

**City of Coral Gables City Commission Meeting**  
**Agenda Item H-6, D-2, E-2, and E-3 are related**  
**March 10, 2009**  
**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**

**Interim City Manager, Maria Alberro Jimenez**  
**City Attorney, Elizabeth Hernandez**  
**City Clerk, Walter J. Foeman**  
**City Clerk Staff, Billy Urquia**  
**Development Director, Cathy Swanson**  
**Assistant Director, Planning Department, Walter Carlson**

**Public Speaker(s)**

**Mario Garcia Serra, Attorney, Greenberg Traurig, Representing The Palace Group**  
**Hector Fernandez, Architect, Fullerton Diaz Architects**

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H-6, D-2, E-2, E-3 [Start: 9:42:52 a.m.]

(H-6) Update on The Palace Development Schedule

(D-2) Iris V. Escarra, Esq. from Greenberg Traurig, on behalf of Palace Management Group, LLC, requesting encroachments consisting of a porte cochere overhanging above the entryway encroaching approximately 16’-8, at an elevation of approximately 16’0” above the right-of-way of Andalusia Avenue, a balcony overhanging approximately 4’, at an elevation of approximately 14’0” above the alley, moldings, lighting and decorative features on the exterior encroaching 1’ over the abutting right-of-way and landscaping and decorative pavers, lighting, benches and other features adjacent to the Gables Palace project at 83 Andalusia Avenue, Coral Gables.

(E-2) An Ordinance of the City of Coral Gables for a change of land use from “Commercial Use, Mid-Rise Density” to Commercial Use, High-Rise Density” on Lots 35-47 and Tract B, Block 4, and Lots 10-20, Block 5, Crafts Section (83 Andalusia Avenue), Coral Gables, Florida; the change of land use is a pre-requisite for Planned Area Development (PAD) site plan review; providing for a repealer provision, a savings clause, and a severability clause; and providing for an effective date. (PZB recommended approval with conditions, 6-0).

(E-3) An Ordinance of the City of Coral Gables approving the Planned Area Development (PAD) site plan referred to as "The Palace at Coral Gables" on Lots 35-47 and Tract B, Block 4, and Lots 10-20, Block 5, Crafts Section (83 Andalusia Avenue), Coral Gables, Florida, and including required conditions; providing for a repealer provision, a savings clause, and a severability clause; and providing for an effective date. (PZB recommended approval with conditions, 6-0).

Mayor Slesnick: For those of you watching and for the Commission itself, we have four items that are related, H-6, D-2, E-2, and E-3, its all concerning The Palace; and we are going to start with H-6 because that's the overview presentation by Ms. Swanson about the project, where we are, what's happening, what's going on, and then there are three separate items for us to consider D-2, E-2, and E-3. Ms. Swanson.

Ms. Swanson: Thank you Mayor for taking me out of order, I am H-6, which is providing you with an update of The Palace. Vice Mayor Kerdyk had asked for an update before and we wanted to make sure that our dates were right, the information that we were going to provide you was on point before we formalize that. We'll come back to you March 24<sup>th</sup> with a suggested amendment to an exhibit, which actually deals with timetable, but right now I wanted to present to you where we are today. We have good, new and bad news; the good news is this project is moving forward; they are actively involved in the public approvals that's why you have today the encroachment, that's why you have today the land use change, and for those that are looking at the land use change, its not something to be alarmed. We are saying let them go to a high-rise designation so that they can build the nine stories, that nine stories will remain with the property, its not going to allow them to go higher than that, but its important to get their design and get that additional floor; and that also the sight plan, that means for sight plan approval that means they have already gone through the Development Review Committee, they've already gone to the Board of Architects, they've gone to Planning and Zoning Board, and now they are coming to you. The land use change and I believe the site plan is two readings; they'll come back to you March 24<sup>th</sup>. They are committee – six million dollars have been spent, the purchase of Melody Inn is there, they have spent considerable resources on architects and on approvals, including the CDB; you allowed them to create a Community Development District for the public parking component, that's going to come together with the County approval June 30<sup>th</sup>, but what has happened, which we do not have control over. They do not have control over, is this not only national, but international crisis situation with the financial markets that is preventing capital from coming into not only South Florida, but other important construction projects. They remain committed, we remain committed, we are going to buckle our seatbelts and ride out this financial crisis, but it causes us to postpone the opening of the project; they can get the public approvals; they can get their plans done; there is strong, strong public sentiment; we are getting calls not why is it opening, but when is it opening?- but the reality is the financial institutions are not lending, not only in South Florida, but anywhere even for the really important construction projects like this. It's sad for us not only because our commitment to get this project up and open, but because of the families relying on this project. If you look at what's happening at The Palace at their other projects, they are at capacity, they've got waiting lists, so its not an issue of what's happening in the economy as it relates to personal choices coming into the property, it

relates to the financial institutions. They continue to have active conversations with possible lenders, but it does delay the project. When we originally presented an Exhibit "G" an opening of December 2010, we are going to have to push that back a year. We are going to come back to you with specific schedules and ask for your consideration in amending the lease, just that exhibit, so that our schedule is now in keeping with what is going on in the national and international markets, but we wanted you to know that before you move forward with the encroachment, the land use change, and the site plan. Its critical that you consider those items today; we want it shovel ready, we want it ready to go to get everything done, so that when those money markets do open up we are able to step in and get it done. You'll also remember as it relates to possession date, that this Commission said, let's make sure that everything is in order and they are ready to go before we turn over our parking garages and our parking lot. So as a condition to possession date, they have to have the construction financing, so in the meantime your Parking Director will continue to lease up those parking spaces and the public will continue to be able to park there. Another change that we have asked for is we will accelerate when the third party fees will need to be reimbursed. In the past it was as a condition of possession, now we are suggesting that it's a part of the final public approval process; that final public approval process would be April 30<sup>th</sup>; The Palace Group has agreed to accelerate that reimbursement, and if anyone has a magic wand that they can wave over the financial institutions to get them to look into South Florida – we've been told that if they are going to invest they are going to invest in Coral Gables, now we just need them to start investing. So we have Jacob Shaham here, Helen Shaham here; they are going to be presenting the land use change site plan along with their architects, but we are going to come back with a detailed listing of the revised schedule; we have a list of residents that have been wanting to be kept posted, if the Commission agrees to those changes we'll send out letters so they can make their family plans as well.

