



Municipal Parking Lot



350 GRECO

CITY COMMISSION
MAY 25, 2021



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December 2018

- The City received a letter from BF Group, LLC, represented by Lester Garcia and Jose Boschetti. BF Group was purchasing the two adjacent lots South of Parking Lot 31 and was interested in acquiring the lot as an aggregate site for a development project.

Early 2019

- The City was approached by ZOM Living who controlled several parcels to the East of Lot 31. ZOM was designing an Assisted Living Facility and was also interested in acquiring Lot 31 as an aggregate site for their project.

May 14, 2019

- The City Commission, pursuant to Resolution No. 2019-103, directed the City Manager to work with the two parties to evaluate options for the sale and/or development of Lot 31, and provide recommendations to the City Commission on how to achieve those options.

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May 22, 2019

- The City held a meeting with ZOM representatives. Soon thereafter, ZOM decided to proceed with their project as designed using only the lots to the East of the property.

December 2019

- The City was again approached by BF Group, LLC representatives Lester Garcia and Jose Boschetti, and City staff held a meeting with Mr. Garcia and Mr. Boschetti to discuss their continued interest in acquiring Lot 31.

February - July 2020

- The City engaged Waronken & Rosen to conduct the first appraisal for the property. BF Group provided a zoning verification letter for the two adjacent lots and the City's Planning and Zoning Department issued a zoning verification letter for Lot 31. Both letters were provided to the appraiser.

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July 13, 2020

- Waronken & Rosen completed their appraisal of Lot 31 and provided an opinion of value of \$3,350,000.

July 28, 2020

- The City held a conference call with Mr. Garcia and Mr. Boschetti to review the appraisal based on the purchase of Lot 31 as an aggregate site for the development project. It was made clear to BF Group, LLC that the City would not accept any offer below appraised value.

October 16, 2020

- Mr. Garcia from BF Group, LLC forwarded the City a Purchase and Sale Agreement (PSA) for Lot #31 from JRFQ Holdings, LLC (the “Purchaser”) for \$3,500,000. BF Group, LLC had sold their interest in the two adjacent lots to another entity who also had members in common with JFRQ Holdings.

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November 9, 2020

- The City submitted a counteroffer/ revised PSA to legal counsel for the Purchaser. Subsequent negotiations took place between the Purchaser's attorney, the City Manager, and the City's attorneys. The contract became effective, on February 8, 2021, subject to City Commission approval.

February 2021

- The City engaged Quinlivan Appraisal to conduct the second appraisal for the property. The City continued to communicate with Lester Garcia and Jose Boschetti from BF Group, LLC regarding the appraisal process.

February 16, 2021

- Quinlivan Appraisal completed the second appraisal with an opinion of value of \$3,525,000.

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- The terms of the contract were presented to four City Advisory Boards and all four Boards recommended for the approval of the proposed sale.
- **March 10, 2021- Property Advisory** **March 25, 2021- Parking Advisory**
- **March 31, 2021- Budget/Audit Advisory** **April 5, 2021- Economic Development**

May 11, 2021

- The Ordinance to authorize the approval of the proposed sale was presented to the City Commission on first reading and was approved subject to an amendment to the PSA in order to provide for the City Commission’s direction.

May 14, 2021

- The City issued the First Amendment to the PSA based on the City Commission’s direction. The purpose of the Amendment was to include a restrictive covenant that shall run with the land to bind the Purchaser and any successor-in-interest as follows:

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➤ **The 34 Public Parking Spaces shall:**

- Be available to the public at all times.
- Be maintained by the Purchaser at their expense at a standard equivalent to other municipal parking garages in the City.
- Include signage and a certain number of handicapped parking spaces, as required by applicable law.
- Include eight individual electric vehicle charging stations. These charging stations will be in addition to the City's 2% electric vehicle charging station requirement for the entire project.

➤ All electric vehicle charging stations installed at the Property shall have a minimum charging level of AC Level 2. The end user of the charging station will pay for all electrical charges in connection with the charging station's use.

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- The parking fees charged for the public's use of the Public Parking Spaces shall not exceed the lesser of:
 - 25% over the maximum parking fee rates charged by the City of Coral Gables; or
 - the maximum parking rate charged at City of Coral Gables privately-operated lots.

