

City of Coral Gables City Commission Meeting
Agenda Items F-6 and J-2
July 11, 2017
City Commission Chambers
405 Biltmore Way, Coral Gables, FL

City Commission

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

City Staff

City Manager, Cathy Swanson-Rivenbark
City Attorney, Craig E. Leen
City Clerk, Walter J. Foeman
Deputy City Clerk, Billy Urquia

Public Speaker(s)

Laura Russo, Attorney Representing the Applicant
John Charters, Representing General Growth Properties
Rob Hazard, Representing Hersha Hospitality

Agenda Item F-6 and J-2 are related [9:49:25 a.m.]

F-6: A Resolution of the City Commission of Coral Gables, Florida granting site plan approval pursuant to Zoning Code 3, "Development Review," Division 4, entitled "Conditional Uses," Section 3-402, entitled "General procedures for conditional uses," for an amendment to the Village of Merrick Park Hotel" on the property legally described as Lots 12-22, Block 6, Industrial Section (4241 Aurora Street), Coral Gables, Florida; including required conditions and providing for an effective date. (05.10.17 PZB recommended approval, Vote 6-0)

J-2: A Resolution approving general terms and authorizing the City Manager and City Attorney to negotiate and execute conveyance and lease agreements with Merrick Park Hotel, LLC for the development of a project referred to as the "Merrick Park Hotel."

City Attorney Leen: Thank you. This is a time certain at 9:30 a.m., Agenda Items F-6 and J-2, both of which are related, but would be voted on separately; Item F-6 is a quasi-judicial item, it's

a Resolution of the City Commission of Coral Gables, Florida granting site plan approval pursuant to Zoning Code 3, "Development Review," Division 4, entitled "Conditional Uses," Section 3-402, entitled "General procedures for conditional uses," for an amendment to the Village of Merrick Park Site Plan for the development project referred to as Village of Merrick Park Hotel" on the property legally described as Lots 12-22, Block 6, Industrial Section (4241 Aurora Street), Coral Gables, Florida; including required conditions and providing for an effective date. On May 10, 2017, the Planning and Zoning Board recommended approval by a vote of 6-0. There is also Item J-2, which is a proprietary business item that is related. Item J-2 is a Resolution approving general terms and authorizing the City Manager and City Attorney to negotiate and execute conveyance and lease agreements with Merrick Park Hotel, LLC for the development of a project referred to as the "Merrick Park Hotel." Let me explain how these two items are related. Item J-2 is proprietary and what I mean is that the City is acting as landlord for this item related to the addition of a Merrick Park Hotel to the Merrick Park site plan. As part of this proprietary agreement, I'd like to read into the record the terms of the agreement, give me one second please. Let me just read it into the record. The summary of the general terms of the agreement for Merrick Park Hotel are that the City of Coral Gables would be entering into a transaction with Merrick Park Hotel, LLC, whereby the hotel land owner will convey to the City in parcel vacant real properties, which is called the hotel land, located adjacent to the property commonly known as the Merrick Park Shopping Center, and the City will therefore lease the hotel, and by the way that's the legal description, we know it as Merrick Park Shops or Merrick Shops, and the City will thereafter lease the hotel land back to the hotel land owner for the development of a hotel. The transaction will include a parking license agreement for the purpose of permitting the hotel, to use the parking facilities at Merrick Park. In addition, the lease of the hotel land by the City to the hotel land owner shall include certain rental terms, which will be negotiated and agreed to as part of the transaction negotiations. The final terms of the transaction together with any other agreements documenting the transactions, including but not limited to lease agreements, operating agreements, parking license agreements, etc., shall be negotiated and finalized by the City Manager and the City Attorney. I'm going to turn this over to, I believe that we should at least have a description of the business terms before you go and consider the site plan review. Understand that the site plan will be contingent and will not be effective until a business agreement is reached. Nevertheless, you'll be voting on that today, because if there is no interest in proceeding with the site plan or if there is no approval, then there is no purpose to proceed with the business terms as well. Madam City Manager, do you want to talk briefly and I can mention where the issues of disagreements still are.