Vice Mayor Kerdyk: I just have one question. Certainly we understand the situation that the environment is in from a construction lending perspective; I'm wholeheartedly supporting this project and want to see it move forward. One question I have is that you do mention the purchase of the Melody Inn is an indication that they plan on moving ahead in good faith; is that being pledged with the property?- is that tied into the property?

Ms. Swanson: At this point we are saying that, that needs to be conveyed to the City at time of possession; possession has been postponed; possession date for when they get the property, they get to demolish, they get to move...

Vice Mayor Kerdyk: So possession date is after they have the construction financing.

Ms. Swanson: Absolutely – everything has to be in order; they have to pull a demolition permit and they have to start demolishing the next day. As a condition to that, then the City will receive the Melody Inn, which they paid three point five million dollars for, that is tied up to the possession date, and we think at this point that's an appropriate obligation when possession takes hold.

Vice Mayor Kerdyk: I'm not debating the timing or anything; I'm just want clarification there. So as of this point the payment, any payment; we have not received first of all, we have not received any payments other than what the developer has done to move this...

Ms. Swanson: We are in the option period; they are paying their option...

Vice Mayor Kerdyk: Just re-clarify that for me again; just go through that again.

Ms. Swanson: At this point an option, City still controls the parking garage, City still receives revenues for that, and its a thousand dollars a month, and then there are increases to that. I have to go back through and check my notes on it, but it is at least a thousand dollars a month period. At possession it becomes a hundred and twenty thousand dollars a year...

Vice Mayor Kerdyk: That's what I remember.

Ms. Swanson:...that figure I'm certain of; I can go back through and see where are they in their monthly payments totally current, absolutely current. But what we did suggest was since this City has outlaid significant revenues and significant expenses in third party fees, and that was a condition of possession, we'll just move it up and we'll get it for mid-year, rather than waiting longer; we made the call, they agreed, we are moving forward, its about three hundred and seventy thousand dollars...

Vice Mayor Kerdyk: Right, right, very good.

Ms. Swanson:...And once again that's another significant commitment moving forward.

Vice Mayor Kerdyk: No, I think the developer has made significant, as you put it, significant commitments all throughout the process, and again who was to forecast what has happened to the economy in general. I think everybody understands that, but I just want to understand exactly what has been pledged and what is supposed to be pledged, so that we don't get stuck later on in the process.

Ms. Swanson: And we appreciate that; we are very confident at the direction where we are going.

Vice Mayor Kerdyk: I think so.

Ms. Swanson: The amount of – we have been privy to the conversations that have been taking place with the financial institutions; they are making a significant equity commitment as a part of construction financing, that will continue. We just need to find a financial institution that recognizes the value and the timing and able to move forward. We will also go to the Senior Advisory Board and brief them when we go to you in March, March 24<sup>th</sup>, so that they are aware also of the schedule.

Commissioner Withers: So you are asking for a year's extension?

Ms. Swanson: We are giving you the head's up that we are going to come back to you March 24<sup>th</sup> and formally ask that, but we didn't want you to act on the encroachment, the land use, the site plan without knowing that, that's where we are going.

Commissioner Withers: I understand. Let me ask you a question. If the deal just blows up, and again I think the developer is moving as quickly as they can, but if the deal does blow up, that Melody Inn property, I guess they would retain ownership of it.

Ms. Swanson: At this point absolutely; and I would say that several deals out there have, as you termed it, blown up, if any project is going to move forward in Coral Gables, I'm confident its going to be this one.

Commissioner Withers: OK. Let me ask you a question. I don't know the Commission feels, but in the City's best interest, does the Commission have any desire to put a contingency that we have the right of first refusal on that property, if the deal does blow up? It would be nice for us to assemble that, I would assume.

Vice Mayor Kerdyk: Well I think, I certainly, anytime we can acquire property it's a good thing...

Commissioner Withers: Especially this piece of property.

Vice Mayor Kerdyk: I hope that will never come in front of the City, but I think that would be a...

Commissioner Withers: I don't how the Commission feels; I don't know if we want to explore that or...

Mayor Slesnick: I think that's a very good idea.

Vice Mayor Kerdyk: I do too.

Mayor Slesnick: We could ask them.

Commissioner Withers: Yeah, that's what I'm saying.

Ms. Swanson: I'm sure the developer would agree to the concept of a right of first refusal, and we can bring that back at the March 24<sup>th</sup>...

Mayor Slesnick: Market price.

Vice Mayor Kerdyk: The question is the market price.

Commissioner Withers: I just opened the door, you guys think of the rest of the way, alright.

Ms. Swanson: The right of first refusal is a fair...we are moving forward...

Mayor Slesnick: Cathy, the right of first refusal at half price.

Vice Mayor Kerdyk: Market price.

Mayor Slesnick: I don't think that Commissioner Withers intended to make that of any kind of consequence as far as an economic burden to the developer, but a right that they come to us first before disposing of the property.

Commissioner Withers: That was my pure intention. So if we have the opportunity to join the property together, then let's have the opportunity to do that.

Ms. Swanson: And I'm sure our City Attorney and their legal counsel can develop language that reflects that, and we can incorporate that also as a lease amendment when we come in with the exhibit, but we are not spending any other changes at this time. If there are no other questions, then we'll bring the encroachment item up before you.

Mayor Slesnick: Yes, we are going to move on; you want to do D-2 first, the encroachment?