 - Waiver of the Procurement Code pursuant to Section 2-1089 of the City Code:
 - The City included waiver language in this Ordinance pursuant to Section 2-1089, which states that 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.

 - Of the last 12 transactions that have been approved by the City Commission for the purchase or sale of City-owned property, 11 have included the same waiver language.



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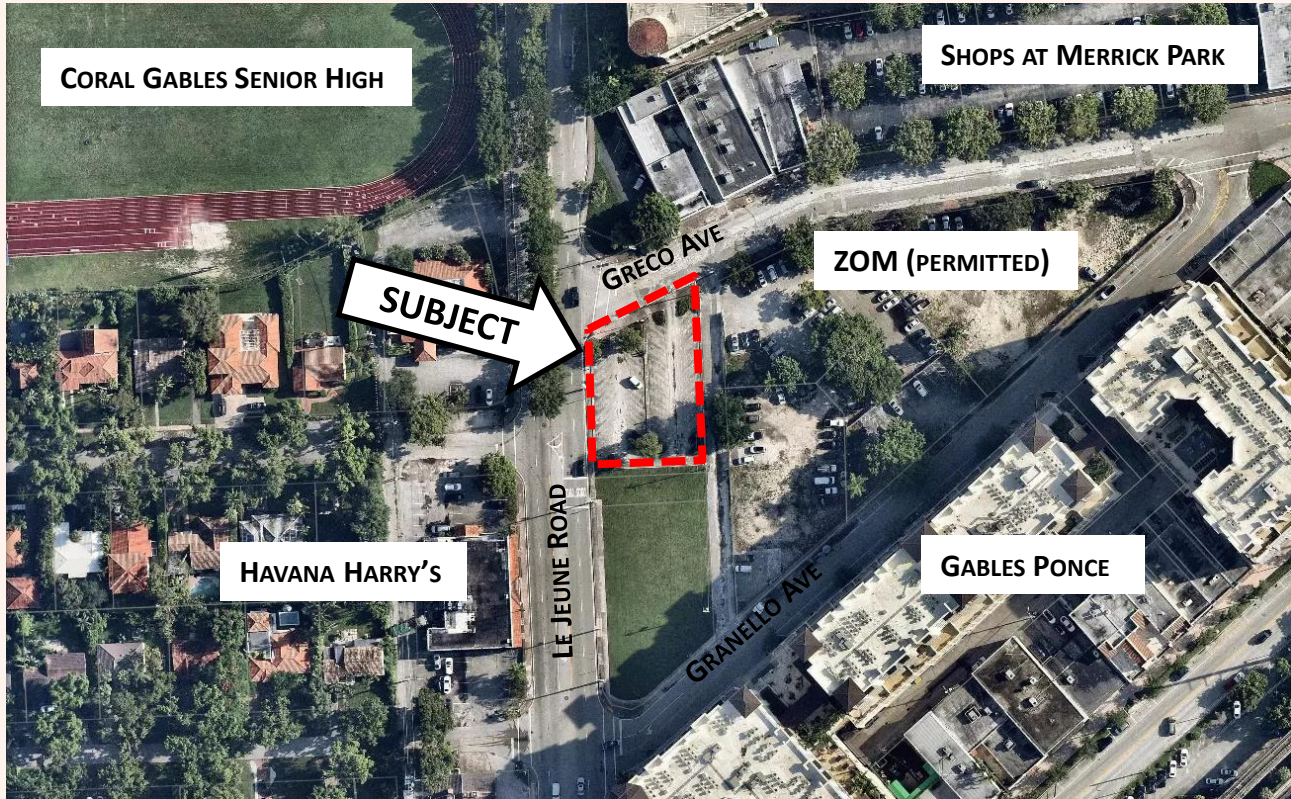


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SITE ANALYSIS

CITY COMMISSION
MAY 25, 2021



City keeps site: Not a feasible site for a park due to high traffic and safety concerns