City Manager Swanson-Rivenbark: Certainly. I just wanted to provide context for the Commission. Mr. Mayor you'll recall in 1998 when the Rouse Company submitted for the redevelopment of the 8-acre equipment yard, they had assembled an additional almost 12 acres for a total of 20 acres. Two of the components that were in the original submittal included a

luxury boutique hotel and an art cinema. At the time, the Commission felt that those two components were not in keeping with their vision for the redevelopment of the area, and so they were removed from the project. As you'll know, you recently allowed Landmark Cinema, Landmark Theater, excuse me, to come and be a part of the Village of Merrick Park or the Shoppes at Merrick Park on the third floor. It's doing very well and the grass space, which was immediately east of the Village of Merrick Park, north of Nordstrom remained vacant, and that had always been the envisioned site of a luxury hotel. We had at the time had an expert hotel consultant evaluate what impact another luxury product; luxury hotel would have on Coral Gables. And interestingly, Coral Gables at the time was viewed as a sub-market Gables-Grove, but not its own and the conclusion of the report was additional quality, luxury product would actually benefit Coral Gables as a destination. And so, it was interesting to us to see the General Growth come forward with interest in having the Landmark Theaters, which now is doing very well, as well as a hotel, a luxury hotel and they have identified an excellent experienced developer called Persia, who is the hotel developer that they've identified. We felt that it was important that you look at both aspects at one time with the Commission; one, your landlord role and you're receiving the additional property, that was an understanding as some community members feared that the Village of Merrick Park would continue to grow. We said that if you grow further in land, you needed to deed it over to the City. That's a part of the transaction that you are looking at in your landlord role, but also what caliber of hotel is being proposed, so then you switch hats and you are looking at it as a site plan review. The first piece of it will be a presentation regarding the site plan, but then the next piece of it will be the landlord role. I'm absolutely confident that all of the T's and I's will be appropriately addressed during this time, but if it's acceptable to the Commission, we do have General Growth here, we do have the representatives here, the attorneys here, but if it's acceptable to the Commission we'd like Ramon Trias to present first the application for site plan review and that is the hotel concept, the design that is being proposed.

Planning and Zoning Director Trias: Thank you. May I have the PowerPoint please? Mayor...

City Attorney Leen: Before we begin, Mr. Mayor, could the Clerk swear in anyone who is going to speak, is anyone from General Growth going to speak?- so they should be sworn in, its quasi-judicial item.

City Clerk Foeman: Could you stand up and raise your right hand. Do you solemnly swear or affirm that the testimony you proffer here this morning will be the truth and nothing but the truth to the best of your knowledge?

Speaker: I do.

City Attorney Leen: Please note that everyone or individuals who stood, all took the oath.

Mayor Valdes-Fauli: Go ahead.

Planning and Zoning Director Trias: Mayor the technical request is an amendment to a site plan and that has some real beneficial aspects to this, and I'll explain, and the City Manager and the City Attorney have already explained clearly some of the benefits. But, the parcel is the last large green vacant parcel in that whole area of the Shoppes of Merrick Park. One can see that that area has developed very nicely in a mixed use pattern, and the hotel fits right in within the fabric of that whole parcel. Now the current zoning and land use is industrial, which in this case allows for mixed used, some challenges with this (Note: equipment failure).

City Manager Swanson-Rivenbark: You have to say next for the item. We'll make sure that CGTV follows this and CGTV will be given verbal commands.

Planning and Zoning Director Trias: Thank you. So, the request is an amendment to the site plan, as we said. Now the project, if one looks at the ground level, the first thing that one can notice is that it's a building without a parking podium, which has many aesthetics benefits, obviously if it's a building that doesn't have parking, the building can be designed, particularly in the ground level completely for public use, so it has an arcade all around the perimeter and it has restaurants and lobby uses on the ground level, and it also modifies the sidewalk and the public spaces with bump-outs and landscape. Now the parking is being used in the existing parking garages, so the parking request includes a management plan with the Parking Director. So, that's one of the benefits of the fact that this is a site plan amendment. Now the one issue that you may have seen in the discussion is that there is an encroachment and the encroachment is that the pool deck of the second level encroaches on the street right-of-way on Aurora. That is in order for the pool to have a nicer setting and a better design for the pool deck. During the discussion, we had some opportunities to make sure that the ground level of that encroachment was redesigned in such a way that it met building code and it met other requirements, so I'll explain that also, and that I'm happy to say has been resolved, that issue. As you can see the building is a full building, no parking, an arcade on the ground level and a tower element right there on the left side, which matches the architecture of the surrounding. The area to be updated that is shown here in this diagram is the area where that encroachment took place; and the way it was resolved and thank you for the work that the architect and Peter Iglesias and so many others worked on it.

Mayor Valdes-Fauli: This is north elevation?

