

CITY OF CORAL GABLES
Property Advisory Board Meeting

EXCERPTS

Wednesday, March 16, 2011, 8:30 a.m.
Economic Sustainability Department Conference Room
1 Alhambra Plaza, Suite 617, Coral Gables, FL 33134

MEMBERS	M	A	M	J	J	A	S	O	N	D	J	F	M	APPOINTING ENTITY
	'10	'10	'10	'10	'10	'10	'10	'10	'10	'10	'11	+	'11	
Gustave Perez - Chair	E	P	P	+	P	P	P	+	P	P	E	+	P	Vice Mayor William H. Kerdyk, Jr.
Maurice Donsky	P	P	P	+	E	P	E	+	E	P	P	+	E	Commissioner Maria Anderson
James Hinrichsen	P	P	P	+	A	P	P	+	E	P	P	+	P	Commissioner Rafael Cabrera, Jr.
Valentin Lopez	P	E	P	+	P	P	P	+	P	P	E	+	P	City Commission
Edmund Mazzei	P	P	P	+	P	P	P	+	P	P	P	+	P	City Manager Patrick Salerno
Luis Padron	P	A	E	+	A	P	A	+	E	P	E	+	E	Commissioner Wayne Withers
Mary Young	E	P	E	+	P	P	P*	+	P	P	P	+	P	Mayor Donald D. Slesnick, II

A = Absent
P = Present
E = Excused
+ = No Meeting

STAFF

Cynthia S. Birdsill, Economic Sustainability Department Director
Cindy Dorrel, Special Projects Coordinator

3. Amendment to the Palace Ground Leases

Ms. Birdsill outlined proposed amendments requested by the Developer and its lenders to the ground leases for the Palace Management Group, LLC for the sites of 45 and 50 Andalusia Avenue, as follows:

- a. A new proposed schedule from the Developer, notably with the CDD Complaint having a final hearing on March 31, with closing being planned for April 1, and with construction commencing by April 15 on the residential building and no earlier than May 1 for the parking garage.
- b. As requested by the bank issuing the CDD bonds, changing the City's limited guaranty to repay up to \$13 million dollars to a guaranty that required the City to potentially repay the original \$13 million of principal as well as interest on the debt. In exchange, the City would receive (1) a \$225,000 credit enhancement fee; (2) an additional 3 years of escrowed payments for the CDD assessments to be held by TD Bank during the term of its loan, and upon refinancing of the TD Bank loan to continue to be held in escrow for a term that is the greater of (i) three additional years and (ii) two year's operation of the project with at least 90% occupancy; (3) a commitment by the Developer to refinance the bond issuance if it is generally economically feasible to do so without the City's guaranty.

c. As requested by the Developer's construction lender, TD Bank, the definition of "Acceptable Operator" will be changed so that the bank will have flexibility to address operational issues during the interim before finding a new owner in the event that it forecloses. Any new owner of the leasehold other than the bank holding the premises in the interim would be required to follow the original criteria.

Ms. Birdsill noted that the deal terms are still being finalized and are subject to modification in accordance with the advice of the City's financial consultant, bond consultant, and special counsel.

Mr. Mazzei made a motion to approve the Amendment to the Palace Ground Leases proposed deal terms. It was seconded by Mr. Hinrichsen and the motion passed unanimously.