Mr. Garcia Serra: Good morning Mr. Mayor, Commissioners, Mario Garcia Serra with offices at 1221 Brickell Avenue; actually is staff going to be doing their presentation?

Mayor Slesnick: I'm going to let you all decide; you want to do D-2, E-2, and E-3?- which order...

Mr. Garcia Serra: I think it would be appropriate probably to take them altogether at the same time, because they all have to do with the same project, D-2, E-2, and E-3.

Mayor Slesnick: OK, that's great.

Mr. Garcia Serra: And then perhaps we could have staff then do their initial presentation, and then I'll do the applicant presentation.

Mayor Slesnick: Mario, we've got to get you up here more often, get these things set up. Thank you.

Mr. Carlson: Mayor, Commissioners good morning, for the record Walter Carlson; staff has a very brief PowerPoint presentation, which summarizes the findings and recommendations made in the staff report, which is before you, if you would bring it up, thank you. There are two public hearing items which is before you today, the first is a change of land use from commercial use, mid-rise intensity to commercial use, high-rise intensity; this change of land use is required to permit the proposed nine story senior living facility, which is going to be heard today as well. The second is a PAD site plan review of the proposed senior living facility; the facility consist of two hundred and forty-three (243) living units, and a separate five hundred and sixty five (565) space parking garage. The property is located one block west of Douglas Road and consists of two separate parcels; both of those parcels face onto Andalusia Avenue. The majority of the property is owned by the City and is currently used for public parking. The former Melody Inn property is also a part of the project site, and the project site is currently has three hundred and thirty-seven (337) public parking spaces on it. The entire site currently has a commercial mid-rise intensity land use designation, and that designation allows for a maximum eight story

development on the property. The site is zoned commercial, which is the appropriate zoning designation for the senior living facility. The project consists of two separate structures; a nine story living facility, and an eight story parking garage; the senior living facility is located on the north side of Andalusia Avenue, and the new parking garage will be located on the south side. The senior living facility contains again two hundred and forty-three (243) senior living units, and it also has ground floor retail. The new parking garage contains five hundred and sixty-five (565) parking spaces, and that includes the three hundred and thirty-seven (337) public replacement spaces, and also two hundred and twenty-eight (228) spaces for the senior living facility. That is eight more spaces for the senior living facility than required by Code. The project has been reviewed by the Board of Architects five times, and has received preliminary design approval and approval for architectural bonuses. Here is the graphic showing the configuration of the property, again, the senior living facility will be located on the north side of Andalusia Avenue, and the parking garage will be located on the south side. The permitted building height currently on the property is eight stories and ninety-seven feet; the proposed building height would be nine stories, an additional story, and a hundred and one feet, which is an additional four feet above what is allowed by Code. Any changes to the PAD site plan including height would require a uni-approval at public hearings before both the Planning and Zoning Board and the City Commission. The change of land use is also necessary to increase the permitted density from a hundred and twenty (120) senior living units per acre to one hundred and eighty (180) units per acre, and that is necessary to achieve the project's proposed two hundred and forty-three (243) senior living units. Staff found that the proposed project is consistent with the goals, objectives and policies of the City's Comprehensive Plan; the project fulfills the Zoning Code Site Plan review criteria, and the Planned Area Development objectives. The proposed adds a senior housing facility to the downtown area, which has been a long standing objective of the City. The proposed project is only four feet taller and is currently allowed as-of-right on the property. The proposed public realm improvements are in compliance with and in excess of the City's Master Streetscape Plan; there are no variances required or requested with this project. All public replacement parking spaces are being provided with this project; there are eight additional parking spaces being provided above which are required by Code; and finally any changes to the PAD site plan would require review and approval at public hearings. The Planning Department recommended approval of the change of land use, and the Planned Area Development site plan with the following conditions: first, performance with the site plan, landscaping plan and all representation submitted with the application; that no gates or other devices would be installed or would restrict vehicular access to the replacement parking spaces in the new parking garage; and installation of traffic improvements identified by the traffic study, subject to review and approval by the City's Public Works Director. The Planning and Zoning Board recommended approval of this application with staff's conditions of approval, and included one additional condition, and that condition was that the applicant provides improvements and directional signage for the pedestrian paseo between the project and Miracle Mile. And that concludes staff's presentation. I know that the applicant is here with a detailed presentation on the project itself. If you have any questions, I'll be glad to answer them.

Commissioner Withers: I have one quick question. The increased number of units, have we compared the square footage of those units to national standards at all?

Mr. Carlson: I don't...maybe the applicant can...

Commissioner Withers: I don't know if there is any kind of accreditation of these facilities or whatever that requires minimum square footage per unit.

Mr. Carlson: Regardless of the number in there, there is a FAR which is required of 3.5, and they are meeting that FAR requirement.

Commissioner Withers: No, no, what I mean is, is there a national accreditation of these facilities and they require that livable space is 600 square feet per unit, are we in, I don't know, that's why I'm asking.

Ms. Swanson: Our senior housing consultant, when we were doing our negotiations evaluated that; these units are larger than the minimum requirements.

Commissioner Withers: OK.