Planning and Zoning Director Trias: Yes, that is the north elevation and that is the public elevation, the elevation where the entrance is; and what happened was that the encroachment was

redesigned slightly to create two balconies on either side and then a high level of artistry in terms of the structure that was needed, as you can see it matches the architecture. So, that was the resolution of the encroachment, which I have to say worked out very well, right there on the diagram, and that is the way the north elevation, the main elevation of the building, the main façade of the building would look like once all that is built. Now the review timeline included the Development Review Committee in August, the Board of Architects reviewed in November, neighborhood meetings and then the Planning and Zoning Board in May. As always, staff had a chance to review this multiple times and offer comments and through that process, as I described, some of the issues that were resolved. The public notification included letters to the property owners two times, property posting three times, website posting four times, and the newspaper advertising as required by Code twice. The staff recommendation is approval with conditions and the standards of review has been satisfied. The Planning and Zoning Board recommended approval 6-0, and the conditions of approval, the main conditions of course include the business aspects that have been discussed already, and the final resolution of the encroachment, which was resolved from a design point of view; and also that we have some conditions to update traffic studies a year after the Certificate of Occupancy, to make sure that everything is working currently; and of course the building has to be LEED certified as required by Code. Those are the conditions as the presentation. I believe the applicant is here to answer any questions.

City Manager Swanson-Rivenbark: And just as clarification Mr. Mayor, when you asked was that the north elevation, it's the main elevation, which is actually the west.

Mayor Valdes-Fauli: The west...

City Manager Swanson-Rivenbark: Correct.

City Attorney Leen: Mr. Mayor, I would also add this is a public hearing item and in addition to that, if you have any discussion about the business terms, I recommend that you wait until the second item, because it is important to try to keep a separation between the two as much as we can, you are considering both, but just remember that this particular item will not become effective even if you adopt it today until we reach agreement as to the business terms, but when you decide this issue you are acting quasi-judicially, so regardless of what you think of the business terms you have to look at this independently and determine whether you think it's appropriate for the City and whether there is any appropriate conditions of approval that need to be done.

Mayor Valdes-Fauli: Is there a representative of the proponents here? Laura?

Ms. Russo: Good morning Mr. Mayor, members of the Commission, for the record my name is Laura Russo with offices at 2655 LeJeune Road. I am here this morning representing Hersha Hospitality. I have with me Mr. Robert Hazard from Hersha, Sandra Cardona and Lawrence Butler. Unfortunately, the CEO, Neil Shaw sent an e-mail to me this morning and I believe to Cathy Swanson, the City Manager that his flight was cancelled yesterday evening after sitting on the tarmac for two hours, so he apologies for not being able to be here. He anticipated giving a little presentation that will now be done by Mr. Robert Hazard. So, it will give you a little history of Hersha Hospitality, who they are, what other products they have so you have an understanding of the company, and even a smaller presentation on the actual product that is being proposed for the Shoppes at Merrick Park.

Mayor Valdes-Fauli: Thank you. Good morning.

Mr. Charters: Good morning. Good morning, my name is John Charters with General Growth Properties at Shoppes at Merrick Park. I'm pleased to have with me today, there is a whole crew of people, but I wanted to introduce Brian Basic who is the Senior Developer on the property, and then I think Mike Cook, who many of you know is our Senior Property Manager involved in a lot of things with you folks. As Laura said and as people know, we have with us today Rob Hazard, who is the Senior Vice President of Acquisition and Development with Hersha Hospitality and his team and he'll introduce those folks as he goes along. I really initially, based on I guess the way this discussion is going to go, just want you all to understand we are very, very excited and happy to be working with Hersha Hospitality on this thing. We have this project; we think it's a great opportunity for us and for the City. As many of you know, we have been reinvesting in the property and bringing in some new uses, the Manager referred to the theater that we put up on the third floor and we very much appreciate the support and guidance from the Commission and the administration to work that through the process. There is a lot happening in the market, in the immediate market and a lot happening in the region, and a lot of competition, so we have stepped up and are reinvesting and trying to make sure that we keep the property something that's going to continue to be very effective, very popular, and something that the City will continue to be pleased with. You know the folks from Hersha are a great operating company, I think you'll see hopefully you'll agree that the design that they'll present is something you like and that you feel will fit into the community well; and at GGP (General Growth Properties) we are very focused on a corporate culture in being open, very team oriented, a lot of communication within our company out into the community. We know that Hersha is the same way and so we appreciate that. I noticed one item on your agenda today about renewable energy, resolution to support that in the City and throughout the country. It may surprise you to know that GGP is also very supportive of that. We are the ninth largest solar power producer in the United States through the use of solar panels on our parking lots, our parking garages, and throughout our properties, and we continue to push that. Composting which to me is a fancy way

of talking about recycling. We have over 100 properties, shopping centers of properties, significant number of cardboard that comes into our properties. Last year alone, 2016, we took over 55,000 tons of material out of the way stream. We also install new equipment last year that will allow us to reduce our electrical consumption across our portfolio by over 80 million kilowatt hours; and my favorite number in our sustainability is since 2014 we've reduced our water consumption by over 100 million gallons, which is equivalent to 154 Olympic-size swimming pools, we are very proud of that. Hersha is also very big on sustainability, I think Rob is going to touch on that a little bit, but I know that this project will be LEED Silver Certified which is a tough threshold to achieve, (a), and (b) consider the economics, very positive situation, so you don't really need me to talk much more. Rob's going to come up and talk about his company a little bit and talk about the project, and I think we have the presentation up and ready for it.

