

**CITY OF CORAL GABLES**  
**Minutes: Joint Board Special Meeting**  
**Economic Development Board, Historic Preservation Board,**  
**Parking Advisory Board, Budget Audit Advisory Board**  
**Wednesday, February 4, 2009, 10:00 a.m.**  
**2901 Ponce de Leon Boulevard, Coral Gables, Florida 33134**

**GUESTS AND STAFF:** Assistant City Manager Dona Lubin; Assistant Finance Director Adolfo Sansores; Development Director Cathy Swanson Rivenbark; Historic Resources Officer Kara Kautz; Public Works Director Alberto Delgado; Planning Director Eric Riel; Parking Director Kevin Kinney; Betty Perez, Carol Ellis-Cutler, Coral Gables Chamber of Commerce; Lorena Garrido, Jorge Hernandez, Laura Russo, Josie Ramirez, M. A. Rolando, Old Spanish Village: Alberto Perez, Ralph Sanchez, J.C. Mas, Vanessa Ballestas, Nancy Iliffe, Douglas Hartshone, Juan de la Madriz; Roxcy Bolton, Ismel Perez, Idalina Banes, Arva Parks, Coral Gables Police Officer Richard Thompson.

**RECORDING SECRETARY:** Nancy C. Morgan, Coral Gables Services, Inc.

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Assistant City Manager Dona Lubin called the meeting to order at 10:13 a.m. Documents distributed throughout the audience included a January 8, 2009 memorandum from Ms. Lubin to the four City boards present at the meeting; Letter of Intent dated January 27, 2009 from Ralph A. Sanchez, Ponce Circle Developers LLC; revised appraisal dated January 15, 2009 prepared for the City of Coral Gables; revised appraisal dated January 14, 2009 prepared for Ponce Circle Developers LLC.

Ms. Lubin stated the purpose of the meeting was to review the proposed purchase of 2901 Ponce de Leon Boulevard by the City of Coral Gables. In accordance with Chapter 2, Article VIII of the Coral Gables City Code, which outlines Procurement procedures required for the analysis for the purchase, sale or lease of City property, the four boards' analyses required responses to the following questions:

**Budget Audit Advisory Board:**

- Is the purchase, sale and/or lease consistent with the property appraisal as required under section 2-2014?
- What is the immediate impact on the current fiscal budget and the long term effect on future budgets, i.e., the long term overall effect on the City?
- Considering the City's mission statement, are there other alternatives to entering into the proposed transaction?

**Property Advisory Board:**

- Does the proposed use conform to the City's Comprehensive Plan and is it compatible with the surrounding neighborhood?
- Analyze the positive or negative impacts on adjacent property including, but not limited to, open space, traffic, access considerations, noise level, property values, improved development patterns and provision for necessary services including municipal utilities and other infrastructure systems and the needs and costs associated with the needed improvements. To the extent needed, traffic studies and other professional studies required shall be the responsibility of the proposed purchaser, developer or lessee.
- Are the terms and conditions of the proposed purchase, sale or lease of City property, or the proposed purchase or lease by the City of non-City property based on market terms and value?

**Economic Development Board:**

- Is the proposed use in keeping with City goals and objectives?
- What is the economic impact to the City, including, i.e., is the proposed use in keeping with a public purpose and community needs, such as expanding the City's revenue base, reducing City costs, creating jobs, creating a significant revenue stream, and improving the community's overall quality of life?
- Are there alternatives available for the proposed disposition, including assembly of adjacent properties, and can the project be accomplished under a private ownership assembly?

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**Historic Preservation Board:**

Since 2901 Ponce de Leon Boulevard is historically designated, the Historic Preservation Board was asked to address issues it deemed appropriate.

The City's Finance, Development, Parking, Public Works, and Planning departments would also review the proposal.

Ms. Lubin advised that the compiled and combined analyses would be forwarded to the City Commission with a recommendation from the City Manager's office. The City Commission would then conduct at least two public hearings to obtain citizen input. She added that the purchase of the building by the City would require an affirmative vote of four-fifths of the City Commission.

Laura Russo, representing Ponce Circle Developers LLC, described the components and background of the proposal, stating that the possibility of the City's eventual ownership had long been a subject of discussion with the City Manager's office.

Arva Parks described the building's rich history as the architectural center of George Merrick, and its presence on the site prior to the creation of the City in April 1925. She said the building housed the "beginnings of the City," and thanked the current owners for restoring it.

Jorge Hernandez described the building as satisfying two important elements: 1) important history occurred within the building; and 2) the building exemplified the design and architecture of Coral Gables, a confluence of history and beauty. He talked about the building's uses over the years, stating that it was often not well treated, and said it was not a "healthy" building when it was purchased by the current owners. A local historically-designated structure, the building is in process of being listed on the national registry of historic places. Renovation and stabilization efforts were described, all remaining true to the original layout, saving original material wherever possible. The renovation cost nearly \$2 million, and the building is currently the focus of the neighborhood being developed around it.

After reviewing procurement requirements, Ms. Lubin opened the meeting to comments and questions. Most questions pertained to details of the proposed transaction for clarification purposes. Responses to these clarification questions were made by Ms. Russo, Ms. Lubin, Mr. Hernandez and Mr. Sanchez.