Mr. Garcia Serra: Good morning again Mr. Mayor, Commissioners, Mario Garcia Serra, with offices at 1221 Brickell Avenue representing The Palace Group today, accompanied by Jacob and Helen Shaham, the principals of The Palace Group, Hector Fernandez of Fullerton Diaz, our project architect, and Tim Plummer in the back row of David Plummer and Associates, our traffic engineer. As we had discussed previously, there are several different items related to The Palace project on the agenda today, and Ms. Swanson already discussed the issue of the timeline, the developer schedule, and then the remaining ones are the encroachment request, the land use and zoning amendment request, and the PAD approval, which we'll present right now. As all of you know, a suitable retirement community for our seniors has been a long term goal of this City Commission. In 2005, is when the City Commission originally issued an RFP offering the parking lot on the north side of LeJeune behind the Ross Dress for Less, Hector, you can bring up the aerial photograph of the property; and the parking garage on the south side of Andalusia Avenue, which you can see on this aerial photograph on my left, your right. In 2006, the RFP was awarded to my client, The Palace Group, and between 2007 and 2008, the lease was finalized and executed. Since 2008, we have been in the process of obtaining our land use zoning and design review approvals for this project. The land use approvals which we are requesting today is for a map amendment, so as to change the designation of the property from commercial mid-rise to commercial high-rise intensity. We are also requesting approval as a Planned Area Development a PAD, to obtain setback relief; and finally we are requesting encroachments into the public rights-of-way for a balcony, a porte cochere at the entrance and some architectural features. As I'll explain after Hector does his architectural presentation, none of these requests are as dramatic as they may sound at first, but we'll get to those details later, we want to show you the project first and then explain to you what we are requesting and why; Hector if you could go through the architectural plans.

Mr. Fernandez: Absolutely, thank you Mario. Good morning Mayor, Commissioners, I am Hector Fernandez, I'm with Fullerton Diaz Architects, Project Manager for The Palace; I'm taking you through here as Mario mentioned, the aerial, here we have the two properties; the parking, the existing parking structure, which will eventually become the new parking structure, and this portion is the main building for The Palace. Here are some of the pictures of the existing



site, the Melody Inn, right over here where the pointer is at, looking all the way over to the Ross, which abuts the property over on the east side; and another panoramic view showing the parking garage, which is the south side of the property. Land use map showing the lots in question here, what the current designation is, and the zoning map as well; and here we have name of the proposed main building for the Palace. Again this is the porte cochere that Mario was speaking about in the encroachment. The first floor will be retail liners with continuous locia that spans the length of the building; the second floor is the amenities level, which is where all the public functions for the residents are located, such as dining facilities, theater area, gathering areas and such, recreational areas, activities area; and then from the third floor up is the habitable area where the units are located. This is a rendering of the proposed garage; again, an eight story garage the last floor being open to the air, essentially seven stories with a five foot high parapet wall on the last floor, and we've gone through and created some indentations and such throughout the building in order to break up the mass. We went through one process of Board of Architects, which was very beneficial and very constructive in developing the design that you see here before you today.

Mr. Garcia Serra: If I could just interject for one second Hector; go back to the parking garage; the parking garage of course would be a municipal parking garage with over six hundred spaces, which will have the required parking for the senior housing facility, as well as the replacement parking for the parking that is going to be available.

Mayor Slesnick: This was not the first architectural design, was it?

Commissioner Withers: No, not at all.

Mr. Garcia Serra: There were, I would say fairly significant changes that transpired as a result of the Board of Architects review process.

Mayor Slesnick: Madam City Manager speaking for myself, something is out of whack here, I mean, first of all we approved...something is out of whack a lot. I mean, we were ready to go over and put a shovel in the ground, now we are getting back these items on first reading for changing the Zoning Code. We approved the site plan, we approved the project, we did everything; I'm not quite sure how we got ourselves into a thing where we have to come back. I don't know; was the Planning Department not involved in the early going?- did they not know we had to make these changes to the Code?- and we are sitting here voting for a site plan, and we've got changes to the Code that we didn't do, and then we send a site plan that we approved, and we looked at the architecture and it goes back to the Board of Architects, and the architects screw it up.

Interim City Manager Jimenez: I think initially we were looking at it as land owners, now we are going through the regulatory process, which involves their Planning Department; as it relates to the design, I think, our Board of Architects were very much involved in the changes that you see here today.

Mayor Slesnick: Well there are three of us at this end of the table that don't much care what the Board of Architects did versus what we approved the first time....I have leaned over to speak to the other two, I'm disclosing our conversation now.

Mr. Garcia Serra: Perhaps I could describe how the process transpired, it might help.

Vice Mayor Kerdyk: Maybe a good idea, the best assemblance to what you...

Mr. Garcia Serra: If you remember when you originally voted on the RFP, in the RFP there was a concept plan attached to our bid...

Vice Mayor Kerdyk: Right, right.

Mr. Garcia Serra:...which was why I was responsive to it; and you remember from that design, and I'm not sure we have anything to show you today, and there was a cupola, there was a cupola in the middle of the building right about where that sort of central architectural feature is, that was considerably higher, it was a different shade of color, the façade had some different details on it, and the design that we have before you today is a product of both the zoning and analysis process, with the Zoning Department and the Board of Architects design review process. The cupola which was a prominent feature, disappeared as a result of the zoning analysis because when the zoning analysis was done, the architectural feature in the City of Coral Gables is a product of what your underline permitted height is, and we designed that cupola based on the commercial high-rise intensity designation which we are requesting before you today. You'll remember that there was some discussion on the City Commission that will give you the Comp Plan amendments as to accommodate nine stories within ninety-seven (97) feet, but that going any higher than that sort of was going against the spirit of what was discussed; that cupola was based on a permitted height, which is higher than what's permitted by your commercial mid-rise intensity. So as part of that discussion, they were sort of saying, you can have your commercial high-rise intensity to have your nine stories, but you can't use it to have your higher cupola, right. So as part of that discussion is how the cupola got decreased or actually disappeared and now we have the architectural feature in the middle. I would say that the rest of the changes that happen to design as far as the facade, how it breaks up, other issues of architectural features in front of the building and so forth, were a result of the Board of Architects. In my experience, a project of this size were usually through the Board of Architects, I would say in two months, you know it usually takes maybe two or three meetings. This took six months, and the reason I attribute that to is, because usually we have a developer who wants to develop a nice project and get it sold and so forth, but ends up selling it and isn't the long term owner; and so its probably usually more willing to give into what the Board of Architects, is recommending. Here we have a long term lessee who as an initial term lease for ninety-nine (99) years is going to be with this project for a long time, this is going to be their flagship building, and so they were very committed to the original design, and so there was a great amount of interchange, over six months between our architects and the Board of Architects and this essentially was a product of that interchange. If my client had a preference, they'd be going with the original design, which you saw as part of the bid, but we had to go through the zoning and design and review process, and this is a product of that.

