

City of Coral Gables City Commission Meeting
Agenda Item I-2
September 28, 2021
City Commission Chambers
405 Biltmore Way, Coral Gables, FL

City Commission

Mayor Vince Lago

Vice Mayor Michael Mena

Commissioner Rhonda Anderson

Commissioner Jorge Fors

Commissioner Kirk Menendez

City Staff

City Manager, Peter Iglesias

City Attorney, Miriam Ramos

City Clerk, Billy Urquia

Finance Director, Diana Gomez

Assistant Finance Director, Keith Kleiman

Public Speaker(s)

Agenda Item I-2 [12:00 p.m.]

A Resolution of the City Commission amending the Fiscal Year 2020-2021 amended annual budget to recognize as revenue proceeds from the sale of the Doctors Hospital and the Greco Street parking lots, the receipt of an Agave Developer Fee, and Coral Gables Mobility Impact Fees; and to appropriate such funds to put toward the Minorca Garage Construction Project, the Public Safety Building Construction Project, the future purchase of land, and the enhancement of parks; and providing an effective date.

Mayor Lago: We can move on to I-2, please.

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Agenda Item I-2 - Resolution of the City Commission amending the Fiscal Year 2020-2021 amended annual budget to recognize as revenue proceeds from the sale of the Doctors Hospital and the Greco Street parking lots, the receipt of an Agave Developer Fee, and Coral Gables Mobility Impact Fees; and to appropriate such funds to put toward the Minorca Garage Construction Project, the Public Safety Building Construction Project, the future purchase of land, and the enhancement of parks.

City Attorney Ramos: I-2 is a resolution of City Commission amending the Fiscal Year 2020-2020 (sic) amended annual budget to recognize as revenue proceeds from the sale of the Doctors Hospital -- the expected sale of Doctors Hospital and the Greco lot -- parking lots, the receipt of the Agave Developer Fee, and Coral Gables Mobility Impact Fee; and to appropriate such funds to put toward the Minorca Garage Construction Project, the Public Safety Building Construction Project, the future purchase of land, and enhancement of parks; and providing an effective date.

Mayor Lago: Keith, good afternoon.

Assistant Finance Director Kleiman: Good afternoon. Okay, so this is a budget amendment for the four items that were just read, the sale of the Doctors Hospital lot. There is a resolution that exists that tells us what to do with those funds, and we will be following that resolution to a T. And what -- we'll be doing that in the FY-21 budget and reappropriating that into FY-22.

Mayor Lago: Okay. Are there any public comments?

City Clerk Urquia: No, sir.

Assistant Finance Director Kleiman: That's...

Vice Mayor Mena: We had the comment earlier.

Mayor Lago: We did?

Vice Mayor Mena: Yeah, in the public comment period.

Commissioner Fors: The attorney.

Vice Mayor Mena: Remember the attorney for Agave?

Mayor Lago: Okay. I thought that -- I thought we had certain people. I just want to make sure we had certain people that wanted to talk about...

Vice Mayor Mena: I think they're all for F-5 through F-8, right?

City Clerk Urquia: Yes.

Mayor Lago: Oh, okay, perfect. Okay, my only concern obviously with this was -- and I mentioned it before -- was the issue of what we had discussed about the art before. And I understand the concerns and where we need to -- you know, what the requirement is and what the request is in regards to for public safety, and I know we have to move forward on this issue. I'll entertain a motion.

Commissioner Fors: I'll move for it.

Commissioner Anderson: I'll second.

Mayor Lago: Mr. Clerk.

Commissioner Anderson: Yes.

Commissioner Fors: Yes.

Vice Mayor Mena: Could we have discussion briefly if you don't mind?

Mayor Lago: Of course.

Commissioner Menendez: Yeah, I'm open for discussion.

Vice Mayor Mena: I need some clarity, Keith, on the resolution that you referenced. Do you have that?