Mayor Valdes-Fauli: Good morning.

Mr. Hazard: My name is Robert Hazard; I'm the Senior Vice President of Acquisitions and Development for Hersha Hospitality Trust. I want to make sure that everybody understands exactly where this site is, north of Altara, south by San Lorenzo just to the east of Shoppes of Merrick Park. First Hersha Hospitality Trust is publicly traded real estate investment trust. It was founded in 1999, we have 55 hotels in six major gateway markets, we have an enterprise value of over \$2.5 billion dollars. Our geographic focus is clustered in six areas, Boston, New York, Philadelphia, Washington DC, the west coast, and of course Florida. In Florida our properties include the Ritz Carlton and The Residence Inn in Coral Gables. We have two autograph hotels in South Beach, we have the Cadillac Hotel in Mid-Beach and we have the Hurricane Resort down in Key West. We have deep relationships with all the major hotel companies, including Hilton, Marriot, Intercontinental, Hyatt, Ritz Carlton, and Starwood, and we have one of the industry's largest selections of independent non-branded hotels. To give you a couple of examples of hotels within our portfolio that serve as somewhat models for our project. This is the Rittenhouse Hotel in downtown Philadelphia. This is a hotel that caters to discriminating needs of politicians, celebrities, captains of industry. In the service model we developed here will serve as a blueprint service model in Merrick Park. This is Duane Street Hotel in Tribeca in New York City. This is the Hotel Milo, located at the corner of State Street and Cabrillo in Santa Barbara. This is the Sanctuary Beach Resort just north of Monterey, California, and this is Parrot Key Resort in Key West. What all these hotels have in common is that they are all independent, they are luxury, they cater personally to the needs of the discriminating customer. Sustainability – most communities today require that the developments are designed and constructed to a LEED standard. We find that trend somewhat troubling not because the communities are wrong, but if you don't understand why the development community doesn't understand sustainability really makes economic sense. For Hersha in 2010, we created an organization called EarthView, which

is an internal department. EarthView exist to track and manage our sustainability output and our community impact. Since it was established the results had exceeded our wildest expectations. Right now in our portfolio we have 13 hotels and receive Energy Star Certifications with three hotels that are LEED certified and 93 percent of our portfolio has been designated Green Leaders by Trip Advisor. We also receive recognition from a few companies out there, a few organizations out there that actually track this. One of those is the Global Real Estate Sustainability Board and that Board has about 250 members that are largely Fortune 500-type companies; and every year those companies are ranked for their commitment to sustainability; and five consecutive years Hersha has been ranked to the top three percent of all companies and we are the number one hotel company in the world. In addition, there is an organization called National Association of Real Estate Investment Trust, and we are a four-time recipient of their Leader in the Light Award. In other words, it's essentially the Oscar for sustainability. As I said before, sustainability makes economic sense. Since EarthView was established and we started tracking it, we reduced our carbon output by 19 percent, our water usage by 9 percent, and reduced waste production by 45 percent, that's pretty incredible numbers, and it's generated a lot of savings for us. Here are some of the projects and initiatives that we embarked on are laid out in the slide. My favorite is what we did at The Residence Inn in Coconut Grove, where we took three buildings and acres of roofs that were supporting mechanical equipment, we put over 200 solar panels on there and today is generating about 150,000 kilowatt hours of electricity. I like this project especially, because it was my idea. The story of Hersha is the story of a gentleman by the name of Hasu and his wife Hersha, and they came to this country, it's truly a rags to riches Horatio Alger tale. They came to this country with nothing...they worked hard, they built an amazing company. Once they made it big they gave back; and the hallmark of Hersha organization is that we do support the communities that we invested in. And, Mr. and Mrs. Shah, for example, are one of the founding members of United Way's Million Dollar Round Table Club, which donated a million dollars to that organization, and the Shah family and the culture of our company everyone involved with our organization get involved in the community. We manufacture and sell bottled water in each one of our hotels. We donate a dollar of those sales to Matt Damon's water credit organization, which is an organization that helps finance water treatment plants in developing countries. We've raised over \$100,000 this year alone for Autism Speaks. We've donated over 400,000 bars of soap to communities around the world where sanitation threatens life. When we renovate our hotels, we don't sell the old furniture to other people, we don't it to Habitat for Humanity, and this year alone our associates have volunteered over 47,000 hours of community, I'm sorry, 4,700 hours of community service and we donated over 30,000 items for physical use. We have a great project team that we put together for this hotel, and I'm going to walk through a couple of people you may not know. The architect of this project is NBWW, which is one of the premiere architects of hotels. They also happen to be based in Coral Gables, because it's a huge advantage is they know the community, the fabric of the community and they've designed a building that I hope you'll agree fits into the community