Commissioner Cabrera: But bottom line is the project is changed.

Commissioner Withers: I'm sorry, the what?

Commissioner Cabrera: The design of the project is changed.

Commissioner Withers: I would have appealed the Board of Architects' decision, as opposed to coming all the way back through...I don't know what you've been through, but you've probably been through a lot of money, and a lot of time, and a lot of effort, which is totally unfair to you.

Mr. Fernandez: In terms of the floor plan and function of the building, it hasn't changed, the exterior envelope in terms of articulation and architectural elements did change most radically as Mario mentioned, the cupola which was seventy-five feet originally.

Vice Mayor Kerdyk: Maybe Carlos can come up here and explain what the Board of Architects was thinking about, by going into this direction as opposed to the initial proposal. I see a diverse difference than what we saw up here at the Commission level.

Mr. Mindreau: Let me explain something. The initial proposal which was actually made to the Commission was before me, however I have seen it and studied that, and that proposal actually never came to the Board of Architects for review, because by the time it came before the Board of Architects they had already of their own volition evolved it to some degree and it was a different thing. So the Board never actually saw as a governing entity that particular version of the project. In the course of evolving the approval to the Palace, at one point the original proposal surfaced and the Board indicated at that time that we would have been more inclined to be in agreement with that original proposal than the series of evolutions. As a result of that meeting, they came to this final one which we felt was a very good marriage between the original proposal and the iterations that we had been reviewing in the process. It was reviewed several times, I don't recall exactly how many, but several times; and this final solution actually goes toward the initial one, although the initial one was really never proposed to the Board for review.

Vice Mayor Kerdyk: I hate to sit up here and play architect, that's not my profession, and I hate to do that. It's just sort of I don't know if I'd call it disappointing, but surprising maybe the way to describe that. Normally, when I see a proposal coming in front of the Commission I expect some semblance of that to come back in the final reading. Again, I'm not going to sit up here and make a decision whether we should go that way or not, but I do want you to understand my displeasure in the proposal that's being submitted right now.

Commissioner Cabrera: But is your displeasure more from the fact that material changes have occurred, or the fact that you're just unhappy with the aspects of the design, which is it?

Vice Mayor Kerdyk: Well, I don't think...material...

Commissioner Cabrera: Material changes.

Vice Mayor Kerdyk: Yeah, the exterior changes, interior you say are about the same.

Commissioner Cabrera: You said the interior is exactly the same is what I understood. My question is more relative to, is you uncomfortable with the design changes, or are you uncomfortable with the fact that these changes occurred?

Vice Mayor Kerdyk: I'm uncomfortable with the design changes, design as it affects the project, this project.

Commissioner Cabrera: You are not uncomfortable...see I'm more uncomfortable with the process.

Mayor Slesnick: I'm uncomfortable with both.

Commissioner Cabrera: I don't want to create undue hardships to the folks at the Palace to get this; I want them to get this project going.

Mayor Slesnick: But its disturbing to me to hear that they didn't present to the Board of Architects what they showed us.

Commissioner Cabrera: But you know, that's happened before, that has happened before.

Ms. Swanson: But excuse me one second just as a point of clarification if I may; you all reviewed that project in your landlord capacity...

Commissioner Cabrera: Right.

Ms. Swanson: And so when we moved forward with the Evaluation Committee and forwarded a recommendation for approval, it was in that. Once they switched to the regulatory process, the project began to evolve.

Mayor Slesnick: But Cathy, no that's unacceptable; from now on, I'm speaking for me, if I see a project and vote on it, then I expect people to have the courtesy to come back and tell me that its not that project anymore that I voted on, so that I can vote again, that's how I feel.

Ms. Swanson: So in the future then...

Mayor Slesnick: I mean, either I'm shown what I'm voting on or I'm shown what I'm not voting on, either one of the two.

Ms. Swanson: Understand Mayor, and you know that you and I have had this discussion that...

Mayor Slesnick: No, you and I, and I want to disclose that I have talked with Cathy a lot about my displeasure with the Board of Architects and with the process and what's happening there, and with the Planning Department and the process that was happening there, but I never heard until this moment, Cathy, that the first iteration that the Board of Architects saw was not what we saw, that very much disturbs me.

Ms. Swanson: What you are looking at is the result of six discussions with the Board of Architects; we can go back and show you what the first version was; we can also revise our evaluation process so that a Board of Architects is plugged in through it, but it wasn't our intent nor the Palace's intent to do some "bait and switch" on the Commission in the approval.

Mayor Slesnick: And I want to make it clear that in talking to Cathy Swanson over all this time a lot of things I believe, this is not a knock at your knowledge, because it's me too, and I've been here now almost eight years, a lot of things caught me by surprise, caught you by surprise as to how this was put together and handled by our City, and certainly it was started before you were City Manager, so we are not pointing fingers at anybody, point the process; the process from now on, I believe, needs to be looked at, that if we ever do another City project, if we own any other City land, it all has to come to us at one time, we should have been deciding these things at the same exact moment we were deciding the other stuff, it's just crazy to me that I keep coming in to the City Manager's office asking when am I going to go down and put a shovel in the ground, when is the Commission going to gather and put hard hats on, and to find out that wait a minute, we've got to change the zoning for this, excuse me. You know, if we voted no on any of these things we'd undo the project, not my intent to vote no on them, because I am in support of this project, but does it make much sense to you that at year after we approve a project we are now voting on the underlying zoning changes that are absolutely critical to the project, makes no sense to me.