EXISTING CONDITIONS

City keeps site: Not a feasible site for a stand-alone parking garage

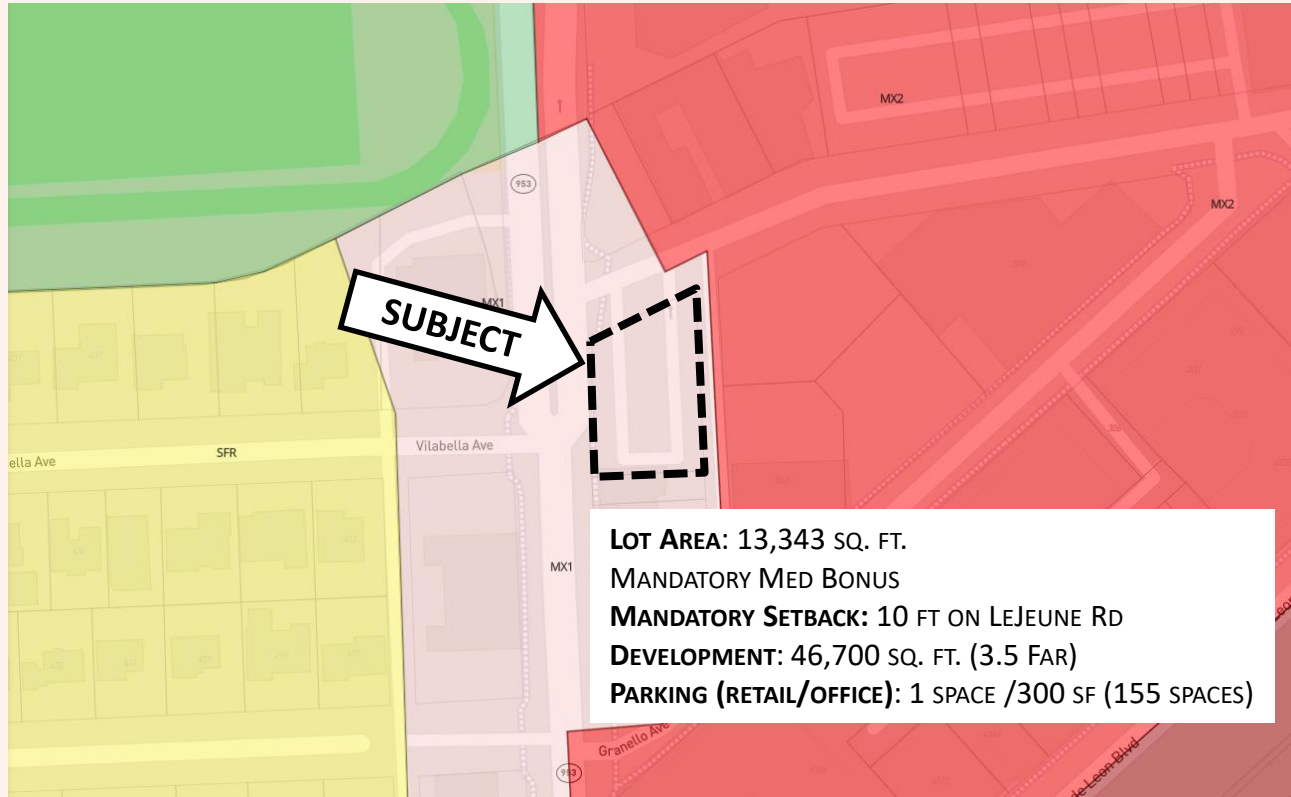


EXISTING CONDITIONS

City sells: Parking requirements are difficult to meet

2

2



CURRENT ZONING: MIXED-USE 1 (MX1)

City sells: Shape and size of property places architectural constrains for building and parking design



EXISTING CONDITIONS

Example of Linear Parking/Small Site constraint: 1901 Ponce de Leon Blvd - Parking circulation is restricted