Assistant Finance Director Kleiman: It's actually a (INAUDIBLE). I don't have it with me. It is a 2020...

Vice Mayor Mena: I can...

Assistant Finance Director Kleiman: Dash 199.

Vice Mayor Mena: I can pull it up. I can pull it up, so sorry, bear with me.

Assistant Finance Director Kleiman: And basically, it states the same language that I have here in the agenda item for today. We followed it to a T.

Vice Mayor Mena: Sorry, I'm pulling it up. My apologies.

Assistant Finance Director Kleiman: So, there is additional language in the sections at the end of that item that talk about the \$950,000.

Vice Mayor Mena: Which is on the attachment? Is it cover memo or is it the resolution itself?

Assistant Finance Director Kleiman: Well, it's in today's. This is on the agenda. It's actually both (INAUDIBLE)...

Vice Mayor Mena: I have the agenda item, but which attachment is it?

Finance Director Gomez: So, the Resolution 2020-199, it talks about how -- because I have it in front of me. The 50 percent of it goes towards the new Public Safety Building, 25 percent towards acquisition of parkland, and 25 percent towards parks improvements. That has to do with the Doctors Hospital lot, which is the piece that Keith had mentioned earlier.

Assistant Finance Director Kleiman: Right.

Finance Director Gomez: So, that's a portion of it. There's other sections of this amendment, other dollars. So, for instance, there's also the sale of the Greco Street lot, the anticipated sale of \$3.525 million. That's -- we're putting that towards appropriating that towards the Minorca garage. The Agave developer fee, that's \$2.7 million. That's going towards the Public Safety Building. And then some mobility impact fees that are going towards the Minorca garage as well, so we're appropriating all four of those projects -- or all four of those dollars towards the individual projects in the budget amendment to do them all.

Commissioner Fors: And I think -- just I guess to respond to the attorney who spoke earlier, I think what that boils down to is that they are saying -- or the Agave group is saying they had an expectation...

Finance Director Gomez: Right.

Commissioner Fors: Of receiving those funds for art and I appreciate that. At the same time, I think, you know (INAUDIBLE), I think I reviewed the documents, and at the end of the day, the City didn't contractually obligate itself to do -- there was specific language in there which may or may not have stated preferences for using it for one thing or the other, but we deliberately left it open to be able to make the call later on. What we're seeing here today is making the call to use it

for public safety instead of for art. As I always say, you know, I wish money grew on trees, then we'd use it -- we'd have money for the public safety and for the art. Unfortunately, in this particular case, with these distinct funds, we have to make a decision between one or the other. I understand that they had some kind of expectation to use it on art. It's a tough decision for me to make, but at the end of the day, I think if you poll our residents today, you'd find that the overwhelming number would want us to use it on public safety under these specific circumstances. So, that's where I'm at with that in terms of allocating it to public safety over art at this time.

Vice Mayor Mena: And what did the second amended development agreement say exactly?

City Attorney Ramos: It said -- it listed public safety or art, with a preference for art, but at the Commission's discretion.

Commissioner Menendez: So, the key is the discretion part...

City Attorney Ramos: Correct.

Commissioner Menendez: Gives us the flexibility.

City Attorney Ramos: Correct.

Commissioner Menendez: I have just a question. And I too, you know, definitely public safety is paramount to what we do as a government. Of the dollar amounts you -- in the resolution for the different projects, is this the only one that we're coming to this decision now, or are a lot of these also in the same situation, where we identified these dollars recently to move them over? I just want to see, you know...