very well. They also have tremendous experience...I don't think there is an architect in the country that has developed and designed as many hotels as NBWW. Our interior designer is a company called...they designed one hotel in Central Park South. They are really not known for a hotel architect, what they are noted for is their ability to design great public spaces; and the hallmark for this particular hotel is for great public spaces. If you are interested in seeing some of their work, they did the interior design for....down in South Beach...Our local artist is Michelle Oka Doner. Michelle's abilities and her reputation stems from her ability to blend art, nature, and architecture into these wonderful design projects, and you've probably hopefully seen her exhibit at the Miami International Airport and if you haven't, I encourage you to do so, it call "A Walk on the Beach". I'll give you a quick project overview before I turn this over to the architect, Don Wolfe, and I think I'm going to start with the orientation of this hotel. This hotel is going to be a very special place. It will be designed and developed as a luxury independent boutique hotel that caters to the needs of discriminating business travelers, tourists, and small groups. The project gravitates toward modern elegance simplicity, comfort, utility and a guest experience that is both intimate and personal. We have 135 rooms in this hotel, 20 of which are oversized specialty suites. We have a Presidential suite. The overall size of the guest room is a whopping 450 square feet, that's an enormous room. The restaurants on the property are all located on the first floor. To the north we have an intimate inside/outside café; to the south we are creating space for the insertion of dinner house that GGP (General Growth Properties) will be overseeing. The second floor of the hotel is called our amenity floor; it really is the signature and one of the hallmarks of the property. It includes a swimming pool, a gorgeous well-manicured rooftop garden; we have 3,000 square feet of meeting space; their exercise room, and some specialty suites that have these wonderful patio verandas. In regards to -- people keep asking me what brand do you put on this hotel? It will be top rated as an independent boutique asset and develop its own reputation, we don't want to....with a Marriott or a Holiday Inn. Likewise, the name of the project...we are using the moniker the Hotel at Merrick Park, that's just a working name, it's not the ultimate name...So with that, I'm going to turn it over to Don Wolfe with NBWW.

Commissioner Quesada: Will you be partnering with the branch?

Mr. Hazard: Pardon me?

Commissioner Quesada: Will you be partnering with the branch of this hotel?

Mr. Hazard: [Inaudible].

City Manager Swanson-Rivenbark: As a clarification, I know in the agreement that you'll be equal to or better than an autograph collection, which is a four and-a-half star type of property.

The other is, while you have a lot of independent hotels, you have national reservation system, correct.

Mr. Hazard: We do not have a national reservation system.

City Manager Swanson-Rivenbark: So, if I'm going to make a reservation, I need to make it to the hotel proper?- or how do I connect in making that?

Mr. Hazard: There is a series of portals that you can use. There are independent organizations, for example...preferred hotels that provide that reservation platform that...

City Manager Swanson-Rivenbark: I'm sorry, that's what I meant by national, because you have links that through those affiliations will allow people to come and make a reservation through those links.

Mr. Hazard: Correct.

City Attorney Leen: So Mr. Mayor, this is a term that's both a business term and also relates to the site plan, because it's the quality of the hotel, because the matter came up, I'm just going to tell you, for purpose of the record I feel that the two parties are close enough that the City Manager can resolve this particular issue, but just so it's clear. Right now the final hotel brand in our concept will be part of the autograph collection by Marriott International Incorporated or comparable franchise brand or other non-franchise concept, with a level of quality and guest service, which is substantially similar to the autograph collection. I do need to know, however, that the hotel parcel owner did delete the sentence that requires the City's approval to the hotel brand or concept. I know that the City Manager that's important to her, that's something that we will work out with you and she'll be granted the authority to do that, along with myself, but I want to be clear that there is at least a little bit of an issue with that. One other thing that came up was...