Other comments:

- Interest expressed about which City departments might occupy the building if the proposal were approved.
- Concern expressed that if the City were to own the building, the developer would not continue to maintain it.
- Opposition expressed about public space being used for private purposes.
- Suggestion that the developer apply for tax credits for money spent renovating the historically-designated building.
- Discussion of costs and responsibility for real estate taxes, mortgage, ongoing maintenance, parking issues, insurance.
- Local historic designation provides protection from demolition of the building without the approval of the Historic Preservation Board and fulfillment of numerous other regulatory processes.
- Concern expressed about the City's debt service costs for the mortgage.
- Roxcy Bolton said the City owes \$600,000 to its employees and they should be prioritized above everything else.

The joint meeting presentation adjourned at 11:05 a.m. Each represented board met individually thereafter.

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**Economic Development Board Meeting Minutes**

MEMBERS	M	A	M	J	J	A	S	O	N	D	J	F #	COMMISSIONERS
Richard DeWitt	P	P*	P	P	P	X	P	E	A	P	E	P	Mayor Donald D. Slesnick II
Ray Zomerfeld	P	P	E	P	P	X	P	P	P	P	P	P	Vice Mayor William Kerdyk, Jr.
Gladys Diaz Jourdain	E	P	P	E	P	X	P	E	P	P	P	P	Commissioner Maria Anderson
Dr. Al Smith	P	P	P	P	E	X	P	P	P	P	P	P	Commissioner Rafael "Ralph" Cabrera, Jr.
James Casey	P	P	P	P	P	X	P	P	E	P	E	P	Commissioner Wayne "Chip" Withers

**STAFF:**

Cathy Swanson-Rivenbark, Development Director  
 Jessica Wotherspoon  
 Kevin Kinney, Parking Director

**A = Absent****E = Excused Absence****P = Present****X = No Meeting****# = Special Meetings****Meeting Motion Summary:****The minutes of the January 7, 2009 Board meeting were approved.**

Chair Richard DeWitt called the meeting to order and requested Board member input regarding the proposal. Comments included the following:

- In view of the building's historic designation, Dr. Smith questioned why it was important for the City to have title to it if the exterior would be visually accessible as a City landmark, and why the developers wanted to sell the building.
- Referencing financing arrangements with the Coral Gables Country Club as an example, Dr. Smith asked how the building would be financed. Ms. Rivenbark replied that the City had not yet examined the issue.
- Ms. Diaz Jourdain spoke positively about the City's ownership of this historically-important building, saying it would be ideal to reflect its past as an architecture center in the City's use of the building. Regarding finances, she thought the price was expensive and said the developers were requesting considerations that might be a long-term burden to the City. She said the mechanics of the transaction needed more balance.
- Ms. Diaz Jourdain said a national registry listing provided opportunities for historic tax credits that could be used as cash to offset existing debt.
- Mr. Casey favored the concept of City ownership of the building, but said timing was bad from an economic perspective. Finances and terms of the proposal were discussed at length.
- Referring to the appraisals, Mr. Zomerfeld expressed confusion about value given to the historic portion of the building as compared to other commercial properties.
- Ms. Ellis-Cutler discussed location value, suggesting that economics could be modified to achieve more balance through negotiation. She questioned parking, particularly if adjacent buildings weren't quickly constructed.
- Mr. Zomerfeld asked for more specific financial data to determine value. He thought favorably of structuring a public/private partnership and securing tax credits for the historic nature of the building, and also requested data about the square foot value of 427 Biltmore Way.
- Mr. Kinney advised that the developer would owe the City nearly \$1 million as replacement for annual metered parking space revenue. Within the project, metered parking spaces will be reduced from 112 spaces to 60.
- Regarding City use of the building, Mr. Sanchez (briefly attended the meeting) agreed to provide Ms. Rivenbark a copy of floor plans for layout discussions. His renovations cost approximately \$2 million.
- The building is unique and ideal for discussed City uses; however, there isn't sufficient financial data and other information to reach sound conclusions.
- Information needed: the value of parking forgiveness; the value of advanced rent.

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- Discussion: An outright City purchase of the building for fair market value rather than entering into a non-traditional transaction with complex negotiation issues. If the City were to purchase the building outright, the developer could be a tenant, responsible for customary tenant obligations.
- The City should determine its uses of the space and costs attendant thereto prior to determining how or if it should engage in a transaction for ownership.
- As a historic landmark, the building has quantitative value, architectural value, aesthetics and status.
- Discussion of leasing rooms in the building to appropriate types of tenants to generate revenue. An examination of the floor plans is important and would aid analysis of how spaces could be used.
- Discussion: the proposal as presented is in favor of the developer and requires the City to give up too much.
- Historic value comparables will be provided and evaluated.

Conclusion:

Information will be gathered and evaluated by the Board at its March 4, 2009 meeting.

**Minutes: January 7, 2009 Board Meeting:**

**Dr. Smith made a motion to approve the minutes of the regular Board meeting held on January 7, 2009.  
The motion was seconded and unanimously passed.**

**Coral Gables Country Club Lease:**

Ms. Rivenbark reported that the City provided a draft lease to the tenant for review and response.

There being no further discussion, the meeting adjourned

**Next Economic Development Board Meeting: Wednesday, March 4, 8:00 a.m., Development Department Conference Room.**

Respectfully submitted,

Catherine Swanson Rivenbark  
Development Director  
Secretary to the Economic Development Board