Finance Director Gomez: Sure. So, for all -- the four different -- they've all been discussed over the past however long it's been discussed. And so, in terms of when we're doing the budget and we have funding gaps and we have to figure out how are you going to fund the things that need to be funded, we've identified the sale, for instance, of Doctors Hospital, the sale of the Greco lot. You know, what are we going to use those monies for, the developer fee. And so, we've -- in a sense, we've plugged those holes hoping that these monies could be used for those purposes. It's been discussed at previous meetings, for instance, the one on Doctors Hospital where there was a specific -- it said X percentage goes to public safety, and then 25 percent to parks. That was very clearly laid out there. The Agave development agreement said public safety or art, you know, preference of art, but at the end of the day, it was left open. The Greco property at all the boards, it was discussed that that will go back into parking in some form or fashion, so the Minorca garage had a hole. So, we said, okay, that's where it makes sense. The mobility fees, it's just -- it's \$50,000 of mobility fees that we feel that we can use it towards the Minorca garage as well, so it's not a larger -- a very large amount, but it's mobility impact fees that have to be used for certain purposes, so we used those -- we recommend use of those funds for the purposes that the need is there.

Vice Mayor Mena: So was the...

Finance Director Gomez: So...

Vice Mayor Mena: Sorry, was the...

Finance Director Gomez: No, no.

Vice Mayor Mena: When the development agreement was originally signed and then amended, there was obviously some discussion at the time of the art preference for art or public safety, which I understand.

Commissioner Anderson: Right.

Vice Mayor Mena: But was it -- when we say public safety, it's obviously a very broad umbrella, right? And was it -- did it contemplate something specific or like additional public safety needed as a result of new development, or was it just...

Finance Director Gomez: So, from our...

Vice Mayor Mena: Because it's basic...

Finance Director Gomez: Yeah.

Vice Mayor Mena: Because you're basically telling me, it's a reimbursement sort of.

Finance Director Gomez: It's money -- we were in the process of building the new Public Safety Building, so we...

Vice Mayor Mena: Right.

Finance Director Gomez: Saw it as funding opportunities. Obviously, the Public Safety Building went from X dollars to much more than what is originally intended, so we had to find funding options. So, the 2.7 at least from Finance and Budget -- I know there was discussions with the development agreement, whatever. We always anticipated that full \$2.7 million was going to come to help fund the Public Safety Building. Then there were some discussions, a possibility of part of it going to art and this and that. For us, it created a difficulty, right? We had to fund -- we would have to then find the amount that theoretically would go to art would be about \$950,000. We'd have to find that out of other funds to fill the Public Safety Building gap...

Mayor Lago: And I think you're for...

Finance Director Gomez: Of funding.

Mayor Lago: Madam Director, I think you're forgetting a very important point. And that is this - and I've been a proponent of the art, and I'm not going to compete -- like Commissioner Menendez said -- whether it's going to be public safety or it's going to be art. Obviously, public safety is paramount. There's no argument; there's no discussion. COVID came.

Finance Director Gomez: Right.

Commissioner Anderson: Right.

Mayor Lago: And we keep forgetting that, you know, we lost significant monies over the last two years -- \$20 million over two years would you say was the final number?

Finance Director Gomez: Yep.

Mayor Lago: I just want to make sure. I don't know if it's 21 or 22. So, we're talking about a significant amount of money that has resulted in all of us having to take a haircut on all fronts. So, this is very tough for me in a sense because I see the commitment from the developer in regards to world-class art, and they've made a significant commitment and they've delivered on that commitment. Again, it's also a massive project in scale, and you know, we're at the crossroads right now where a decision has to be made. And I think COVID has only exacerbated that decision, and you know, and it's a tough decision to make, but at the end of the day, we've got to move forward on this issue.

Finance Director Gomez: Right.

Mayor Lago: And I don't want to belabor the point too much because we've been here having this discussion. Unless there's anything else that needs to be discussed on this matter, unless there's a change of heart or unless we're moving forward, you know, let's take a vote on this because this is -- it's important to finalize this issue that I have presented multiple resolutions. I have presented multiple arguments on why we should -- how we should skin the cat in regards to the sale, but those discussions are done. We're moving forward, you know, and it's time to make a decision here today.

