

City of Coral Gables City Commission Meeting
Agenda Item H-3
April 8, 2014
City Commission Chambers
405 Biltmore Way, Coral Gables, FL

City Commission

Mayor Jim Cason

Vice Mayor William H. Kerdyk, Jr.

Commissioner Pat Keon

Commissioner Vince Lago

Commissioner Frank Quesada

City Staff

City Manager, Patrick Salerno

Assistant City Manager, Carmen Olazabal

City Attorney, Craig E. Leen

City Clerk, Walter J. Foeman

Deputy City Clerk, Billy Urquia

Economic Sustainability Director, Cynthia Birdsill

Public Speaker(s)

Agenda Item H:3 [Start: 12:34:52 p.m.]

Presentation regarding efforts to address deficiencies in City leases and collection practices.

Mayor Cason: Let's move to Item, let's see we've got three more, we'll do Item H-3. Cindy, are you going to address that?- that's the presentation regarding efforts to address deficiencies in City leases and collection practices.

Ms. Birdsill: Thank you Commissioners, Cynthia Birdsill, Economic Sustainability Director. This report presents to you the changes that we've been able to make regarding how we handle leases of City owned property. I started with the City in October 2009, so these changes have been made since then. Some of the highlights, it's a very long report, but you can go through all the details, but some of the highlights: implemented a standard lease which has helped us administrate. We had a lot of accounting, a lot of documentation problems, those have mostly gotten fixed, you can see we have a couple pending items that should be coming shortly. One of

the things we decided to do back then was to treat all of the City property as an asset and look at it from a professional point of view so we have rank goals; we are continually tracking the tenants, our current repair rent, so we are aware sooner when there are issues. Originally, the administration of leases was being handled by Public Works, so my department would do deals and then they would go over to Public Works for administration, so you did not have people who were trained professionals with regards to real estate handling property. So by moving it all back to our department, I am a real estate, commercial real estate lawyer, Leonard Roberts who is the Assistant Director is a real estate finance person and a CPA, so really we've spent quite a lot of our time in the last four and-a-half years fixing these problems.

Mayor Cason: Question Cindy, do you have a computer program now to catch all the bits and pieces, clauses that if this bakes this kicks in, how many contracts do we have?

Ms. Birdsill: 30 to 40, so there is not enough to really warrant paying for expensive software.

Mayor Cason: So we don't miss....

Ms. Birdsill: We abstract them, we've created a rent rule so we are aware of when the renewals come up and we are on the mark.

Mayor Cason: Because there are some other provisions as well. For example, we asked Nick Di Donato to come yearly to talk about the status of the Country Club, sometimes we've done, sometimes we haven't. I'm just wondering if those other kinds of clauses that might be in there, there is a way to track them...

Ms. Birdsill: We do track the annual reporting requirements, for example, Actor's Playhouse has to give us annual budgets and annual information and those all come into our department, Leonard reviews anything that's financial.

Mayor Cason: OK.

Commissioner Lago: Can I just ask you a quick question to get an update. In regards to the Miracle Theater, we own the property adjacent to it, correct?

Ms. Birdsill: We do.

Commissioner Lago: I drove by and I was wondering, I saw they are vacant, how long has those been vacant?

Ms. Birdsill: There is only one of ours that's vacant, it's the old....space and if you can see we are working on a deal with Hagen Dazs.

Commissioner Quesada: Item No. 22, page 9.

Ms. Birdsill: For new deals we take it three different Boards.

Commissioner Lago: What do you think the reasoning behind that is?- it's a good spot. I mean do you feel that maybe it needs TI work or what is the issue?

Ms. Birdsill: The problem with those spaces is we do not enter onto the alley, so a lot of the proposed tenants have not wanted to have to deal with bringing in everything in and out of the front door.

Mayor Cason: Some of those are under water when it rains, the front door.

Commissioner Quesada: That makes sense. I never thought about that, it's true though.

Commissioner Lago: It's a great location.

Ms. Birdsill: And we've also been trying to get the right tenant. We think that Hagen Dazs will be beneficial near the theater.

Commissioner Quesada: Yes, right next to the theater, that makes sense and those restaurants there.

Mayor Cason: So in terms of all the leases about 30 or 40 we have, are we now up to date with restandardizing them?

Ms. Birdsill: All of them are up to date except for Fritz and Franz that one has taken quite a lot of forensic accounting to figure out. We are hoping to meet with them soon; we haven't worked out the deal completely with them yet. We've been going back and forth with drafts of the lease and propose a settlement of what they owe.

Vice Mayor Kerdyk: I just want to thank you because this has been a mess in the City for years upon years, so to consolidate everything to have something like you have accomplished - congratulations.

Mayor Cason: Yes – congratulations.

Commissioner Quesada: Look, I do a lot of real estate, I know it's a huge undertaking that you've done here, so thank you so much for doing it.

Mayor Cason: And there is no vote required on that. Thank you.

[End: 12:39:40 p.m.]