

**City of Coral Gables City Commission Meeting
Commission Chambers
Agenda Item I-6
October 27, 2020
405 Biltmore Way, Coral Gables, FL**

City Commission

**Mayor Raul Valdes-Fauli
Vice Mayor Vince Lago
Commissioner Jorge Fors, Jr.
Commissioner Pat Keon
Commissioner Michael Mena**

City Staff

**City Manager, Peter Iglesias
City Attorney, Miriam Ramos
City Clerk, Billy Urquia
Asset Manager, Zeida Sardinas**

Public Speaker(s)

Anthony DiDonato, Coral Grand, LLC

Agenda Item I-6 [2:35 p.m.]

A Resolution of the City Commission authorizing entering into a Fourth Amendment to Lease with Coral Gables Grand, LLC with regard to the city-owned premises at 997 N. Greenway Drive, Coral Gables, FL 33134 granting rent deferment for 100 percent of rent due August 1 and September 1, 2020 and 50 percent of rent due October 1, November 1 and December 1, 2020 (\$95,650.31), waiving any late charges, fees, and penalties provided for in the Lease during the deferment period and providing for an eight (8)-month deferred rent repayment plan January – August 2021.

Mayor Valdes-Fauli: The next item is I-6.

Commissioner Fors: Thank you Mr. Mayor. I'm going to speak on this. I sent out a memorandum yesterday. I'll make it quick. I know we've been here for a while, just want to put a couple of things on the record. I move to defer the Coral Gables Country Club tenants request for deferral of rent last time we were here, to request disclosures regarding the total amount of deposits that they had retained from cancelled events. I was particularly concerned with their retention of deposits paid by Coral Gables based non-profit organizations. They did not provide all the

*City Commission Meeting
October 27, 2020*

information we requested. They didn't say how many deposits they had kept of the total amount of deposits they had kept. However, I reviewed the information and I was able to identify that they had obtained the deposits of two Coral Gables based non-profits, that is the Genes Foundation, which was inspired by the death of a St. Teresa student, based on a genetic condition, approximately in the amount of \$7,000. There was a deposit from Friends of Gables High, which advocates for Coral Gables High School. In discussions with staff, I expressed my thoughts that I thought that I would be willing to support rent deferment and support their request if they made refunds to the Coral Gables based non-profits. From what I understand, they summarily rejected that idea, they being, the tenant of the Coral Gables Country Club, and I think even withdrew their request for rent deferment. I think it's a shame that if they need rent deferment they are not going to receive over this issue. I stated yesterday in my memorandum that I was going to advocate against denying their rent, their request for rent deferral, but I've had a change of heart and what I'd like to do is, I'd like to propose that we approve an agreement, subject to them agreeing to it as well, to grant their rent deferment if they make refunds to these two Coral Gables based non-profit organizations. This would be something that they could accept at some point between now and or next Commission meeting. Its up to them to accept it or not.

Mayor Valdes-Fauli: Commissioner, I will follow your recommendation, but can we defer this to the next meeting because the City Manager has many things to say about this issue, about the contract, about renewals, and such. He's not here, so if we can defer to the next meeting.

ACM Santamaria: Zeida Sardinas, Asset Manager is intimately acquainted with everything that's gone on and she's also involved, so we are here to answer questions.

City Attorney Ramos: I believe that Commissioner Fors also spoke to the City Manager before his presentation.

Mayor Valdes-Fauli: What?

Commissioner Fors: I spoke to the City Manager about it.

Mayor Valdes-Fauli: Oh, you did, okay. Go ahead please.

