

CITY OF CORAL GABLES
Economic Development Board
Meeting Minutes
Wednesday, August 1, 2018, 8:00 a.m.
2121 Ponce de Leon Blvd., Suite 720, Coral Gables, Florida 33134

EDB MEMBERS	J	F	M	A	M	J	J	A	S	O	N	D	COMMISSIONERS
	'18	'18	'18	'18	'18	'18	'18	'18	'18	'17	'17	'17	
Carolina Rendeiro	X	P	P	P	P	P	X	E		X	P	E	Mayor Raúl Valdés-Fauli
Olga Ramudo, Chair	X	P	P	P	P	P	X	P		X	P	P	Commissioner Michael Mena
Stuart McGregor	X	P	P	P	P	E	X	E		X	P	P	Commissioner Patricia Keon
June Morris	X	P	P	P	E	P	X	P		X	P	P	Commissioner Vince Lago
Elizabeth Patino	X	E	P	P	E	P	X	P		X	P	E	Vice Mayor Frank Quesada

A = Absent E = Excused Absence P = Present X = No Meeting Ph = Present by Phone - =Former Board Member

STAFF AND GUESTS:

Leonard Roberts, Interim Director, Economic Development Department
 Belkys Perez, Marketing Coordinator, Economic Development Department
 Francesca Valdes, Business Development Coordinator, Economic Development Department
 Mariana Price, Administrative Assistant, Economic Development Department

Meeting Motion Summary:

A motion to approve the minutes of the June 6, 2018 meeting passed unanimously.

A motion to approve the sale of 7350 Coral Way passed unanimously.

A motion to continue looking at possibilities for potential uses of the LaSalle Property passed unanimously.

A motion for the City to give more importance to its namesake school, Coral Gables Senior High, and to support efforts to renovate the school passed unanimously.

Ms. Ramudo brought the meeting to order at 8:20 a.m.

1. Review of the June meeting minutes (Action)

Ms. Patino made a motion to approve the minutes of the June 6, 2018 board meeting. Ms. Morris seconded the motion, which passed unanimously.

2. 7350 Coral Way, Former PBA Site (Action)

Mr. Roberts presented the current status of the negotiations of the City-owned property at 7350 Coral Way. He presented the following information:

7350 Coral Way Sale
PROPOSED DEAL TERMS

Background:

On June 27, 2002 the City executed a lease agreement with the Police Benevolent Association, Inc. ("PBA"), a Florida Not-for-Profit entity for the 4.16 acres (approx. 180,000 SF) located at 7350 Coral Way, Miami, FL 33155 (the "Lot") for a term of 30 years. The City also entered into an Interlocal Agreement with Miami-Dade County dated October 9, 2006 to make available 80 parking spaces for non-exclusive use of the County's park located at 7360 Coral Way, Miami, FL 33155 (the "Park") in perpetuity. This Interlocal Agreement was part of the terms of the Waterway Neighborhood Agreement (the "Neighborhood Agreement"). The Neighborhood Agreement established certain operational restrictions on the City's use of a portion of its current Public Works facility located at 2800 SW 72 Ave, Miami, FL 33155 with the intention of preventing disruption of the surrounding residents' quiet enjoyment of the neighborhood in order to facilitate the City's industrial use of the site. The PBA operated an outdoor gun range on a portion of the Lot for many years, but in recent years the Lot has not been used by the PBA. The Coral Way frontage portion of the Lot continues to be operated as public parking for the park visitors. As a result of the gun range use, the site has lead contamination; an estimate to remediate the lead was proposed in 2008 for an amount of approximately \$700,000. On March 16, 2016, the City Attorney's Office, in conjunction with special counsel, issued an opinion that the PBA Lease has been abandoned and terminated by operation of law and the terms of the agreement.

The City would like to market the site for sale and use the proceeds to help develop future projects located in the City of Coral Gables; for instance, the development of Garage 7. The City ordered an appraisal on the site in January 2017 and it was valued at \$12 Million without the parking restriction or lead contamination. The City's parking director has determined it would take a minimum of 25,000 SF (13% of the site or \$1.7 Million of the appraised value). He also determined it could cost approximately \$20,000 in the open market to produce a parking space or (\$1.6 Million). Based on these estimates, the Lot's net value would be approximately \$9.6 Million.

The City marketed the site for 6 months and due to the tremendous level of activity, the City requested an extension of time to negotiate with the three highest bidders. Today, the City has a firm offer of \$10.4 Million with a \$500k deposit and a backup offer for \$10.4 Million with a lower deposit. Both offers are cash and allow for 60 days' due diligence and a 30-day closing period; while many of the lesser offers requested the Lot be subject to entitlement approvals in order to close. The City staff believes these offers are above market value.

Questions for the Economic Development Board, and suggested answers:

1. Is the proposed use in keeping with the City's goals and objectives?
Yes, the use falls within the City's goal of Community Focused Excellence and objective of attaining world class performance levels. Selling this asset outside of the City and investing the proceeds into the City will help to achieve this objective.