City Manager Swanson-Rivenbark: And, while he's saying that, I'm confident we'll reach agreement on that. So, I looked myself at what is autograph collection and that's why I'm not saying its four and-a-half stars because they tell me, its four and-a-half stars, its five stars, there are some four stars, because that's what autograph collection on the web tells me. So, that is the comfort that I have in terms of the type of product that would be on property.

City Attorney Leen: And, one other issue that I would just mention is that what the agreement has proposed currently says from Merrick Park is that after the initial 15 years of the operating lease for the hotel, at least with Hersha, the brand can be modified to be qualitatively consistent

with a level of quality of a shopping center at such time based on market conditions. Again, the City has not agreed to that and that's something that we would discuss, but I do believe we are close enough and Cathy obviously has the expertise in this area that I would recommend that she be able to resolve that along with me that remaining issue.

City Manager Swanson-Rivenbark: And while we don't need to go into the details, unless the Commission wishes, there are very strong performance obligations of the Village of Merrick Park, so when they say consistent with the shopping center at the time, while they are going to have to make GGP happy, GGP has to make you all happy, and I'm confident that will happen.

City Attorney Leen: Yes, I'm very comfortable with that. I do believe that we can reach an agreement here, but I just want to be clear for the record since it came up.

City Manager Swanson-Rivenbark: Would you have questions regarding – are there design questions at this point? - or how do the Commission want to handle this?

Don Wolfe: I'll make it brief.

Commissioner Quesada: I'm ready to make a motion.

Commissioner Lago: My questions are more geared toward the site plan, if I could just speak with staff about it, unless you want to move forward Commissioner.

Commissioner Quesada: No, ask your question. I'm ready to make a motion.

Mayor Valdes-Fauli: Let's make a motion and then we'll discuss, make a motion.

Commissioner Quesada: It's a public hearing.

Mayor Valdes-Fauli: I know. I know. After the motion is made...

City Attorney Leen: Mr. Mayor, I would recommend having the public hearing and then the motion.

Mayor Valdes-Fauli: OK. Any members of the public that wish to speak?

City Manager Swanson-Rivenbark: Mr. Mayor, do you have any more questions for Hersha, or may they take a seat?

Mayor Valdes-Fauli: I just asked my question, because I couldn't find the kitchen. Any members of the public? OK. Now a motion is appropriate.

Commissioner Quesada: I'll make a motion.

Mayor Valdes-Fauli: Commissioner Quesada – second?

Commissioner Mena: Second.

Mayor Valdes-Fauli: It's been moved and seconded – questions?

Commissioner Lago: Yes. I'd like to speak to Ramon, if possible.

Mayor Valdes-Fauli: Of course.

Commissioner Lago: One of the items that I kind of noticed in your presentation that was missing, you really didn't talk about density or intensity. How does the building stack up in regards to the existing Zoning Code? A few issues in reference to open space; I mean, again, I know this is a very similar situation kind of like me linking to the University of Miami where we as a City and the residents take advantage of a parcel of land which is private, a lot of us think it's actually public when this is not that case, but there isn't a sliver of grass on this piece of property. I promise I'll be quiet. I won't say anything else; I know we are in a hurry. And, I also want to commend the developer for doing an incredible job in regards to sustainability. It's refreshing to hear someone not only do the bear minimum, but they actually go above and beyond, that's something that I really have to commend them on that; and another issue, another concerning point for me would be the issue of traffic. Well that's the third point; I have one more; the third point would be traffic. You are going to be basically having someone who is going to be delivered or is going to drive into this facility, they are going to drop off their car, valet is going to pick it up and then take it into the Merrick Garage. Seems to me like there is going to be a lot more congestion, and a lot more trips around the actual development or the Merrick Park structure; and the fourth and final issue, is you see a lot of, and I know that we had several had been probably notified by the Fire Department on this issue. You see a lot of development being concentrated in this area over the last year, are there any concerns, and maybe this is a question for Frank Fernandez, are there any concerns in regards to not having a Fire Station, which is adequately available to support all this development in that area, do you feel comfortable with that? - do we have enough resources to man all the projects that are currently in the pipeline for this area? So my first question, so we can start with that one, let's talk about the FAR.

Planning and Zoning Director Trias: Commissioner, I will point you to page 2...

Commissioner Lago: Just tell me, just tell me.

Planning and Zoning Director Trias: It has all the statistics – FAR is 3.41; 3.5 is allowed in that building.

Commissioner Lago: How is the open space?

Planning and Zoning Director Trias: The open space is 3,147 square feet and what's required is 2,950, so it's a little bit more than is required. Now...

Commissioner Lago: Don't tell me what's required. We just had a significant conversation about open space, about paseos, about second floors. I look at the site plan, the site plan doesn't have a sliver of grass outside of some bollards that – if that's what this Commission wants then so be it, we'll vote on it, but I'm saying you are going from having an entire block of open space to having nothing. So, I just want to make sure that's what we are voting on today, is that what we are OK with?