Asset Manager Sardinas: Good afternoon Mayor, Commissioners, Zeida Sardinas, Asset Manager for Economic Development. As the Commission stated, we requested additional information that you all wanted from the tenant. I generated an e-mail to all of you with the information. They did submit tax receipts or tax reports for the Florida Department of Revenue for their gross revenues. They did submit their financial statements and they did do a booking report, but they did not provide us with the deposit list that Commissioner Fors requested, in order for us to be able to determine what deposits had been given or had been refunded or what the policy was. They also answered some of the questions that you had with reference to that they had received PPP monies and that they had laid off 90 percent of their workforce and now only 40 percent was back, because they were having limited events. So, with that, I think Commissioner Fors covered the rest of it yesterday. We spoke to them. They felt that they did not want to do what we were asking, which

*City Commission Meeting
October 27, 2020*

was to give the refunds to these two organizations that it wasn't for us to say. At that point, he said he didn't want, he being, Anthony Didonato, that he did not want the rent deferment.

Commissioner Keon: He doesn't want the rent deferment.

Vice Mayor Lago: My question to you is and again, I defer to Commissioner Fors, but I read in an article where Mr. Didonato stated that they are not having financial trouble, and that they are just trying, I don't want to misquote him, we do not have financial trouble. We are however trying to be fiscally prudent and we just do not expect our ballrooms to be filling up any time soon. So, I understand. To me, it's a double-edged sword. Number one, you have these two charities that have not been refunded their money and I think that's completely appropriate, especially in these times, it's a charity; and number two, Mr. DiDonato is telling you very clearly, we are not having financial trouble. So, I'd like to have that clarified by him before the city cuts any checks in the Country Club's favor.

Asset Manager Sardinas: The way we got here was because they had not paid all this rent or September, and at that point, he requested that we enter into the program that we've had, which is to offer two months and a payment plan to pay back the rent in order to help alleviate and provide more cash flow, so until things get back to normal and so on and so forth, but that's the information, that's how we got here to this agreement.

Commissioner Fors: I think that its pretty clear that they've given all the information they are going to give on financial. I read the last e-mail from him to you, and I don't think it would be logical to ask him for additional information. He's made it pretty clear that he's given all the information he's going to give financially, so I would agree with that, that he's not going to give us any more information. We are free to ask him again. I want to make clear that they also retained deposits, it seems from their limited records from other non-profits. I was just only concerned with the Coral Gables ones, which again, is approximately \$13,000. By the way, he's also retained deposits paid by the city in the amount of \$8,700. I'm proposing putting it one last time on the table for him to make right by those Coral Gables based non-profits, that's really in the purview of our jurisdiction. But if my colleagues want to just ask for further clarification to see if does his finances, is fine with me too.

Vice Mayor Lago: If you feel that you don't think that he'll provide the documents, you've been running point on this. I've also had different non-for-profits along with individuals call me. We had somebody call this week that I sent over to Miriam and she was nice enough to respond, that's just an individual. I think what you are saying makes complete sense. You want to wait till the next Commission meeting to see if he's provided a refund to these two charities?

Commissioner Fors: Yes. I was going to go one step further, put it on the table and say, if he does by the next Commission meeting, then we'll approve his rent deferral.

City Attorney Ramos: I think you made a motion saying that you would approve this rent deferral agreement with that addition, and that his deadline is November 9th.

*City Commission Meeting
October 27, 2020*

Commissioner Fors: Right and 30 days to make the refund. I think the only thing really for the rest of the Commission to decide is, if you want to add to that the agreement to return the \$8,700 and city deposits by September of next year, if the city does not use them as a credit before then for some other event.

Vice Mayor Lago: Whatever makes you feel comfortable. I'm fine.

Commissioner Keon: At the end of the agreement. Is that the end of their lease?

Commissioner Fors: Yes.

Commissioner Keon: Okay. So, it would be tied before their lease is up, they have to return the dollars to the city, the deposit to the city, if the city hasn't used them.

Commissioner Fors: Right. And the reason I wasn't focusing on that, I want to make sure that the non-profits get the money first. In one of these cases, I think its substantially all of the cash assets of the non-profit that are kept, that have been retained. So, I wanted to keep it streamlined in hopes of trying to get those organizations back their money and not complicate it with the city's refund, but that's a call for the rest of the Commission. My proposal right now is just return within 30 days of those two deposits.

