

City of Coral Gables City Commission Meeting
Agenda Item F-1
June 2, 2026
Public Safety Building, CMR
2151 Salzedo Street, Coral Gables, FL

City Commission

Mayor Vince Lago
Vice Mayor Rhonda Anderson
Commissioner Melissa Castro
Commissioner Ariel Fernandez
Commissioner Richard D. Lara

City Staff

City Attorney, Cristina Suárez
City Manager, Peter Iglesias
City Clerk, Billy Urquia
Assistant City Manager, Carolina Vester
Budget Director, Paula Rodriguez

Public Speaker(s)

Eulois Cleckley, The Underline
Maria Cruz
Gonzalo Sanabria

Agenda Item F-1 [Start: 12:42 p.m.]

A Resolution of the City Commission authorizing an initial funding commitment to support the operations and maintenance of The Underline within the City of Coral Gables in the prorated amount of \$180,000 for Fiscal Year 2026; and authorizing the City Manager and City Attorney to negotiate the terms of a Memorandum of Understanding with The Underline Management Organization, Inc. d/b/a The Underline Conservancy regarding the funding, operations, maintenance, management, and programming of The Underline within the City of Coral Gables. (Sponsored by Mayor Lago)

Mayor Lago: Item F-1

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*Agenda Item F-1 – Resolution authorizing an initial funding commitment to support the operations
And maintenance of The Underline within the City of Coral Gables*

City Attorney Suarez: F-1 is a Resolution of the City Commission authorizing an initial funding commitment to support the operations and maintenance of The Underline within the City of Coral Gables in the prorated amount of \$180,000 for Fiscal Year 2026; and authorizing the City Manager and City Attorney to negotiate the terms of a Memorandum of Understanding with The Underline Management Organization, Inc. d/b/a The Underline Conservancy regarding the funding, operations, maintenance, management, and programming of The Underline within the City of Coral Gables.

Mayor Lago: Okay. Do we have anybody here from staff? Madam ACM.

ACM Carolina Vester: Carolina Vester, Assistant City Manager. This item really is kind of a stopgap to fund the prorated amount for this year. This is going to be coming from recurring capital, and we've had several meetings now amongst staff with the Underline staff, with their legal counsel, as well as with representatives from the county and the county's legal counsel. So, we are still working through some issues and the resolution as it reads, it does have those initial conditions that we mentioned during the last meeting that we're still waiting for those items to be provided to us by staff from the Underline.

Mayor Lago: Thank you, Madam ACM. Do you have anything else further?

ACM Carolina Vester: No, I do want to mention something that came up during the last meeting was the financial numbers from Miami-Dade County. So, they did commit last fiscal year about \$2.6 million to maintain the Underline, especially the first couple of segments that had already been open and usable. For this 25, 26 adopted budget, they did fund \$2.6 million in maintenance. And as I mentioned during the last meeting, it is unclear what the funding commitment will be during their discussions with the budget this year.

Mayor Lago: So as a sponsor of this legislation, I'm not a fan of having my back against the wall, but I feel like the city has been pushed to a corner. When I sponsored the legislation that I worked on with Meg Daly, probably 10 years ago, we worked on a funding mechanism for construction. We talked about envisioning a 10-mile linear park that would be transformational. Transformational not only in regard to quality of life, but also raising property values, bringing a community together. Never did we discuss, actually we did discuss the fact that the city's responsibility would be for capital in regard to construction and planning. It was never discussed that we would have a responsibility in perpetuity for maintenance and overhead. As a matter of fact, we were very clear about that when we invested almost \$10 million in the Underline. Now the county has backed out of that agreement, and the county is saying that they will not provide the maintenance and overhead to make sure that the Underline is kept to the standard that we envisioned when we invested all this money. I wrote the legislation, which delivered on the funding necessary for the construction using funds, impact funds within 1000 feet of the Underline. We've tried to find ways to address this issue. The county is not cooperating. They're requiring City of

Miami, South Miami, which I've met with both Mayors, to find solutions. It is only going to get more difficult on cities and whether you're in favor of the tax cuts or not, that's not the discussion. If those tax cuts are approved, we will have to address issues. This is an example of an unforeseen condition that we as a city have to address. We have almost three miles of the Underline within the jurisdiction of the City of Coral Gables, borders of University of Miami, runs parallel to one of our major streets, Ponce de Leon. And we need to do everything in our power to ensure that this linear park is up to the standards that we take so much pride in when we open up a new park. Case in point, David Lawrence Park, the last park that we opened up, that everybody in Miami-Dade County rants and raves about. Or the Dorothy Thomson Park. And I can go on and on and on. So, I don't feel comfortable agreeing to anything else but this \$180,000. I also want to make sure that my colleagues consider and support me in ensuring that the City Manager is either appointed or has a designee that he appoints to the Governing Board. Once that governing board is established, I think that's critical. We need to have-

ACM Carolina Vester: And that is one of our requests.