Planning and Zoning Director Trias: What you are voting on today is a design that complies with the Code prior to any changes that have been proposed recently, so those changes have not taken place yet.

Commissioner Lago: When are those changes taking place?

Planning and Zoning Director Trias: As soon as the Second Reading is heard. Now the issue is this, what I would propose to you from a professional planning point of view is that this hotel, because of the way that it is designed without parking, it's just a full building going all the way to the ground, does have a significant contribution to the ground level open space in the form of the arcade that is fully around the whole perimeter of the frontage, northwest, west elevation as the City Manager said, is the front elevation, and then through the whole perimeter of the block. Now....

Commissioner Lago: I understand your argument about open space, about the arcade and I appreciate the arcade, because it's an opportunity for people to stay dry, connectivity, and I got you. But don't tell me that it compares to open space; we have an entire acre of...

Mayor Valdes-Fauli: I disagree with you and I want to answer if you give me an opportunity. We do not have open space here, we do not have blank open space, we have vacant land and if you

want to describe vacant land as open space that's one thing, but I disagree with you. I want to have good usage of the land, good usage of our vacant land and in certain areas you need to have more density than in others. The biggest area we had of open space was when we had a parking lot there for garbage trucks. We had eight acres of open space and we put Merrick Park there and I think that was a very good, very, very good usage of concrete to have Merrick Park there and to have a very significant usage of our garbage truck dump by filling it up. We do have open space in Merrick Park, we have park, we have green areas, but some areas don't have to be green and some areas the highest and best use of some areas should not be green; and some areas in a hotel smack in the middle of a big retail development, which we are very proud, I think it's a very good usage of the land.

Commissioner Lago: When you talk about open space in Merrick Park, Merrick Park has a beautiful plaza, which is not even permeable pavers, its actual grass, because I take my children there all the time to run around and have a great time while my wife is shopping. So, I give you the utmost credit for shepherding and pushing forward Merrick Park, but let's not compare Merrick Park to a setback to setback building that's being installed.

Mayor Valdes-Fauli: But, it is in Merrick Park and it is part of Merrick Park and it's a facility that will enhance Merrick Park and the prosperity of Merrick Park. This is a hotel and some areas need green space and some areas don't need green space. If you have a church you should not require green space in the middle of the church. If you are going to have a hotel, we have arcades and whatever, and half a block from there in Merrick Park we have this area where your children play. I agree with you that we want parks and we want green space, but some buildings do not require or need or its best use is having green space and this hotel, this very urban hotel in the middle of a big development is one of those.

Commissioner Lago: Something that I brought up before, how many floors is the building?

Planning and Zoning Director Trias: Seven floors.

Commissioner Lago: And that's per Code?

Planning and Zoning Director Trias: Yes – and then the Code limits the height, the 99 feet.

Commissioner Lago: So, this is in compliance with that?

Planning and Zoning Director Trias: Yes.

Commissioner Lago: Like I've mentioned before, in that area you have buildings that range, I think to 110-115 less than a block away, why not make the building one floor higher and have a portion of a green space that can be used which is a little bit more accentuate, the actual beauty of this hotel, which again, I tell you it's spectacular, but I think it's something – we are moving on from there. The issue of traffic and that's why I see Mr. Plummer here, because he's the best traffic engineer in town.

Planning and Zoning Director Trias: Mr. Plummer submitted this document to us for review and I'm sure he can explain it.

Commissioner Lago: Thank God I'm not a traffic engineer that's why we have Mr. Plummer.

Mr. Plummer: Thank you. Good morning everyone. It's a very good question you ask Commissioner Lago, because there is no parking on site, but where the valet pickup/drop-off is, is directly across from the Aurora Garage. The plan is to be able to go just across the street into the Aurora Garage and park the necessary cars in that location and then if necessary to go to the south deck.

Commissioner Lago: How many spaces can you park in the Aurora Parking Garage?

Mr. Plummer: There is availability for at least 50. We've gone through a very detailed parking occupancy studies that Kevin Kinney has reviewed and this is, I've been telling people, this has been a case study on why shared parking should be allowed for projects. At the peak peak, depending on a week day or weekend, we have anywhere between 1200 and 1800 available parking spaces at Merrick Park, because back then during that time period, shared parking was not really moving forward with the City and not many places, so there is so much available parking at this location that this really is not going to be an issue.