Mayor Valdes-Fauli: Commissioner Fors, Mr. DiDonato, the company's CEO is on the line, I think we should hear him.

Mr. DiDonato: Hello gentlemen and ladies, this is Anthony DiDonato from the Coral Gables Country Club, so I thank you for your time today. I have to say that I disagree with many of the comments that you guys stated. As you know, we are hurting here and we do have reduced cash flow, because of the events and we are accruing a lot of liabilities as a result and we are doing our best to work with every single client. And I think its very unfair to ask to refund monies to certain organizations and not others, and yet the city ask for full rent payments every single month, full taxes, full insurance, maintenance on this massive building. Its tough and its not sustainable in the long term. So, this is why we are asking for some support to keep us going through this time, and then make revisions or adjustments as needed.

Commissioner Fors: I think, if I can say, the city does ask for the charges due under the lease every month, and now the tenant has asked for us to not do that and to defer it. To refrain from doing something that we have a contractual right to do in order to help them. All we are asking in return, at least according to my proposition is that we will help them, if they help us help two non-profits. Talking about a total of approximately \$13,000. So, we are both, I think, my proposal is proposing that both sides here give a little. I think in this case the city giving more than we are asking the tenant to give. I'll leave my proposal standing if its adopted by my Commission. Mr. DiDonato can think about it over the next two weeks. I urge him to consider it. Its not just two random

*City Commission Meeting
October 27, 2020*

individuals, its two non-profit organizations. Its relatively speaking not a lot of money and thereafter they can proceed with the rent deferment they need.

Mr. DiDonato: Rent deferment is not assistance. This is a short-term thing. Do you have any assurances in the next three months that we'll resume operations as normal? We are operating in a limited capacity, yet we are paying full rent and full everything else. Its only fair to offer the business a fighting chance and not just me, many other businesses too in Coral Gables. I just don't think enough is being done to support us. This is an extremely tough time. We laid off many people and then I'm hearing that you guys are recruiting at this time, you know. To lay off these people was heartbreaking for us, and we are trying to run a lean operation now and to get a deferment just to refund other monies that are sustaining the operation, to me doesn't help, doesn't justify.

Commissioner Fors: I hope you can think about it over the next two weeks, try to see it from our point of view. Feel free to contact Zeida, you can contact me directly, if you want to discuss it during the next two weeks, if the city gives me, the Commissioners give the authority to speak to you about it, I'm happy to do so.

Mayor Valdes-Fauli: Will you make a motion?

Vice Mayor Lago: I think it's a great idea.

Commissioner Fors: I move.

Vice Mayor Lago: I'll second the motion. We've done this before, by the way, it's a great opportunity.

Commissioner Fors: To have authority to speak to Mr. DiDonato directly.

Mayor Valdes-Fauli: Yes.

Commissioner Fors: Regarding this matter only.

Commissioner Keon: And do we defer this matter to the next Commission meeting, is that what you are asking for?

Mayor Valdes-Fauli: No, we pass a resolution.

Commissioner Keon: Oh, okay. That he needs to return it by the next Commission meeting.

Commissioner Fors: Correct.

Commissioner Keon: Okay.

Mayor Valdes-Fauli: Call the roll please.

*City Commission Meeting
October 27, 2020*

City Attorney Ramos: Hold on, I need clarification on the motion. Is it your previous motion and in addition to make you the representative?

Commissioner Fors: Correct.

City Attorney Ramos: Okay.

Mayor Valdes-Fauli: Will you call the roll?

Commissioner Mena: Yes

Commissioner Fors: Yes

Commissioner Keon: Yes

Vice Mayor Lago: Yes

Mayor Valdes-Fauli: Yes

(Vote: 5-0)

Mayor Valdes-Fauli: Thank you very much.

Vice Mayor Lago: Thank you Zeida, I appreciate it, as always.