Mayor Lago: I just want to put on the record so people can hear it at home. We're not just cutting a \$180,000 check. This is a one-time and we will have to come back, and we'll have to negotiate. And if we do have no other choice but to approve a funding mechanism here for the Underline, I will only do it for three years. I will not do it in perpetuity. And as long as there's funds like other cities have done, whether it's the City of Miami or South Miami. So, our back, like I started, our back is against the wall on this issue. We've tried to find solutions. We've met on multiple occasions. The county will not be funding what they said it will be funding. And I hope that the endowment for the Underline can grow because I think the Underline depends on its autonomy. I want to be clear. The Underline depends on its autonomy. I'm not enthusiastic about if the Underline fails in its endeavors to be able to raise the capital necessary to run the Underline. I'm nervous about how the county will run that three miles within the City of Coral Gables. I don't like to take swipes at our colleagues in the county, but at the end of the day, we see that here at the City of Coral Gables, we have a much higher standard in regard to our parks, quality of life and how we maintain our infrastructure. So, this is something that we have to discuss. And the reason why I'm doing it for one year is because I want my colleagues to play a role. This Commission and future Commissions to play a role and to constantly be vetting the relationship between the city, the Underline and the county. I welcome everyone's guidance on this matter. We will be looking for additional funding in multiple different forms, but this I think allows us to backstop the Underline, show them that we support them, get back to the table to negotiate what the next three years are going to look like. I will not approve five years. That will be my vote in opposition. So that's where basically we stand on this issue after 10 years. And as the Underline comes to fruition, it's a little bittersweet for me, I'll be honest with you as we cut the ribbon on that, because so many are going to enjoy it, but I never expected that it would be this much of a financial burden on the city. And the difficult nature of it is only going to get more complicated as the tax issue becomes

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a reality in 2028, if the voters approve it and other issues. So that's why as the conversations that I had with the Manager and staff the other day, and I mentioned in our Pension Board meeting, if we can just be fiscally prudent over the next five years, we will have close to \$25 million and I'm producing a memo that will be going out today to the residents as a recap to that meeting. We will have \$25 million a year that can be spent by those leaders at that moment in five years to continue to elevate the quality of life of residents here in the City of Coral Gables. Anybody have any questions, anything else like to add?

Commissioner Lara: Through the Mayor.

Mayor Lago: Thank you.

Commissioner Lara: So briefly, don't take my views on this as in any way condemning or shedding or shining any sort of negative light on the Underline.

Mayor Lago: You think I haven't been difficult enough on myself already in the last three minutes? It's okay, don't worry, I can take it.

Commissioner Lara: But I agree and support this resolution, but quite reluctantly, as you've made perfectly clear, I expressed during the last Commission meeting displeasure on so many points on the compass, right, of how we find ourselves in this position and I also don't like to have my back against the wall or find myself with what appears to be a shifting of the deck of cards, Three Card Monte, feels like you make a deal and then you're staring at a different set of variables, right, when there should be no variable, you know, this has already been agreed to. But you know, consistent with and supportive of this amazing project, right, three, it'll soon be three linear miles coming through the City of Coral Gables to transform what was otherwise an abandoned or let's just say blighted looking track of land underneath the metro rail where we just now are providing the residents which is enhanced park activity, beauty. I'm 100 percent supportive of that and in particular of Meg Daly with her personal sacrifice over so many years on this labor of love that is the Underline. But reluctantly support it because I don't like the position we find ourselves in and this is the Hobson's choice that we're making here and I would urge my colleagues to also support the Mayor's resolution because we have to maintain the standards of Coral Gables parks, but this is not an open checkbook, this is not an invitation to continue to run the table if somebody at worst is trying to do that or that if it's someone else's error or incompetence becomes my problem, you know, we're going to solve it and we will have some immediate time spent trying to figure this out. I know Carolina you're working on this as point and I urge you to continue to insist on what is right and what is fair and reasonable to get the information you need along with the City Manager to be able to get back to where we were when we approved this some time ago.

