



City of Coral Gables  
CITY COMMISSION MEETING  
May 11, 2021

**ITEM TITLE:**

**Ordinance on First Reading.** An Ordinance of the City Commission of the City of Coral Gables authorizing entering into a Purchase and Sale Agreement for the sale of the City-owned surface parking lot (#31) at 350 Greco Avenue, Coral Gables, FL 33134 (Folio No. 03-4120-017-2240) to JRFQ Holdings, LLC, a Delaware limited liability company; providing for a severability clause and providing for an effective date.

**DEPARTMENT HEAD RECOMMENDATION:**

Approval

**BRIEF HISTORY:**

The City owns a surface parking lot at 350 Greco Avenue, Coral Gables, FL 33134 (Folio No. 03-4120-017-2240) (the “Property”). On May 14, 2019, the City Commission, pursuant to Resolution No. 2019-103, directed the City Manager to evaluate options for the sale and/or development of the Property and provide recommendations to the City Commission on how to achieve those options.

The City (the “Seller”) was approached by the owners of the two (2) lots adjacent to the south of the Property who expressed an interest in purchasing the Property from the City, at which time, the City, pursuant to Sec. 2-1092 of the Division 12- Purchase, Sale, and Lease of Public Property of the City Code, contracted for an appraisal of the property. The City’s Planning and Zoning Department had provided the owners of the two (2) adjacent lots with a zoning verification letter for the lots. The City’s Planning and Zoning Department also issued a zoning verification letter for the City-owned Property and both zoning verification letters were provided to the appraiser.

The owner/principals from JRFQ Holdings, LLC (the “Purchaser”) submitted a Purchase and Sale Agreement (the “PSA”) to the City that became effective on February 8, 2021, at which time, the City, pursuant to Sec. 2-1092 of the City Code, contracted for second appraisal for the Property.

**Property Information:**

- Folio No. #03-4120-017-2240.
- Legal Description: Lot 8 thru 12, Block 16 Coral Gables Industrial Section.
- Lot Size of 13,343 sq. ft. (0.31 acres).
- Future Land Use Classification: Commercial, Low-Rise Intensity.
- The Property is in the Commercial (C) Zoning District and is also within the limits of the South Industrial Mixed-Use District (MXD) overlay.

**Proposed Terms:**

- Purchase Price: \$3,500,000.
- Per Sq. Ft Price: \$262.31.
- The Purchaser is a private entity which is looking to further improve the Property with the building of an overall project (the “Purchaser’s Improvements”) using the Property and the two (2) adjacent lots to the south of the Property.
- As additional consideration, the Purchaser’s subsequent Purchaser’s Improvements project, which will be subject to the City’s project approval process, will include a parking garage where thirty-four (34) parking spaces will be located outside of any restricted parking areas within the garage and be positioned to always be accessible to the public.
- The required parking spaces needed to meet the City of Coral Gables’ project approval for the Purchaser’s Improvements shall include the thirty-four (34) spaces.
- The Purchaser’s Improvements project’s parking garage will be controlled solely by the Purchaser, who will charge parking fees, with parking revenues being the sole property of the Purchaser.
- The Seller will not be required to pay any fees for the use and enjoyment of the public spaces.
- The Purchaser and Seller will enter into a Management Agreement for the surface parking lot Property on or after the closing date through the date on which construction begins on the Purchaser’s Improvements with the parking fees/revenues derived during that period being equally divided between the Purchaser and the Seller.
- The Purchaser provided a \$100,000 deposit.
- There was no Broker involvement.
- The Sale is contingent on City Commission approval.
- The closing will occur fifteen (15) days after City Commission approval.

Pursuant to Section 2-1092 of the Division 12- Purchase, Sale, and Lease of Public Property of the City Code, two real estate appraisals were conducted of the Property. The appraisals were completed by MAI certified appraisers’ Waronker & Rosen, Inc. and Quinilvan Appraisal, PA. Summary of appraisals are as follows:

Date	Appraiser	SF	PSF	Appraised Value
7/13/20	Waronker & Rosen, Inc.	13,343	\$251.06	\$3,350,000
2/10/21	Quinilvan Appraisal, PA	13,343	\$264.18	\$3,525,000

City staff concurs that given both appraisers’ opinion of value, the \$3,500,000 purchase price is within the appraised market value range for the property.

At the present time, the surface parking lot (#31) is mainly used by patrons of the restaurant across the street and its current revenue and usage outside of restaurant patrons is not very high.

The sale and subsequent Purchaser's Improvements of the Property would provide the opportunity for the Property to become part of an overall high-quality project in a highly visible location, by and near major streets such as LeJeune Road, Bird Road, and Ponce de Leon Boulevard, which is well within an area that the City has an interest in activating. As such, and subsequent proposed use/development project of the Property will further the City's economic development goals and objectives.

The City's sale of this property will result in a \$3,500,000 revenue increase which will be reflected in the FY20-21 City Budget. The proceeds from the sale will be earmarked to fund existing capital projects, including the construction of Garage #7.

The sale of the Property will thus have a long-term positive effect on City services and provide additional parking and tax revenue to the City, which City staff estimates will surpass the amount of parking revenue that is currently being generated by the surface parking lot.

The Property Advisory Board, the Parking Advisory Board, the Budget and Audit Advisory Board, and the Economic Development Board, all reviewed the proposed terms and recommended that the City enter into the PSA based on the terms set forth in the above whereas clauses, at their meetings on March 10, 2021, March 25, 2021, March 31, 2021, and April 5, 2021, respectively.

Pursuant to Section 2-1097 of the Division 12- Purchase, Sale, and Lease of Public Property of the City Code, the item's approval requires a four-fifths vote because the sale exceeds \$1,000,000. Pursuant to Section 2-1089, the City Commission has the authority to waive any condition imposed by the provisions of Division 12 of the Code upon a four-fifths vote where it finds such a waiver to be necessary in order to proceed with a purchase, sale, or lease which is in the best interest of the City.

**LEGISLATIVE ACTION:**

Date.	Resolution/Ordinance No.	Comments
05/14/2019	Resolution 2019-103	Evaluate Options for Sale

**ADVISORY BOARD/COMMITTEE RECOMMENDATION(S):**

Date.	Board/Committee	Comments
03/10/21	Property Advisory Board	Recommended sale 4 out 6 votes
03/25/21	Parking Advisory Board	Recommended sale unanimously
03/31/21	Budget Advisory Board	Recommended sale unanimously
04/05/21	Economic Development Board	Recommended sale unanimously

**FINANCIAL INFORMATION: (If Applicable)**

No.	Amount	Source of Funds
N/A	\$3,500,000	Sale of Property – Parking Fd – 460-364-100

**ATTACHMENT(S):**

1. Draft Ordinance.
2. Purchase and Sales Agreement.
3. Final minutes from the Property Advisory Board meeting of March 10, 2021.
4. Final minutes from the Parking Advisory Board meeting of March 25, 2021.
5. Final minutes from the Budget/Audit Advisory Board meeting of March 31, 2021.
6. Final minutes from the Economic Development Advisory Board meeting of April 5, 2021.
7. Appraisal by Waronker & Rosen, Inc.
8. Appraisal by Quinilvan Appraisal, PA.