Commissioner Menendez: And I agree with the Mayor. A decision will be made today. I'm confident of that. My only thing as a Commissioner is I think maybe my colleagues would appreciate if the City knows that it's leaning in one direction with the regards to future funds in a situation like this where it can go one way or the other, it's probably -- you know, we would appreciate -- at least I would appreciate to be given a heads up because this sort of came to me sort of with short notice. I understand, so I know what -- how I have to, you know, vote, but sometimes it helps us process it and maybe find other solutions, so that's my only comment. But again, my -- you know, public safety first, but I'd like to maybe tweak that process in the future, so we have more time to process it.

City Attorney Ramos: Vice Mayor.

Finance Director Gomez: And I think a lot of these discussions happened prior to your time on the Commission because we had discussed the Doctors Hospital for the past I don't know how long, the same with the Greco -- when the issue with the Greco lot came up, we did talk about possibly using that.

Vice Mayor Mena: I -- yeah, no...

Finance Director Gomez: And then the same thing with the Agave, but...

Vice Mayor Mena: Well, right. That is the only aspect of this...

Finance Director Gomez: Right, is the Agave piece of it.

Vice Mayor Mena: That makes me...

Finance Director Gomez: Okay.

Vice Mayor Mena: A little -- that I'm not...

Finance Director Gomez: Right.

Vice Mayor Mena: Thrilled about because, you know, we did give an indication that there was a preference. And I get that we're in a contractually sound place where we feel like we're okay doing that. And yes, as a fiduciary of the City's finances, I get it where we are today. And so -- but I don't like kind of, you know, there was an expectation as partners with these people on this project. You know, and I just -- even though we have the right to do it, you know, I'm not thrilled about it to be honest with you. And my issue -- and I should have taken the time -- I didn't frankly -- to -- I would have -- I wish I had gone back to look at like the transcripts of when we discussed the development agreement and its amendments and sort of -- that's what I was asking earlier about when we said public safety or -- like what...

City Attorney Ramos: So, Vice Mayor, I can read you the language.

Vice Mayor Mena: Was there something particular contemplated for public safety, or was it always...?

City Attorney Ramos: It said all or part of the contribution may be used for public safety needs. But above that, it says the allocation of the contribution is at the sole discretion of the City Commission with the stated preference of the City Commission being that additional contribution be utilized for public art improvements to the greatest extent possible.

Commissioner Anderson: I did view that particular meeting, and my impression was it was left to the discretion, and there...

Vice Mayor Mena: Sure.

Commissioner Anderson: Always was -- and I remember the City Manager was discussing the Public Safety Building in particular at that time. Things have changed since then. There were additional costs. We've had COVID. I did bring this issue up when I had my mixed Zoom and residents meeting here on Friday, and we do have -- I had not a single objection to this proposal that we have here today. So, as far as community support, that's what I can tell you.

Vice Mayor Mena: Okay.

Commissioner Fors: And you know, I mean, I think at the end of the day, you have expectations, but lawyers were involved. They're big girls and boys. Any lawyer will tell you when you're reading that agreement that you are not -- you shouldn't have a real expectation. You can have a well-founded hope that it will be used for art if that's what you want, but you know, I don't know how much of a concrete expectation you can formulate based on that. I'm against adding warm and fuzzy language in agreements like that period because then you run into these situations. And as we all know that language about the Commission stated preference while still reserving discretion is meaningless. Why even include it there? Because then folks, you know, do develop potentially expectations. So, that's all I have to say on that.

Mayor Lago: Moving forward, I need a motion on the item.

Commissioner Anderson: I think we have...

City Attorney Ramos: We had a...

City Clerk Urquia: We have a motion, and we have a second, and we can continue the roll call.

Commissioner Anderson: You can roll call.

Mayor Lago: I'm just -- are we good? Mr. Vice Mayor, anything else for the record?

Vice Mayor Mena: No, but it just -- you know, I -- there's a lot of reasons why we're here, COVID and all that being one of them, but...