ACM Carolina Vester: And I have the commitment, I think he's here, Eulois Cleckley representative from the Underline and you can join me up here if you want, but he has committed that he would get us the information by the next Commission meeting. And that is one of the

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contingent items in this resolution that we still have to execute an MOU and that we have to be provided with the items that we previously discussed at the last meeting.

Mayor Lago: How are you, sir? Thank you for being here.

Eulois Cleckley: Doing well, doing well, thank you. And thank you, Mr. Mayor and members of the Commission. First, I want to thank Assistant Manager, Carolina Vester. She's been really working with us to make sure that we are working collaboratively with respect to not only the Underline in general, the full three miles, but also other destination areas that we have within the City of Coral Gables. So yeah, we absolutely will commit to provide the information that's being requested and we also will be available through the negotiation with the City Manager and Assistant Manager Vester.

Mayor Lago: Thank you very much.

Vice Mayor Anderson: Through the Mayor.

Mayor Lago: Yes.

Vice Mayor Anderson: So, sometimes you would say that this is sort of like a perfect storm. We have; you had a commitment at one point from the county to maintain a beautiful asset. And now you've put so much work into and benefits all because the people that travel through our city on an Underline are not just from the City of Coral Gables and vice versa. And I'm thinking you're aware of the efforts I've made to improve the safety of their Underline through its entire length. As we had a public meeting on 27th Avenue to improve that intersection in particular because it's very dangerous for people to traverse. But this has got to be something that's got to be looked at as a long-term asset, I think from the county and that serious conversation needs to be had. It's a perfect storm too because at the same time, all municipalities in the county are looking at lower property tax revenues going forward, not only because property values have flattened out, okay, but because we have the threat from Tallahassee to cut revenues significantly. So, it makes it very difficult to forecast for the Underline or to forecast for the city what our commitments can be in the future. So, but I'm supportive of this particular resolution so that we can get this conversation moving forward with the caveats that the City Manager's office has put forward to try to improve options in the future efficiencies, because we have our budget meetings coming up and I know what it costs for us to maintain our parks. And as expressed to me by other city managers during Saturday's gala, we can build it with mobility impact fees or with bonding money, but we can't maintain it with those funds because those monies cannot be used for that. So, we have to have a recurring course, recurring source, I should say, of funding going forward. This is not going to be easy. So, do we have a motion? I'll make a motion.

Commissioner Fernandez: I'll second.

Mayor Lago: Mr. Clerk, do you have a public comment?

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City Clerk Urquia: Yes, Mr. Mayor.

Mayor Lago: Thank you. Before we go to public comment, I don't know if our Finance Director or the Manager, do we have an idea where we're looking at now in regard to property revenue, like the increases in property values? We've gone from 10 and a half to eight and a half to five and a half over three years. I don't think I was laughed at. I think I was mocked at by certain people in this room here when I said that winter was coming. Now with the tax, tax implications that are forthcoming with a \$2 million COLA that we're spending a year, now with our requirement to fund the Underline, I think everybody better bundle up because it's going to be a tough winter. It's going to be a tough winter.

Commissioner Fernandez: Through the Mayor.

Mayor Lago: One second. Yes, ma'am. How are we looking? I'd love to know, have you spoken to anyone in regard to our Property Appraiser? How are we looking?

Budget Director Paula Rodriguez: So, we received our June 1 property values yesterday. I was going to present this tomorrow, so a little early. So, our June 1 property values, I was actually surprised to see that they went up by six and a half percent, so 6.5.

Mayor Lago: We need every dollar.

Budget Director Paula Rodriguez: However, what's important to note is that the existing property increase was 5.5% and new construction actually represents 1% of our increase. So new construction, the value of new construction in our city actually more than doubled than last year. So, as you know, last year, our new construction value had gone down and this year it went up significantly.

Mayor Lago: So, we went from three years ago, 10 and a half, about 10 and a half, right? I think it was 10 and a half. Then two years ago, it was about eight and a half and then it went to five and a half.

Budget Director Paula Rodriguez: It was a year that we went to 12 and then last year was about 5.8.

Mayor Lago: 5.8.

Budget Director Paula Rodriguez: And this year is 6.5.

Mayor Lago: I thought you were taking 6.5 on top of the 5.8.

Budget Director Rodriguez: No, no, no. 6.5.