Commissioner Lago: That gives me comfort that again, there are 50 spaces, but I want to make sure that those 50 spaces are allocated just for the hotel, because I don't want to hear later that that entire parking garage is full to capacity and then now they have to move toward the circle, toward...

Mr. Plummer: Toward the south deck.

Commissioner Lago: Yes, toward the south deck.

Mr. Plummer: So, part of our parking management plan that's in the development agreement...

Commissioner Lago: Which again, which would force them to go onto Ponce, come around the block and create even further congestion, which by the way, that circle if anybody goes by there having to frequent the gym across the street, the amount of congestion around that circle...

Commissioner Quesada: ...circle

Commissioner Quesada: The entrance to the parking garage is unbearable. Sometimes I'll sit there 30 minutes, 30 minutes I'll sit there – 5:15, 5:30, 6 o'clock.

Commissioner Quesada: You are saying the circle on Ponce around the fountain.

Commissioner Lago: Yes, yes.

Mayor Valdes-Fauli: Half an hour?

Commissioner Lago: 15, 20, 30 minutes, yes, I've had to sit there, because the issue is U.S.-1, everything converges there, don't forget.

Commissioner Quesada: I live six or seven blocks from there, so I drive there pretty frequently, sometimes it's a little bit backed up, but I've never had...

Mayor Valdes-Fauli: I've never had that backup.

Mr. Plummer: So, as part of the parking management plan they'll be designated reserved valet parking spaces between the Aurora Garage and the south deck, so that there is always availability.

Mayor Valdes-Fauli: Any further comments Commissioner?

Vice Mayor Keon: I think there is also a provision in there for a follow up a year later?

Mr. Plummer: Correct – on the parking and the traffic.

Vice Mayor Keon: So, you'll address whatever...

Mayor Valdes-Fauli: Any other comments?- Alright, motion has been made and seconded, Mr. City Clerk.

Vice Mayor Keon: Yes

Commissioner Lago: Yes
Commissioner Mena: Yes
Commissioner Quesada: Yes
Mayor Valdes-Fauli: Yes
(Vote: 5-0)

Commissioner Lago: And also Mayor, can I see if Mr. Fernandez can address my concerns about, if you have the adequate resources to the Fire Department.

Director Fernandez: Good morning again Mr. Mayor, Vice Mayor, members of the Commission, I've consulted with the Fire staff, the Deputy Fire Chief, and our emergency services have the capacity to manage those type of emergencies there, however, we do have a challenge when it comes to fire prevention, but we are making internal adjustments and position reallocation to ensure that fire prevention bureau has the appropriate staffing to meet the needs of the current and future demands.

Commissioner Lago: Thank you Director, appreciate it.

Mayor Valdes-Fauli: Thank you. City Attorney.

City Attorney Leen: Yes Mr. Mayor, thank you. As to Item J-2, which is a general synopsis of the business terms and granting administrative authority to the City Manager and City Attorney to reach a final agreement. I would just mention a couple of things and I'll turn it back over to the City Manager. The first issue, I've already mentioned regarding the hotel brand and that's something that we believe that we can work out. A second issue that's come up is related to rent; the idea would be there would be a percentage rent, we are still going back and forth as to how that would be calculated exactly. There is also, the City has also requested a change in control rent provision, a transaction rent provision related to change and control of the hotel, that hasn't been agreed to yet, but we are working that out. The main compensation to the City here would obviously be receiving the land, the benefit to Merrick Park hotel, and also the increase in property taxes that would occur, but there is a request for a percentage rent and also for this change and control, which we are still negotiating. There are other smaller terms, I don't think that they are important to raise at this time. All of them are things that we can work out. One example is related to the united of title, changes to the timeline, remedies for the City, who will be required to sign the agreement, the term, these are all things that can be worked out by the City Manager and City Attorney. So, I would ask that you authorize us to proceed on the matter, because there is some time sensitivity to the item. The matter would not come back to the Commission, but that's a general description of the matter.

Mayor Valdes-Fauli: But, you will come back to us with the final agreement?

City Attorney Leen: No. What we are asking...

Commissioner Quesada: We are delegating the authority to complete the process.

City Attorney Leen: You are delegating that authority, yes.

Mayor Valdes-Fauli: Anybody make a motion?

Commissioner Quesada: Yes, so moved.

Commissioner Lago: Second the motion.

Valdes-Fauli: Will you call the roll please.

Commissioner Lago: Yes

Commissioner Quesada: Yes

Vice Mayor Keon: Yes

Mayor Valdes-Fauli: Yes

(Vote: 4-0)

Commissioner Mena: Absent

Mayor Valdes-Fauli: Thank you very much everybody. Thank you.

[End: 10:38:15 a.m.]