

CITY OF CORAL GABLES, FLORIDA

RESOLUTION NO. 2019-

A RESOLUTION APPROVING THE GENERAL BUSINESS TERMS AND AUTHORIZING THE CITY MANAGER AND CITY ATTORNEY TO NEGOTIATE A DEVELOPMENT AGREEMENT WITH CORAL GABLES CITY CENTER, LLC (CGCC) FOR THE REDEVELOPMENT OF MUNICIPAL PARKING GARAGES 1 AND 4 (G1 AND G4) IN WHICH CGCC PROPOSES A PUBLIC PRIVATE-PARTNERSHIP TO PROVIDE AN IMPROVED PARKING STRUCTURE WHERE THE CITY WILL RETAIN OWNERSHIP OF THE PUBLIC PARKING COMPONENT IN G1 AND ALLOW CGCC TO BUILD A RESIDENTIAL MIXED-USE PROJECT IN G4 COMPATIBLE WITH THE SURROUNDING NEIGHBORHOOD.

WHEREAS, for several years, the City of Coral Gables has been interested in pursuing the redevelopment of Municipal Parking Garages 1 and 4, with a focus on the following key objectives: Replace what are currently two obsolete parking garages that have operational deficiencies, with new state-of-the-art parking garages (above and beyond recent cosmetic improvements); provide public parking spaces to meet the future needs of Downtown businesses; introduce appropriately scaled mixed uses that would include a variety of retail and residential units onto Andalusia to support the City’s goals for a vibrant, walkable Downtown, and; pursue a holistic approach to these objectives that balances parking, planning, design, economic development, community and financial considerations; and

WHEREAS, the City Commission approved Resolution No. 2013-91, dated May 28, 2013 authorizing a Request for Proposal (RFP) for the redevelopment of Municipal Parking Garages 1 and 4 (the “Garages”). On May 27, 2014, through Resolution No. 2014-102, the City Commission authorized staff to issue Phase I of a request for proposal (RFP). On January 26, 2016, the City Commission approved Resolution No. 2016-30 inviting all five proposers to submit more detailed proposals in response to Stage II of the RFP as approved by Resolution No. 2016-32; and

WHEREAS, the City Commission did not approve any of the proposals submitted under the RFP, however, in accordance with Resolution 2017-23, dated January 24, 2017, the City Commission authorized negotiation with Coral Gables City Center, LLC up to six (6) months, and provided the City Manager the authorization to extend for up to an additional six (6) months. If the negotiations fail, Staff is authorized to negotiate with the second ranked firm, TC Gables, LLC, for an additional period of up to six (6) months and the City also reaffirmed its right to pursue alternate courses of action, including a City-build option; and

WHEREAS, the six (6) months negotiation period for CGCC and Staff to reach agreed upon terms started on November 6, 2017; the first six (6) months expired on May 5, 2018 for the public private partnership of the Garages redevelopment (the “P3”). Staff provided an update to Commission on February 27, 2018 and three public workshops followed (on June 4, August 27,

and September 18, 2018) to provide the City Commission with an update on the status of negotiations. In addition, Staff presented a workshop to the City Commission discussing the demand and supply of public parking in the Central Business District on September 11, 2018, and Sunshine meetings on September 21, 2018, November 9, 2018, December 13, 2018, January 14, 2019, and March 6, 2019 to further understand the details of the project. Staff also had several negotiation sessions with the CGCC; these various communications resulted in the City Manager granting incremental extensions up to November 5, 2018 under the City Manager's authority and bring forth an agreement for City Commission approval. On October 23, 2018, the City Commission authorized a nine-day extension; on November 13, 2018 the City Commission adopted Resolution 2018-291 to extend negotiations until January 23, 2019; on January 22, 2019 the City Commission adopted Resolution 2019-59 to allow Staff time to finalize negotiations through March 13, 2019; and on March 12, 2019, the City Commission adopted Resolution No. 2019-77 extending the time to finalize negotiations through March 27, 2019; and