Ms. Swanson: That's the public regulatory process; I understand what you are saying...

Mayor Slesnick: No, but it should have been handled at the same time.

Ms. Swanson: I'm just trying to understand the process; so as we move forward in a competitive RFP process, and we have a recommendation that we would want you to consider, you would want to make sure that as you are considering it, you are also taking land use actions on that process.

Mayor Slesnick: Why not.

Ms. Swanson: I'm just trying to understand it.

Mayor Slesnick: I would certainly think that makes sense to me.

Ms. Swanson: And I would also suggest...

Mayor Slesnick: What if, what if this Commission votes no on these today, after two years, three years of planning?- what if?

Ms. Swanson: I understand, and so what if the Commission votes no on the project after they have gone through...before we bring it through the regulatory process...

Mayor Slesnick: No listen, it could come after the fact, that's not the point; we could have approved the project and then moved on to land use, but gee you could have done that the meeting after we approved the project.

Interim City Manager Brown: I think what we are trying to perhaps achieve here is due diligence at the initial stage of any of our projects in identifying perhaps what the land use issues would be, what the zoning issues, and put that as part of our initial presentation as the landlord to you all, and maybe that would at least help to bring up issues that we might be addressing in the future.

Commissioner Cabrera: How much of the changes have to do with change of land use?- none, right, none, they are aesthetic changes.

Mr. Mindreau: We did not consider any of the land use issues.

Mr. Garcia Serra: If I could contribute to the discussion based on the experience of the project; the land use changes was something that was contemplated from the beginning of the bidding process, because what's permitted right now is ninety-seven (97) feet and eight (8) stories, and its been a long term goal of the rewrite of the Comprehensive Plan to remove the stories limitation and only make it linear feet. So, from a very early point in the process when all bidders were involved, they were advised this annual plan ninety-seven feet put as many stories in there as you can, and that's basically the Comp Plan amendment which wasn't a big change, its not one of the changes that we are discussing now, as far as the design was concerned. The big changes on design was of course the loss of that central cupola, which was a result really of the zoning analysis, and sort of the determination of the department as whether we...what underlying permitted height we can utilize for architectural feature, was it the ninety-seven feet that is permitted right now?- or was it the one hundred and seven feet you get as a result of the Comp Plan amendment; and then other big change I'd say is sort of the features that were on the façade. There was a big back and forth between the Board of Architects and ourselves as to whether there was too much, as they call it "wedding cake", sort of design on the building, and so if this experience is anything to contribute, I think to future projects, is that those two key steps, the zoning analysis and Board of Architects review should probably happen at an earlier stage than what happened here than at some point in the propriety sort of stage, because the zoning analysis will identify, you need to do this zoning change or that zoning change, or we disagree with your architects on this interpretation of the Code; and then of course Board of Architects is going to give their considerable input into the design of the project, which is really those two factors are a what brought about the changes that you saw from the conceptual plan that came before you as part of the RFP, and this design which is before you as part of the land use and zoning approvals.

Mayor Slesnick: You know I was at a church in London, England off Fleet Street last year, which was designed by Christopher Ren, and as the first wedding cake structure, and of course three hundred years later, it still looked like one of the most beautiful churches in England, so we have a problem with wedding cake...

Ms. Swanson: The cupola issue sir...the cupola was removed not by landlord staff, but by regulatory staff, and that's why...

Commissioner Cabrera: And it was removed because...

Ms. Swanson: In discussions they were told that it would never get through.

Commissioner Cabrera: Because...?

Ms. Swanson: Because it penetrated the height.

Commissioner Cabrera: By how much? I'm trying to drill down on this thing so we can get past it.

Mr. Garcia Serra: I would say the height of the cupola was about seventy feet, right.

Commissioner Cabrera: OK.

Mr. Fernandez: About seventy-five feet and now it's been reduce the architectural elements...[inaudible].

Ms. Swanson: It's not habitable but it's decorative. Another thing I would suggest to the Commission, it would be very interesting, and I already played an unpopular role today, so I won't continue that...

Commissioner Cabrera: No, you were popular, you were popular.

Ms. Swanson: It would be very interesting and I think appropriate for this City Commission to have a workshop with the Board of Architects; what you all believe in terms of color, what you all believe in terms of primary streets, secondary streets, and how they should be adorned in architecture, I think is public policy.

Commissioner Cabrera: Your recommendation is exceptional and we should probably do that sooner rather than later, but just based upon today's application, where do we want to go with this?

Commissioner Withers: Well, I just want to ask the City Architect a quick question, and again my schooling in architecture....are there elements of Mediterranean in that building?- because one of the things that really kind of caught at least my eye originally was kind of the blend it would have in Coral Gables, so I'm just curious if you could point them out to me, or maybe the Architect could point them out to me.

Mr. Mindreau: The building has a very significant colonnade; in this case it's represented by a two story element with a terrace on the upper level, which is landscaped. All of that sort of lends itself to the idea of Mediterranean. You have to understand that in the Mediterranean vocabulary, there was never a building of this magnitude in the history of the Mediterranean era, so what we

are doing is taking some of the elements of the Mediterranean style and then applying them to what is really a very modern kind of structure in terms of size and method of construction. So to some degree it has to be sort of “wedding cake-ish”, but we try to make architecture more significant in the elements and how you develop those elements. This particular building has the vertical elements that are pronounced in the bay windows were somewhat reminiscent of things that happened in smaller scale buildings in the Mediterranean era, but this is a seven-eight story building, they just weren’t around in the...

Commissioner Anderson: For whatever its worth in order to coöperate your....there’s never been a building typology that’s strictly Mediterranean. What this building tries to do and whether we like it or not, or people like it or not, is that the elements on the building or the towers are trying to pick up on that Mediterranean theme in a more modern expression, that’s separate and a part; I’m just giving you a technical explanation.

Mr. Mindreau: It’s a stylized issue because...