Mayor Lago: Don't get too excited, guys. Don't get too excited. By the way, health costs went up this year. Health costs went up this year. So, we got the Underline, we got the COLA this year.

Budget Director Rodriguez: And we don't know what the state's going to do with property values next year.

Mayor Lago: So, we've seen some pretty interesting numbers. By the way, thank you. Thank you for working on those numbers with the Manager. I know that you guys worked on it over the weekend and I appreciate that because we needed to see those numbers. And they're pretty staggering when you look at the \$250,000 homestead versus the 500, which would be subsequent the year after. The numbers are massive. Again, great relief for seniors and those retirees that deserve it and the military, but it will hit the city massively, massively.

Budget Director Rodriguez: Yes.

City Manager Iglesias: Through the Mayor.

Mayor Lago: Yes, sir.

City Manager Iglesias: Yes, Mayor. We had existing values going up 5.5%. The new construction accounted for last year 0.4%, this year 1%. And we've also been very fortunate in that we've had some major sales in Coral Gables. We've become a very popular city and we've had sales reported nationally. And so, I think we've been very fortunate that our existing property values went up 5.5% with an additional 1% for new construction.

Mayor Lago: Thank God. So maybe 1% better than last year. Okay, well, it's better. Better than better, but we're still not where we need to be.

City Manager Iglesias: Through the Mayor. We went up 0.4% last year for new construction. We went one full percent up this year.

Mayor Lago: I love it. Good stuff. We have a motion and a second.

Commissioner Fernandez: Through the Mayor.

Mayor Lago: Yes.

Commissioner Fernandez: So, I agree, Mr. Mayor, as we discussed last time, I think that we're being put up against the wall without the ability to do anything about it after we've spent as much as we've spent on this project. And as we mentioned last time, to no fault of the Underline, this is the county. What was striking for me was after that meeting, I actually had people approach me who are engaged in the process and who are familiar with it, and they didn't understand that the county was the one that was reneging on what it had proffered originally. And I had to inform them. So I think it's important for all of us to make sure that those out there who don't really understand what's taking place understand Miami-Dade County is the one who is pulling back on paying for the maintenance because I don't think that some people who are even involved in the process have understood the process, did not appreciate the fact that it was the county. They thought that the city was the one who was always required to do this. The city never had a

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requirement to pay for maintenance. We had the requirement to put in the capital, but the maintenance was always going to be handled by the Underline and Miami-Dade County. So, I think it's important to get that on there. And I agree with you, Mr. Mayor. I think if we do have an agreement going forward, I think a three-year maximum has to be what we consider because we do have a lot of uncertainties going forward past 2028. So, I agree with you on that.

Mayor Lago: Anything else for the good of the order? We have a public comment?

City Clerk Urquia: Yes, sir.

Mayor Lago: Go ahead.

City Clerk Urquia: Our speaker, Maria Cruz.

Mrs. Maria Cruz: Mrs. Maria Cruz, 1447 Miller Road, 305-323-2154. I heard the Mayor talk about the impact of Tallahassee's actions. We all are concerned about that. I understand that we do not have really at this point a choice, but to continue with the Underline and see what happens later. But I have a concern. And it was interesting because when the Mayor used a title, he used Assistant Director when in fact, as of April, as of April, we had an Assistant Director that was reclassified as a Deputy Director, which for six months of this budget year is getting 10% more than was before. And that will affect our budget next year because that carries on. I think we need to look at whether we're in a position to continue reclassifying people, employees. Now, at this point with salaries that will be impacting our budget for next year, when we're trying to tighten our belts, we're trying to tell the union that we do not have money for them. We have issues with sidewalks, streets, potholes, et cetera, et cetera, et cetera. And then we can do, we can keep improving salaries. When somebody is making that high amount to begin with, a 10% is not the same as giving a sanitation employee 10% of maybe \$50,000. When you give 10% upwards of 150 plus thousand, that's a big impact in our budget. And we need to reconsider that. And I would suggest that perhaps this Commission needs to put a pause on any salary increases from now till the end till we know what Tallahassee is doing or else we're going to be caught on that. Thank you.

City Clerk Urquia: Gonzalo Sanabria.

Mayor Lago: Good afternoon, sir.

