coral Gables, but abroad and outside of the city. The country club, as most of you are familiar, accommodates four rooms; the Fountain Room, the Merrick Room, the Atrium Room and the Coral Grand Ballroom. Those are regularly used for multiple series of events, from weddings to corporate events to charitable functions. And, we continue to receive tremendous reviews from our guests. Also housed in the Coral Gables

Country Club is the Liberty Café. I'm assuming most of you are familiar with that, and it continues to be one of the favorite spots of the local community. And our Tuesday gelato special continues to host many kids after school. So, the café is very successful and continues to do so and continues to be the center point of the community. Coral Gables Athletic Club, we're currently going under a considerable renovation over there. Now, it needs it. It was an older facility and our budget is about \$300,000 in renovations. All approvals have been granted and we're, I would say, midpoint through the renovations. It was the addition of additional dressing rooms and washrooms and so on to accommodate the guests. We're close to 800 members and our management agreement at the fitness center continues to provide Coral Gables residents professional services in a convenience accessible and affordable manner. The current status, as mentioned, everything is going well. We've fulfilled our -- all our lease commitments from Day 1 and thank you, City Manager Cathy Swanson. We were there together in the initial negotiations, and I think we've fulfilled any and all of the obligations we had addressed and wanted to be involved with. We have completed most renovations, but continue to keep the country club in the first-class manner. We've redone floors, redoing washrooms and, again, redoing the athletic club facility. So, not only are we there in terms of making sure we're providing great service, but we're maintaining the facility for the City of Coral Gables. In 2017, we contributed and sponsored local community charitable organizations the amount of over \$100,000 and continue to support those charities, as needed. We continue to be embraced by the community and offer programming and venue offerings, which are suitable for the community. We continue to be AAA tenants since assuming the lease and have had no issues whatsoever with the City and with fulfilling the obligations of our lease, and we are a success story for Coral Gables. Our challenges. We have had a few in years. And, being a Canadian from Canada who thought that winter storms were a challenge, well, I've come to realize that hurricanes are even a more significant challenge to businesses. And in the past few years, having gone through a couple of them has cost us revenue. It has cost us additional incurred costs with respect to maintaining the property. But fortunately, we always look at the bright side and say we did have a very catastrophic hurricane, but we all survived and no lives were lost, and we're safe and

continue to run on. Business is business, but life is more important. So, it did impact our business because not only does it impact the immediate business for about a two-month period, but it also impacts people booking in the future with the mindset that maybe September is not a good time to book and maybe not Miami for destination weddings. But it is the nature of the climate in the area, so we understand that. We also did have some challenges with the Zika virus. And obviously, being predominantly a wedding venue, it did hurt our sales. And our sales are typically one to two years out, so we're actually feeling those -- the ramifications of the Zika virus still last year and continue to feel some today. We're not like a restaurant. We are booking weddings two years out. And when the Zika virus was here, many people were not booking weddings and events. So, it did impact our sales to some degree. We do have some challenges with numerous inspections on a regular basis. And, I think some of the community members just want to continually identify concerns and simple things like somebody parking on the grass and they call the City Commissioner. And, I know that the City Commissioners and Mayor don't appreciate being called for every minor item, but we understand they're there and we try to deal with them as much as possible, but they are a concern. And we try to, you know, ensure that we maintain a positive relationship with the neighbors. One other item that's been a concern for us and a challenge for operation is the parking situation. Currently, the facility doesn't have the adequate parking to facilitate all our guests. And sometimes, they do spill over onto the street, and obviously, that becomes a little bit of a nuisance to some of our neighbors. We are trying to work with the community and work with the parking authority and the City in terms of identifying when these situations occur and how to mitigate any negative ramifications. And some of that has cost us business because now, for larger events, we require them to have valet parking so we can control that parking. And as a result, we lose many events based on the incremental cost of having valet parking in a facility, which has been addressed as a place that has parking available. So, the parking has been a challenge and it has cost us some business. And to be quite honest, typically, my role in my organization is to increase business and drive revenue and drive the sales up. We know that in the Coral Gables community, there's a balance between our neighborhood and our business success. And so, we monitor that and we do turn

