



City of Coral Gables
CITY COMMISSION MEETING
November 13, 2018

ITEM TITLE:

Ordinance on First Reading. An Ordinance approving the Purchase and Sale Agreement with Cal B. Rosenbaum (the “Seller”) for the purchase of the property located at 7000 Old Cutler Road, Coral Gables, Florida for the purpose of preserving landscaped open space and renovating the existing house on the Property for use as a fire station to enhance fire rescue response time to the surrounding neighborhood; waiving certain requirements of the Procurement Code pursuant to section 2-1089 thereof; and providing for a severability clause and an effective date.

DEPARTMENT HEAD RECOMMENDATION:

Approval

BRIEF HISTORY:

Resolution 2018-231 approved the general terms and authorized the City Manager to negotiate a Purchase and Sale Agreement for the property located at 7000 Old Cutler Road, Coral Gables, Florida (the “Property”) (**See attached Commission Cover for Resolution 2018-231 for full background**). The City Commission voted 3-5 in favor of recommending the purchase of the Property and asked the City to bring forth a final Purchase and Sale Agreement for consideration.

The City currently has three fire stations:

1. Fire Station 1 – 2801 Salzedo St, Coral Gables
2. Fire Station 2 – 525 South Dixie Hwy, Coral Gables
3. Fire Station 3 – 11911 Old Cutler Road, Coral Gables

As noted in Resolution 2018-13, fire rescue response time in the City’s central areas has been challenging due to long travel distances, access limitation caused by traffic congestion, and lack of alternate travel routes for its existing fire stations. Locating a fire station near Sunset Drive would help to narrow the distance gap between the existing fire stations and allow faster response times to communities such as Coco Plum, Gables Estates, Hammock Lakes, and portions of the University of Miami. This area is primarily residential, therefore Staff wants to ensure the proposed fire station has minimal impact on the neighborhood.

The Economic Development Department and the Fire Department analyzed the criteria and reviewed several possible sites, including city-owned sites, commercial sites, residential sites, and green spaces. As a result of its search, staff is bringing forth the purchase of 7000 Old Cutler Road, Coral Gables, as a viable option for a firehouse and park. This 32,716 SF Property includes a 3,381 square foot house built in 1936. The City’s Historical Resources

Department evaluated the home and determined it does not meet the criteria for historic significance. The Property lies adjacent to approximately 16,000 SF of City right-of-way (ROW), and provides three entrances/exits: Old Cutler Road, Coco Plum Plaza, and Sunset Drive (see arrows in image below for entrances/exits). In addition, there are 136 trees that create a visual barrier from all three streets and the neighboring homes. In order to ensure consistency and minimal impact on the surrounding neighborhood, the City would retro-fit the existing house and operate it as a firehouse.



As previously noted, this location not only provides an opportunity for a firehouse, but also creates synergy for the potential use of green space due to its proximity to Ingraham Park, Cartagena Park, and the Old Cutler Trail. The City has received a state grant, in the amount of \$1.5 million, based on the proposed shared use of the Property, that will offset the purchase price of the Property.

Three appraisals were ordered and each provided two values: one at its present use (residential) and the other with the intended use (commercial). The residential appraisals ranged from \$1.3 Million to \$3.4 Million and the commercial appraisals ranged from \$1.8 Million to \$3.9 Million. The lower values suggested the highest and best use would be to demolish the existing home and use the site to build a new and larger building. The higher values suggested comparisons to newer homes and/or to sites having an existing commercial structure in place.

Staff negotiated for the purchase and provided copies of the appraisals to the Seller for review. The following proposed terms are incorporated into the attached Purchase and Sale Agreement for the Commission's consideration:

- “As is” purchase of the Property for the sum of \$4,000,000.00;
- The City to provide \$200,000 as an earnest money deposit;
- The Seller conveys title to the City on January 15, 2019;
- The City is provided 60 day due diligence period;
- City to reimburse Seller up to \$10,000 of Seller's attorney fees;
- Any delay in closing by the City will result in a \$20,000 a month penalty to be paid

by the City;

- The Seller, his family, any caretakers, his heirs, and his personal representative will have the right to continue to live in the Property for a period not to exceed two (2) years;
- City's obligation to purchase the Property is contingent on neighborhood and Commission review/approval;
- No Broker involvement.

In addition Staff is proposing a Post-Closing Occupancy Agreement that includes the following considerations:

- No rent shall be paid to the City;
- The City shall have access to the Property, at reasonable times and upon reasonable prior notice, during the post-closing occupancy period;
- Seller shall be responsible for routine repairs & maintenance, while the City shall be responsible for replacement of capital items with a cost greater than \$500.00;
- The post-closing occupancy period shall terminate if the Property is damaged, the damage is substantial (in excess of \$50,000.00), and the Property is uninhabitable.

The Property shall be paid for as follows:

	Funding
Impact fees	\$2,300,000
General Cap Improv.	200,000
State Grant	1,500,000
	\$4,000,000

A neighborhood/community meeting was held on November 5, 2018. If the City Commission adopts the proposed Ordinance on first reading by a four-fifths vote (including the waiver of certain provisions of the Procurement Code), additional neighborhood/community meeting(s) will be scheduled prior to second reading. If the City Commission adopts the Ordinance on second reading, the process for the land use and zoning change for the Property will commence.

LEGISLATIVE ACTION

Date.	Board/Committee	Comments
8/28/18	Resolution 2018-213	Required 4/5 th vote for recommended purchase (actual vote was 3 out of 5 to purchase)

ADVISORY BOARD/COMMITTEE RECOMMENDATION(S):

Date.	Board/Committee	Comments
6/28/18	Budget/Audit Advisory	Recommended approval of proposed

	Board	purchase (vote: 4 to 1)
5/9/18	Property Advisory Board	Recommended approval at \$3 million not \$4 million and an alternate site as a backup.
5/2/18	Economic Development Board	Recommended approval of proposed contingent on state grant funding be used towards the proposed green space

FINANCIAL INFORMATION: (If Applicable)

No.	Amount	Source of Funds
TBD	\$2,300,000 \$ 200,000 \$1,500,000	Impact fees General Capital Improvement Funds Awarded State Grant
	Approved:	

ATTACHMENT(S):

1. **Proposed Ordinance;**
2. **Resolution 2018-213 and respective Commission Cover from August 28, 2018 (provides further background);**
3. **Purchase and Sale Agreement;**
4. **Post-Closing Occupancy Agreement;**
5. **Appraisal from Magenheimer;**
6. **Appraisal from Waronker & Rosen;**
7. **Appraisal from Blazejack;**
8. **Excerpt minutes of the Economic Development Board meeting of May 2, 2018;**
9. **Excerpt minutes of the Property Advisory Board meeting of May 9, 2018;**
10. **Minutes from the Budget Advisory Board meeting of June 28, 2018,**