1-WAY FROM PONCE DE LEON BLVD

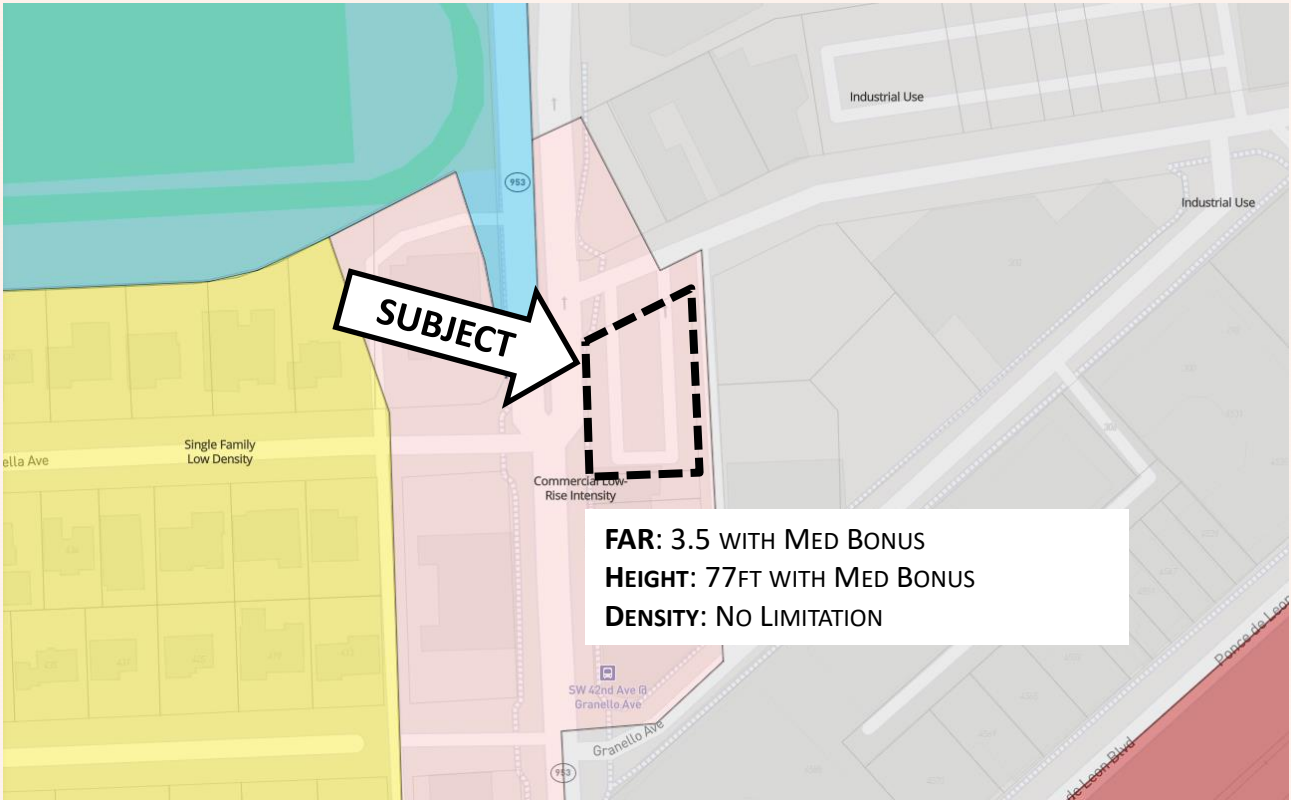


1-WAY FROM MAJORCA AVE

City sells: Site is in a commercial low-rise intensity area

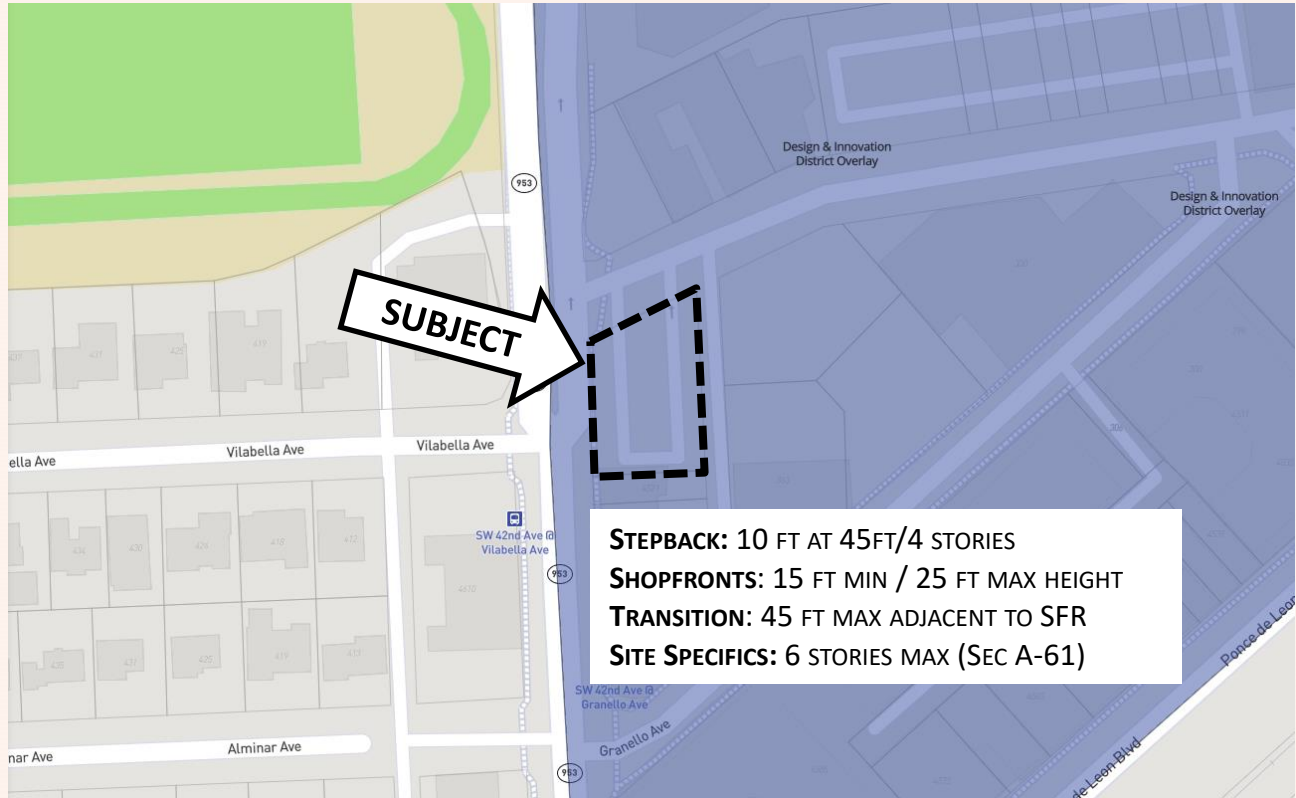
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CURRENT FUTURE LAND USE: **COMMERCIAL LOW-RISE INTENSITY**

City sells: Maximum construction height and ensuing parking requirements are incompatible



WITHIN THE “DESIGN & INNOVATION DISTRICT OVERLAY” – SEC 2-406

City sells: Parking will likely be linear, resulting in fewer spaces



POTENTIAL DEVELOPMENT

Optimization: next-door owner buying this property will result in a value to this owner that will surpass the value of selling this property as a stand-alone to another buyer



OPTIMIZED AESTHETICS AND DEVELOPMENT

Optimization: Financially, the City wins

CURRENT ZONING: MX1

46,700 SQ. FT. (3.5 FAR)

**155 PARKING SPACES REQUIRED
(RETAIL/OFFICE)**