Gonzalo Sanabria: Gonzalo Sanabria, 944 San Pedro Avenue in beautiful Gables-by-the-Sea. Like to just tell you that I am an economist. I'm also a former board member of Miami-Dade Expressway Authority for 13 years and extremely knowledgeable with the Underline and the Ludlum Trail. Practically knowledgeable. We worked out some stuff with some deals and some structure that was outside of Gables proper, mostly on the south side by Dadeland Station. I want to tell you that I just got a flash on my phone that says that the state legislator is fast-tracking the Tax Reduction Act for November. So, it's coming. And you're right, Mr. Mayor, when you said it. And it's going to be a pretty big hit on Coral Gables expenditures. Also want to tell you something else that

befuddles me. And that's when I said this morning political malpractice. At the last meeting here at the Commission, we were talking about the Underline. Somebody blurted, we should sell this to the county, meaning the Underline. And then Vice Mayor Anderson corrected that person being you, Ariel Fernandez, that the county already owns it. The other thing is you commit \$180,000 of Coral Gables money. What are you? What are we? We're good creditors. We are good creditors and that money can be used to make all the improvements that they want to do alongside the Underline. In other words, we're the ones guaranteeing whatever loan or improvement or project is going along there. Whether it be a million eight, will be \$3.6 million, whatever it is, we are underwriting this. The service calls that we have there, the issues that can pop up from three miles of Underline, it's just astounding. To commit anything along the lines of the Underline is objectionable to everybody who can understand what it could entail. It's a slippery slope. Stay away from this commitment. It's going to bite us and it's going to hurt us. It's not going to benefit us. Thank you.

City Clerk Urquia: That's it, Mr. Mayor.

Mayor Lago: So, while I don't disagree with Mr. Sanabria, I just want to be very clear. When I say our back is against the wall, because the state and the federal government are not going to bail us out here. And the county has already been very, very clear, as you can see by the amount of money that they have contributed over the last two years. They're not going to budget. There is not a friendly environment out of the 13 Commissioners to pony up the money as per the commitments that were made over 10 years ago. We are in this position. We have to make a decision. If we decide not to support the Underline, this could go back to the county and the county could do the bare minimum. If that's okay with some of my colleagues, we'll cross that bridge when we get there. Well, my goal now is to make a small investment in the Underline and provide as much help and assistance to the Underline to make sure that they can continue to address their endowment, hopefully attract as many large donors as possible, show that the three municipalities that are facing or they're attached to the Underline, City of Miami, City of South Miami, City of Coral Gables, back this project, and that we're here, that we are good creditors, that we're going to do everything in our power to make sure that this is a successful endeavor. But I'm very clear we're not going to be taken for a ride. I will not, under any circumstances, approve millions and millions and millions of dollars in perpetuity. I'm also very uncertain that I would approve the current budget of \$1 million a year. So, we need to find real solutions, and we need to find the money necessary to address this. And I'm working on that with partners, community partners that right now we're in the process of negotiating and to see if we can really engage through the private sector, with some additional revenues to address the shortfall. But we have a motion and a second. Mr. Clerk.

City Clerk Urquia: Yes, sir.

City Clerk Urquia: Commissioner Castro.

Commissioner Castro: I'm super conflicted on this item. Just for clarification, this money is coming from the leftover capital improvement projects. How much money is left over from that?

Budget Director Rodriguez: So, as we've presented in the past when we've talked about capital, as projects close, any savings for those projects would go into contingency. Those available funds that go into a capital contingency have become less and less as the cost of projects have generally been exceeding or very close to budget. We haven't really had savings in the past few years. So, we essentially depleted all of our contingency for capital to fund this item. That funding would have otherwise gone to any other projects that we might have found need. So, sidewalks always have need or any roadway improvements, any projects that are on the way that an estimate may come a little bit higher. So, this \$180,000 is almost about all of the funding that we had. There might've been like about \$20,000 left and we'll give that to something else that'll need it.

Commissioner Castro: Okay. So, the Underline is something that supports our neighborhoods. This is something that residents really like that they show a lot of support for and that's why I'm so conflicted. I'm going to go ahead and vote yes on this, but I don't think it's fair for the City of Coral Gables when they did not come into agreement for the rest of the million dollars to go ahead and take responsibility for the county even though it is in our city. So, I'm going to go ahead and support this to make it move forward, but I will not support anything further than this.

Commissioner Fernandez: Yes.

Commissioner Lara: For the reasons I stated, yes.

Vice Mayor Anderson: For the reasons stated, yes.

Mayor Lago: Yes. Thank you very much.