



City of Coral Gables
CITY COMMISSION MEETING
April 24, 2018

ITEM TITLE:

A Resolution authorizing the City Manager to extend negotiations for three months and bring back a purchase and sales contract with the highest bidder for the sale of the City owned parcel located at 7350 Coral Way, Miami, FL to the City Commission for consideration.

DEPARTMENT HEAD RECOMMENDATION:

Approval

BRIEF HISTORY:

Per Resolution 2017-234, dated August 29, 2017, the City Commission authorized the City Manager to market and sell the City owned property located at 7350 Coral Way, Miami, FL 33155 (the "Lot") for a period of six months and come back to the City Commission with a Purchase and Sales Agreement and/or a Letter of Intent. Under Resolution 30255, dated February 5, 2002, the City leased the Lot to the Police Benevolent Association ("PBA") which used the Lot as a gun range. Due to PBA's limited use of the Lot, on March 16, 2016, the City Attorney's Office issued an opinion that the lease had been abandoned and terminated, CAO 2016-012. Per Resolution No. 2003-169, the City entered into an Interlocal Agreement with Miami-Dade County dated October 9, 2006 to make available 80 parking spaces for non-exclusive use of the County's park located at 7360 Coral Way, Miami, FL 33155 (the "Park") in perpetuity.

As noted in Resolution 2017-234, the Lot was appraised at \$11,700,000 for the 4.16 acre (180,580 square feet). The appraisal did not take into consideration the 80 parking spaces required under the Interlocal Agreement nor the lead contamination resulting from the PBA's allowed use of the Lot as a gun range. The City marketed the Lot with a "For Sale" sign and several real estate marketing sites such as: www.miamidadesites, Costar, Loopnet, and the Real Deal for a \$12,000,000 asking price with the understanding that the City would provide a credit/price reduction to a potential buyer to remediate the lead and for buyer to provide 80 parking spaces for visitors of the Park. The City changed the price to an "as is" asking price of \$10,000,000 where the purchaser would assume all costs and risks to remediate the lead contamination and provide parking for the Park. Based on discussions with the Parking Director and review of previously estimated clean-up costs, the City valued the cost of both lead remediation and providing 80 parking spaces at \$2,000,000.

In November 2017, the City initiated its marketing of the Lot resulting in approximately a million views, hundreds of emails and/or phone inquiries, and several letters of intent.

Due to the level of activity on from marketing, the City sent out a request on March 23, 2018 for the highest and best offer to be received by April 3, 2018. Based on that request, the three highest offers were \$9,550,000; \$9,500,000; and \$9,000,000 (See attached). Subsequent to that time frame, the City has received offers from other bidders greater than the three bids. The other terms of the offers vary and the City Manager is requesting the City Commission to allow an additional three months to further negotiate with the top bidders and bring back a purchase and sales agreement for the best offer to Commission for approval in a timely manner.

LEGISLATIVE ACTION:

Date.	Resolution/Ordinance No.	Comments
8/27/2017	Resolution 2017-234	Approval to market Lot for sale
9/9/2003	Resolution 2003-169	Interlocal Agreement Approval
2/5/2002	Resolution 30255	Lease Approval

ADVISORY BOARD/COMMITTEE RECOMMENDATION(S):

Date.	Board/Committee	Comments
3/8/17	Property Advisory Board	Recommended sale of the Lot via an RFP

FINANCIAL INFORMATION: (If Applicable)

No.	Amount	Source of Funds
N/A		

ATTACHMENT(S):

1. Proposed Resolution;
2. Appraisals by Slack Johnston Magenheimer, Inc.
3. Letters of Intent