away a lot of events, which aren't appropriate for the neighborhood and not appropriate for the space, because we do respect the neighborhood and we do respect the wishes of the city council and we know it is a City property. So, it is a challenge. We could be doing more sales, but we do take the high road and refuse many sales and many events, because we believe it may affect the community as a whole. I have provided financials from 2017 at a income of four -- a little over four million. Our income is not great, not where we would like to be, and we would like to be higher than that for a significant (INAUDIBLE) like this, but understand the nuances of the community and accept them, and we want to be a good neighbor. So, we continue to do what we have. And as a result, our budget for the following year is just to stay flat, because this past year we've had very few complaints from the neighborhood and the community and so on, and we like to keep the peace. So, instead of pushing and trying to get more sales -- because I think potentially we could up to 4.8 or 4.9 million -- but the reality of that would be that there would be a lot more complaints coming to this Commission from the neighbors and a lot more issues with respect to parking and so on. So, we understand that and that is why I'm presenting a flat budget, as opposed to -- typically, in business, you like to promote business, increase business and do more. I think we are, perhaps, at a capacity based on, you know, the nuance of the space itself. I think, you know, we as an organization, have fulfilled our obligation to our lease and wanted to report that to you.

Mayor Valdes-Fauli: Got it. Are there any questions of Mr. Di Donato?

Commissioner Keon: I think you do a great job. All the events that I've gone to there, you know, are very nice. Your staff is very attentive and very good. The food is good and it's nice. I do appreciate that you are respectful with the neighbors with regard to parking, but couldn't you -- isn't there a way for you to manage -- if someone wants to have a larger event there, that we could work with the City to provide parking in a garage downtown and you can, you know, shuttle people to and from the event. I mean, I know so often for weddings now -- and it's -- I think a lot of it's because of the amount people consume. They don't necessarily want them

driving, but you know, they often have, you know, a trolley or a service that will -- you know, you can park at a certain event so you're not -- and they will pick you up at those hours and take you to the event, so that you can restrict the amount of parking on site and park people in a more appropriate venue outside of a neighborhood and that would allow you to do that, unless the cost to do that are prohibitive. And I don't know what the costs to do that are, but I wouldn't -- you know, I'd -- if there is an opportunity for you to work out something with regard to your parking, you know, I think you can talk with the Manager and the Parking Department and see if there is an opportunity for you to have the larger events, because you have the space to have it and not have the cars there that intrude on the neighborhood.

Mr. Di Donato: I think the challenge is two-fold.

Commissioner Keon: Yeah.

Mr. Di Donato: Number one is the cost. Its cost prohibitive to have people move back and forth and move cars a long distance. And number two -- well, actually, it's probably three-fold. Number two, it's the fact of convenience for people. And one of the reasons...

Commissioner Keon: Right.

Mr. Di Donato: They like coming to the Coral Gables Country Club is the parking is there. They park their car, walk out and move in. As soon as we say we can't allow -- because as soon as an event is larger than 400, we automatically identify you have to have valet because, with valet, we...

Commissioner Keon: Right.

Mr. Di Donato: Can coordinate it and manage it and make sure they're not parking where there shouldn't be parking. So, having off-site parking will be challenging and probably wouldn't result in booking the events. And the number three issue is more traffic in the area. And again, that would -- just having that traffic is perhaps a nuisance. So, we do take every event that comes in seriously, but as soon as we have larger events, we have to really sit down and negotiate with the potential client. And many times, it does result in the loss of that business.

Mayor Valdes-Fauli: Remember that you're in the middle of a residential neighborhood. You had an event for FIU the other day, and the cars reached almost all the way to Coral Way on North Greenway. So, I mean, you're in the middle of a residential neighborhood and that's where you are.

Mr. Di Donato: And that's why we...

Mayor Valdes-Fauli: Yeah. I guess...

Mr. Di Donato: Work with that...

Mayor Valdes-Fauli: That's life.

Mr. Di Donato: And, try to minimize as much as possible those kind of events. So, we could probably be...

Mayor Valdes-Fauli: And, you mentioned Zika and you mentioned the hurricanes. Hopefully, we won't have the hurricanes and Zika is gone. So, it's -- anything else? Any other questions? Thank you, sir.

Vice Mayor Quesada: Thank you.

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Mayor Valdes-Fauli: Thank you very much.

Mr. Di Donato: Thank you. Thank you all.