ADJUSTED LAND VALUE

46,700 x \$80/SQ. FT. = \$3,736,000

LINEAR PARKING

APPROXIMATELY 42 PARKING SPACES

PUBLIC PARKING REQUIRED

MUST PROVIDE 34 PARKING SPACES

MUST REMOTE PARK

(155-42) = 113 SPACES REQUIRED

REMOTE PARKING / PAYMENT-IN-LIEU

113 SPACES @ \$10,000 = \$1,130,000

ADJUSTED LAND VALUE

\$3,736,000 (DEVELOPMENT LAND VALUE)

- \$1,130,000 (PAYMENT-IN-LIEU COST)

\$2,606,000

2020 ASSESSED VALUE: **\$2,134,880**

Optimization: next-door owner combines existing site with the property allows the City to capitalize on better architectural design, higher sale price and resulting higher property taxes



MAXIMUM PARKING REVENUE:

MAXIMUM ANNUAL PARKING REVENUE FOR 2019: **\$71,000**

SALE PRICE VS. PARKING REVENUE:

\$3.5 MILLION = 49 TIMES MAXIMUM PARKING REVENUE

POTENTIAL DEVELOPMENT AD VALOREM TAX VALUE:

APPROXIMATELY \$12.8 MILLION PROPERTY TAX ASSESSMENT
EQUATES TO **\$71,000**