Mayor Lago: I just put that on the record.

Vice Mayor Mena: No, no, no, it's a fair -- it's a very...

Mayor Lago: You know, and I hate...

Vice Mayor Mena: It's a very fair point.

Mayor Lago: I hate to use excuses.

Vice Mayor Mena: But we're also -- but the other -- but it's also because -- let's be fully -- we were also overbudget on the building.

Mayor Lago: Oh, 100 percent.

Vice Mayor Mena: So...

Mayor Lago: It's not even up for discussion.

Vice Mayor Mena: You know.

Mayor Lago: It is up for discussion.

Vice Mayor Mena: Right.

Mayor Lago: We can discuss anything we want, but I mean...

Vice Mayor Mena: So, I think we have...

Mayor Lago: We...

Vice Mayor Mena: So, we have to own that too. And you know, like I said...

Mayor Lago: By the way, look...

Vice Mayor Mena: I don't like it. I think the writing's on the wall. It's going to pass. And it is, you know.

Mayor Lago: By the way, Vice Mayor, on that point, the Public Safety Building was supposed to be an additional floor. We had to shave down an additional floor...

Vice Mayor Mena: Right.

Mayor Lago: Because of the added construction costs and the financial situation that we're in. By the way, I don't want to scare anybody. The City is in impeccable financial shape.

Vice Mayor Mena: Yeah, yeah, of course.

Mayor Lago: But we're not going to overspend and put ourselves in a position in five years where we're going to be a detriment to our future, so we're being very thoughtful and very methodical, and as you can see, we're not -- we're spending this money in regards to public safety. My record on the arts speaks for itself. I've presented resolutions. I've put it on the agenda. I have fought for this item, and I think it's an important item. But at this point, we're moving forward. You know, I understand my colleagues' position on this and the administration's position on this, and there's nothing else that can be done. I -- you know, we've given the applicant -- not the applicant, but the developer an opportunity to speak on this issue. We have negotiated this issue, as the City Attorney will tell you, for years on this Commission floor. I've present -- I've been the one that's presented the legislation and brought it up as topics of discussion. But we're at a crossroads. It's time to make a decision.

Vice Mayor Mena: Yep.

Mayor Lago: We need to stop talking about this issue and memorialize it unless -- I mean, again, I don't mean -- I don't want to stifle the conversation. I'm just saying it's time to make a decision.

Commissioner Fors: In conclusion, I think Commissioner Mena's -- and tell me if I'm right or wrong -- that your concern is not necessarily about choosing public safety over art in these

circumstances, but it going to pay for the Public Safety Building? Or are you advocating for it going to art?

Vice Mayor Mena: No, no, no. My concern was when the decision was made for it to say public safety or art in the context of a development agreement that was being signed, I don't -- I just don't recall what the discussion was, if there was something particular in mind, public safety-wise. Because I don't think at the time we knew we were over budget. I don't recall the exact timing.

Finance Director Gomez: At the amendment time -- no, at the amendment time...

Vice Mayor Mena: Maybe at the amendment we were.

Finance Director Gomez: Yeah.

Vice Mayor Mena: Okay.

Finance Director Gomez: No, we needed the money towards the Public Safety Building at that point.

Commissioner Fors: And for me, it doesn't make a difference...

Vice Mayor Mena: Yeah, but all the more reason...

Finance Director Gomez: Right.

Vice Mayor Mena: All the more reason...

Finance Director Gomez: That it shouldn't have been written that way?

Vice Mayor Mena: By why didn't we just say that.

Mayor Lago: Well, I think what ended up...

Finance Director Gomez: We -- yes.

Mayor Lago: I think what ended up happening, if I may, I'll take a little responsi...

Vice Mayor Mena: I just don't recall, and I'm not...

Mayor Lago: I'll take a little responsibility for that. I mean, at that point I was advocating...

Finance Director Gomez: Right.