Mayor Slesnick: George Merrick though, designed large buildings and pictured them at least, pictured them by artist with Mediterranean look to them, very large buildings...the Biltmore...

Commissioner Anderson: But that was a Florida Mediterranean typology.

Mayor Slesnick: That was a Mediterranean revival, and there is no revival, but this was his revival.

Mr. Mindreau: It has the ability to have a tower because you don’t have the requirements of the value of the real estate and how it has to produce revenue by virtue of...so in essence we have a box that you have to create in order to make it cost effective for the developers, and in that box you have to add on elements that are sort of stylized Mediterranean.

Mayor Slesnick: Carlos, Carlos, what about the first pictures we saw; they were the same property, the same box, the same place, and all of us thought that they looked pretty good.

Mr. Mindreau: They had some issues with the Code; for example the central spire, which is what gave it its biggest, I’m sure in your opinion, that was the most significant Mediterranean element, that because the Code in effect had to be removed or had to be toned down in height.

Vice Mayor Kerdyk: So what was this element?- I know you told me the cupola, was it exceeding five feet-ten feet?- how big a difference was this?

Mr. Garcia-Serra: Once again, the change came from the fact that the permitted height of the cupola is a product of what your underlying permitted height is – thirty-three percent.

Vice Mayor Kerdyk: Thirty-three percent, alright.

Mr. Garcia-Serra: So basically, right now we are permitted a maximum height of ninety-seven feet, thirty-three percent of that comes out to thirty-sum feet. In order to get the cupola, we were



basing the underlying permitted height on this Comp Plan amendment that we are before you today for, going to high intensity commercial, which under that designation the maximum permitted height is one hundred and fifty-sum, I believe...

Mr. Fernandez: A hundred and ninety with the higher density.

Mr. Garcia-Serra: A hundred and ninety feet, and so then thirty-three percent of that gives you the seventy-sum feet that we were using for that old cupola. When I went through the zoning analysis process, the Zoning Department essentially said, wait one second, here you are doing this Comp Plan amendment, not to get a higher cupola, but to get nine stories within the permitted height. They were sort of saying, the spirit of what was decided was that this higher intensity comprehensive land designation is going to be for another story, not for an increased cupola, that's where they were coming from.

Commissioner Cabrera: What if we did this; what if we went ahead and based upon today's presentation approved the item under first reading, and then allow staff to return with the original plans that we approved versus these plans on second reading, and then we can make a decision then; does that work for you?

Interim City Manager Jimenez: We can do that, absolutely.

Commissioner Cabrera: Is that acceptable to us?- this way the project continues, it gives staff the opportunity to come back and show us comparatives, and in the interim I would hope that your recommendation we follow through on that and have the workshop that we've saying that we wanted to have with the Board of Architects, and have it in the next month.

Mayor Slesnick: I support that...

Commissioner Cabrera: Or following the elections.

Mayor Slesnick: I support what you are saying, but I really feel so hard pressed now to cause great disturbance to the financial situation of the people that are developing this because you know...

Commissioner Cabrera: That's why I'm trying to move it along.

Mayor Slesnick: No, no, I want to move it along, I meant if we bring back another version and say we have to go back.

Commissioner Anderson: Iteration.

Commissioner Cabrera: I don't think we can do that, but I think we can come away more comfortable with the material changes that were made.

Mayor Slesnick: I've got to tell you though, I am very, very, very disappointed in the fact that somebody in the City doesn't understand that when five people trying to be representative of the

people in the City, and five people that are trying to appear half way intelligent look at a photograph, look at a drawing, look at a set of plans, and say we like that, yeah we are voting for it, and then all of a sudden people behind our backs literally say, you can't do that, we don't want to do that, that's the spirit of the City, that's not the spirit; the spirit was that we voted for it, I mean what more spirit can you get than that. Something is missing here; I don't know what it is.

Commissioner Withers: That's why the whole reason we added the requirement of schemes, and photos, and renderings, to the process in the first place.

Commissioner Cabrera: But I've seen this happen before...

Vice Mayor Kerdyk: I was just going to say.

Commissioner Cabrera: This is not the first time.

Mayor Slesnick: This is like the most egregious.

Commissioner Cabrera: Well we saw this happen at 55 Merrick Way, we saw changes there...

Commissioner Withers: 55....?

Commissioner Cabrera: The Hill project.

Commissioner Withers: OK.

Commissioner Cabrera: We saw changes there, and we caught those changes afterwards. We saw changes in the Old Spanish Village that we caught afterwards; we saw changes in the project that was done right as we entered office in 2001 on Miracle Mile and Segovia, is it Segovia?- what is the...

Mayor Slesnick: Galiano.

Commissioner Cabrera: Galiano, excuse me, Miracle Mile and Galiano, the large project that was done, and we saw changes there as well. So this is not the first, or second, or third time, this is probably the fourth or fifth.

Vice Mayor Kerdyk: And you are right Commissioner, because there is a disconnect with the Board of Architects, but this is really egregious because the fact is that this is our public property and our public land, and we voted on this public building, and it bothers me that it hasn't been brought up to our attention, but I agree with both of you...

Commissioner Cabrera: I gotcha, I hear you loud and clear.

Vice Mayor Kerdyk: I don't know at this point how we can go back to the developer and say, hey let's recreate this building again to get back to the initial intent, unless he proffers that...

Commissioner Cabrera: And especially the kind of project this is.

Vice Mayor Kerdyk: Right, right, unless he wants to proffer that as...

Commissioner Withers: If is only a cupola, if that was the only issue...

Mayor Slesnick: But it's not though.

Commissioner Withers: It has to be more than that.

Commissioner Cabrera: But that's why it would be good...

Commissioner Withers: They should have appealed the cupola to us on day one if that was the issue.

Commissioner Cabrera: Right, but that's why it would be, I think, advantageous for us to see the first, the design, and the second design at second reading.