WHEREAS, the approval will take into consideration the following main project attributes: number of public parking spaces, the size of the project, ownership structure (e.g. City to own public parking), and the project financing (e.g. City obligation to pay debt service); and

WHEREAS, in accordance with the proposal, CGCC will build 750 City-owned public parking spaces in G1; and 400 developer-owned private parking spaces (exclusive for developer's use) in G4 as part of the public-provide partnership. The City-owned Garage will be managed by the City and the developer owned spaces will be managed by CGCC in a manner and practice consistent with, and typical of, Class A office, residential and retail space; and

WHEREAS, in accordance with the proposal, G4 shall provide a mixed use residential tower with 245 residential units and 18,000 SF of ground floor retail with a building height of 141' and 13 floors at a 6.38 FAR; G1 shall provide 750 public spaces in 8 floors of parking and 20,000 SF of ground floor retail at a height of 97.4 and 9 floors at a .57 FAR; and the blended FAR will be 4.12 FAR not exceeding the maximum of 4.375 allowed by the City; and

WHEREAS, in accordance with CAO 2018-032, the two sites may be developed as either a Planned Area Development (PAD) or Mixed-Use Project as they fit the definition of a "contiguous unified parcel" under the Zoning Code; CGCC will pursue the latter option if approved by the City Commission; and

WHEREAS, the City allows development projects to build up to 3.5 FAR with certain Mediterranean bonuses and up to 4.375 with historic Transfer Development Rights (TDRs) and CGCC is requesting the City provide TDRs to be used towards the Project; and

WHEREAS, in accordance with the proposal, the G1 will be owned by the City, including the ground floor retail (the "Public Component"); and

WHEREAS, CGCC will have fee simple ownership in G4 (the "Private Component"); and

WHEREAS, the City's the financial analysis has determined CGCC's estimated cost for development of the Public Component is less than the value of the Private Component being conveyed to CGCC; CGCC is requesting the impact fees be reimbursed and the City permit fees be waived (excluding an required payments to third parties); a \$480,000.00 annual payment with

2% annual escalations for 30 years be paid to CGCC; a payment of \$3 million to CGCC to build the ground floor retail of G1; the City generate real estate taxes from the Private Component; and CGCC be allowed to build the Private Component in exchange for the Public Component.

NOW THEREFORE, BE IT RESOLVED BY THE COMMISSION OF THE CITY OF CORAL GABLES, FLORIDA:

SECTION 1. That the foregoing “Whereas” clauses are hereby ratified and confirmed as being true and correct and are hereby made a specific part of this Resolution upon the adoption hereof.

SECTION 2. That the City Commission does hereby approve the general terms, as specified in the whereas clauses, and authorizes the City Manager and City Attorney to negotiate a development agreement with CGCC for the redevelopment of Municipal Parking Garages 1 and 4 in which CGCC proposes a public-private partnership to provide an improved parking structure where the City will retain ownership of the public parking component on G1 and CGCC will build a residential mixed-use project on G4 and City-owned public parking garage on G1.

SECTION 3. In accordance with Section 2-1097 of the City Code, this resolution requires a 4/5th vote because of the estimated value is greater than \$1,000,000. If an agreement is reached with CGCC, an Ordinance will be presented to City Commission for two readings and will also require a super-majority vote for adoption.

SECTION 4. To the extent the City cannot agree to terms, the City reaffirms its right to pursue other alternatives, including a City-build alternative.

SECTION 5. That this Resolution shall become effective upon the date of its adoption herein.

PASSED AND ADOPTED THIS TWENTY-SECOND OF MARCH 12, A.D., 2019.

(Moved: / Seconded:)

(Yeas: / Nays:)

(Vote:)

(Agenda Item:)

APPROVED:

RAUL VALDES-FAULI
MAYOR

ATTEST:

APPROVED AS TO FORM
AND LEGAL SUFFICIENCY

WALTER J. FOEMAN
CITY CLERK

MIRIAM SOLER RAMOS
CITY ATTORNEY