Mayor Lago: And I continue to advocate for art, right?

Vice Mayor Mena: Of course.

Commissioner Fors: I remember, yeah. You were advocating for the art.

Mayor Lago: I was advocating for it, and I continue to advocate for it.

Vice Mayor Mena: We know, of course.

Mayor Lago: But now...

Commissioner Fors: Things changed.

Mayor Lago: Again, like -- that's why I brought up in the conversation 10 minutes ago the issue of COVID, and I like to see all sides of the argument. And I'm not entrenched in my own argument. I understand that, and there's been multiple times here where Vice Mayor Quesada was very good at this and so are my colleagues on the Commission now, where they can explain to me a different, you know, view of the issue or the argument, and I will change my opinion on the matter because they're showing me a different situation, like staff is showing me, "Vince, we're short these millions of dollars. How are we going to address this issue? Where are we going to get the money from? Are we raising taxes? Are we going to raise fees?" Which again, I always vote against that because it's just like a tax. It's -- we have to be -- I have to be cognizant and respectful of the position that we're in and say I can't lie to the public and say we have money, like Commissioner Fors said, growing on trees; we don't.

Commissioner Anderson: Right.

Mayor Lago: If I have to give from somewhere, I got to cut from somewhere.

Commissioner Anderson: Right.

Mayor Lago: And I have advocated for this, and I continue to advocate for this, and I, you know, feel pretty awful for the applicant to be honest with you, the position that I'm putting myself in, you know, in regards to this. And -- but we have to move forward.

Finance Director Gomez: Had we not had COVID, there may have been a different conversation -- right? -- because we would have had additional funds towards capital and maybe it wouldn't have been such a hardship. But I mean, to your point, I mean we did -- capital is the main part that suffered over the past year or so because of the loss of revenues. So, it has to be considered now after.

Commissioner Anderson: Yeah, and I don't see where -- and having reviewed the video, that the Commission had boxed itself in to say that it had to go to art.

Mayor Lago: Well, I feel like I boxed myself in in the sense of...

Commissioner Anderson: No, no, I don't think you did.

Mayor Lago: I continue to advocate and continue to bring things to the Commission. There's not things, but resolutions and ordinances and discussion items on behalf of this item on behalf of this -- the idea of Art in Public Places, but now we're at a different position, so we have to make this decision.

Finance Director Gomez: Right.

Commissioner Anderson: Ready?

Mayor Lago: Are there any further conversations or discussion?

Vice Mayor Mena: No.

Commissioner Menendez: Did you vote?

Vice Mayor Mena: I don't -- he's got to call the...

Vice Mayor Mena: Yes.

Commissioner Menendez: And again, process. The one thing that can torpedo an item, just not the issue itself is the process. And I just would appreciate a little bit better notice when the Administration decides to go in one direction, so we're prepared, and we can process it. So, I'm voting along with my colleagues, public safety first. Yes.

City Manager Iglesias: I agree to do that, Commissioner.

Mayor Lago: Before I vote on this item, I just want to clear up a statement made by my colleague, Commissioner Menendez. I understand his comment about process, but he neither -- and neither did Commissioner Anderson have anything to do with Greco Street lot...

Finance Director Gomez: Right.

Mayor Lago: Had nothing to do with the Agave developer fee, had nothing to do with the Doctors Hospital. You know, I know we're -- we may be finalizing a lot of those things today or in the next few weeks, but these are things that have been going on for years.

Commissioner Anderson: Right.

Mayor Lago: You just happen to be voting on them today, both of you. Reluctantly, I'm voting no based on the issue of the art. Excuse me, yes. I'm voting yes reluctantly based on the art...

Vice Mayor Mena: You threw up for a loop.

Mayor Lago: Based on the art issue because it's lumped in with Greco, it's lumped in with Doctors' and a few things, okay?

Finance Director Gomez: Thank you.

Mayor Lago: Thank you very much.

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