Commissioner Withers: I understand, and see what the issues are.

Ms. Swanson: Mayor, Commissioners, if it would be acceptable to you all...

Commissioner Anderson: No, I'm sorry, I'll be honest with you, I don't have any problem with it, but I will go with the Commission on whatever you all need.

Commissioner Withers: Well that's the architectural side of you.

Commissioner Anderson: You know, yeah that is, but I'll be supportive of whatever the Commission wants.

Commissioner Cabrera: Personally I agree, I don't have a problem with this project, I really don't.

Vice Mayor Kerdyk: The design, you have a problem with the design.

Commissioner Cabrera: You know, I don't want to govern design, and so what I have a problem with was the process, that's the issue for me, but we've talked about this before, it's not the first time.

Mayor Slesnick: No, it's not the first time, but to me it really stands out as an example...

Commissioner Cabrera: It's an example.

Mayor Slesnick:...of how a system can go awry, and certainly Ralph, even if we said it doesn't bother us it could have been presented to us along the way.

Commissioner Cabrera: Oh absolutely, but you know this quite well, there are times that the Board of Architects acts in such a way we all get heartburn over it because we are the ones that are then the people out front that residents come up to us and say, well how could you approve a building to be painted black, OK. So you are the one that gets it, and I'm the one that gets it, and then we come and find out that the Board of Architects approved this by unanimous vote because they felt that the streetscape would be appropriate to have a black building.

Mayor Slesnick: But it not just the Board of Architects, in this case the zoning review lead us to at least one of the problems here, and it was characterized we really kind of, again my apologies to everyone, this is not, but the characterization was, and I don't know if the characterization was appropriate, but the characterization was that the cupola wasn't in the spirit; well whose to decide the spirit, and you brought that up, Ralph, about what is our job to legislate, well spirit is certainly within our, we are the political arm of this City, and spirit is part of the politics of this City, so before somebody makes a decision of what the spirit is, I think we should be referred to, to find out what out spirit was in approving it.

Commissioner Anderson: I think sometimes the...I hear what you're saying, sometimes the process seems a little skewey, but I think what I'm looking at personally speaking is the end, and I think what we want is the senior project, and I think we all recognize that, there's no doubt, and that's what I'm kind of going with. I understand; I just wanted to share that.

Mayor Slesnick: I tell you what, let's move this along. Do we have any questions on D-2, if not I'd accept a motion and a second.

**Commissioner Anderson: I'll move it.**

**Vice Mayor Kerdyk: Second.**

**Mayor Slesnick: Moved by Ms. Anderson second by Mr. Kerdyk; any other further discussion on D-2?**

**Mr. Clerk**

**Commissioner Cabrera: Yes**

**Vice Mayor Kerdyk: Yes**

**Commissioner Withers: Yes**

**Commissioner Anderson: Yes**

**Mayor Slesnick: Yes**

**(Vote: 5-0)**

**Mayor Slesnick: E-2 – do I have a motion?**

**Commissioner Anderson: I'll move it.**

**Mayor Slesnick: Moved by Ms. Anderson second by Mr. Kerdyk; any further discussion or questions?**

**Mr. Clerk**

**Vice Mayor Kerdyk: Yes**  
**Commissioner Withers: Yes**  
**Commissioner Anderson: Yes**  
**Commissioner Cabrera: Yes**  
**Mayor Slesnick: Yes**  
**(Vote: 5-0)**

**Mayor Slesnick: E-3 – do I have a motion and a second?**

**Commissioner Anderson: I'll move it.**

**Vice Mayor Kerdyk: I'll second it.**

**Mayor Slesnick: Ms. Anderson moves it; Mr. Kerdyk seconds it; any other discussions or questions?**

**Mr. Clerk**

**Commissioner Withers: Yes**  
**Commissioner Anderson: Yes**  
**Commissioner Cabrera: Yes**  
**Vice Mayor Kerdyk: Yes**  
**Mayor Slesnick: Yes**  
**(Vote: 5-0)**

Mr. Garcia-Serra: Thank you very much Commissioners, we'll see you on March 24<sup>th</sup>.

Mayor Slesnick: And Cathy, it may help be very helpful that some of the information that Commissioner Cabrera suggested we'd like to see next time be circulated, and we were talked to about it between now and the second reading.

Ms. Swanson: Absolutely, absolutely, and I'll have conversations with the Palace as well.

Commissioner Cabrera: And I very much sincerely appreciate your very popular recommendation.

Ms. Swanson: We'll take your desire for a workshop seriously...

Commissioner Cabrera: Yes.

Ms. Swanson:...and I know the Manager's office will begin to schedule.

Mayor Slesnick: And I wanted to say to the entire Palace family, thank you for sticking with us, sticking with the City, sticking with the Board of Architects, the Zoning Department, and everything else; I know this has been quite a challenge and test, and the only thing I will say in our defense is that all of us have a mutual friend who used to be a full time resident of Coral Gables, he is now a part-time resident of Coral Gables and a part-time resident of Tuscany Italy; and all he's tried to do for the past four years is build a home and an old farm house, and he still isn't through yet because of the regulatory system there, so we look forward to this all working.

Commissioner Anderson: Thank you very much.

Mr. Garcia-Serra: We are confident we are going to have a successful project Mayor and Commissioners, we'll stick with it. Thank you very much for your help.

Mayor Slesnick: Thank you. One thing I would like to suggest to the Commission is that the delay or the possible delay in the construction of this may be a further opportunity for us, I know that we were concerned that we were going to look at the garage along Andalusia, whether or not we'd have construction going on two different blocks, and this may be a time for us to speed up the other one if the financing is there for that, Madam City Manager, did you hear that?

Interim City Manager Jimenez: Yes sir.

Mayor Slesnick: So we may want to push a little harder on the Bermello project, or the possible Bermello project.

[End: 10:38:35 a.m.]