2. What is the economic impact to the City including, i.e. is the proposed use in keeping with a public purpose and community needs, such as expanding the City's revenue base, reducing City costs, creating jobs, creating a significant revenue stream, and improving the community's overall quality of life?

The sale price of \$10.4 Million will allow the City to reduce any additional debt the City would have to obtain in order to build the Garage 7 therefore allowing the City to maintain its AAA rating by the three credit agencies.

3. Are there alternatives available for the proposed disposition, including assembly of adjacent properties and can the project be accomplished under a private ownership assembly?

There are alternatives for sale of the site, but the City would not have access to the proceeds necessary to keep its debt service down in order to build Garage 7. The property has sat vacant for many years without utilization and this sale would allow enhancement to the area which will add to the County's economic growth.

Board members discussed the questions and answers.

Ms. Patino made a motion to approve the sale of 7350 Coral Way as per the suggested questions and answers. Ms. Morris seconded the motion, which passed unanimously.

3. LaSalle Sale (Discussion)

Mr. Roberts discussed the ongoing conversations the City is having with the owner of the LaSalle property, Scott Davidson. The City has received several complaints from residents over its pending demolition, despite

The owners had the site on the market for sale, but since they were not able to sell the property, they decided to demolish to seek out a user for the vacant site. The owner proposed the City temporarily lease the site for parking and assemble with its adjacent parking lot, giving the owner time to find an alternate buyers and/or long term tenant. Two additional on-street parking spaces would be added as a result of closing off an entrance. LaSalle would have the option to cancel the agreement at any time after a set period of time. The Historic Preservation Board voted that the site was not historically significant. When brought before the Commission, it was noted that this was the site of the original construction office for City Founder, George Merrick. Because the original look has been significantly altered, the Historic Preservation Board rejected its historic designation. The City Commission, however, is interested in finding a way to preserve it due to the level of residents who have shown support for keeping the building erect. The goal, therefore, is to work out a deal with this owner to preserve this building, even though by law, it is within their right to demolish it.

Ms. Morris asked what the City would use the building for, which Mr. Roberts explained it has not been determined, since the renovation costs would potentially be expensive.

Ms. Patino made a motion to continue looking at the possibilities for potential uses for the LaSalle property. Ms. Morris seconded the motion, which passed unanimously.

4. Business Tax License Report

Board members reviewed the Business Tax License Report containing 60 new businesses to Coral Gables within the month of June and July. Ms. Valdes highlighted a few of the new businesses, including Fixpresso, a coffee shop on the Mile; Azzai, a women's fashion company which opened on the north side of the 300 block; Salumeria 104, which is in the space formerly occupied by Angelique's Euro Café; Mischa's Cupcakes, which opened on Miracle Mile; and M-House at the Aloft Hotel.

5. Other City Business

Ms. Perez provided the board with an update on the Umbrella Sky Project, saying that a big advantage of the timing of this project is that it was installed shortly after pedestrian sensors were placed on the street. During the week, pedestrian counts range from six to nine thousand, and with this project, at least ten thousand every day. On weekends, counts rise to 22 thousand per day. Taberna Giralda and John Martin's report an increase in sales also, signaling a trickling effect of the project. The City is anticipating bringing the project to a close on September 16th. Ms. Perez also announced an upcoming social media campaign for Miracle Mile, where boards, showing the lower half of a body jumping, sitting, or standing, will be displayed where pedestrians could stand behind and have their photo taken.

Ms. Ramudo brought up the subject of Coral Gables Senior High School and its dilapidated state. Board members discussed that education is part of economic development, and therefore stated their interest in pushing forward a motion for the City to be more proactive in helping the school reestablish the prominence it once had.

Ms. Morris made a motion for the City to give more importance to its namesake high school and support efforts to renovate the school. Ms. Patino seconded the motion, which passed unanimously.

Ms. Morris asked staff why the Garages 1 & 4 development proposals have not been brought before the Economic Development Board, to which Mr. Roberts responded that negotiations are ongoing and there has been no agreed upon deal to bring forward. He said there is a deadline of September 1st to come up with either a Memorandum of Understanding (MOU) or Letter of Interest (LOI) that both parties agree to, otherwise the proposal expires unless the City Manager extends under her authority. Based on the RFP, if it expires (and the extension for negotiations was made for six months) the City has the right to pursue the alternate bidder, Terranova. Ms. Morris disagreed and said Allen Morris was selected as first, second, and third place, and Terranova came in fourth. Mr. Roberts said he would need to double-check, but believes Commission authorized the City to negotiate a deal and if it was unable too then the City would pursue other options. City staff said they would send the board the video of the Garage 1 & 4 workshop for more information. The next workshop takes place on August 27th from 3-5pm.

The meeting was adjourned at 9:18 a.m.

Respectfully submitted,

Mariana Price, Administrative Assistant - Economic Development Department