

CORAL GABLES

THE CITY BEAUTIFUL

Property Advisory Board Meeting Minutes

Wednesday | January 9, 2019 | 8:30 a.m.

PAB MEMBERS	J	F	M	A	M	J	J	A	S	O	N	D	APPOINTING ENTITY
	'19	'19	'19	'19	'19	'19	'19	'19	'19	'18	'18	'18	
Alberto Manrara	P									P	P	P	Mayor Raúl J. Valdés-Fauli
Jonathan Leyva	P									P	P	P	Commissioner Michael Mena
Jack Lowell	P									P	P	A	Commissioner Patricia Keon
Valerie Quemada	P									P	P	P	Vice Mayor Vince Lago
Tony Gonzalez	P									P	E	P	Commissioner Frank Quesada
Edmund Mazzei	P									P	P	P	City Manager Swanson-Rivenbark
Andrea Molina Vice Chair	E									P	P	P	City Commission as a Whole

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

STAFF AND GUESTS:

Leonard Roberts, Assistant Director, Economic Development Department

Mariana Price, Administrative Assistant, Economic Development Department

Kevin Kinney, Director, Parking Department

Meeting Motion Summary:

No motions were made during this meeting.

Mr. Manrara brought the meeting to order at 8:38 a.m.

1. Discussion with Kevin Kinney, Parking Director

Mr. Kinney shared with the board his recommended parking requirements for the Garage 1 & 4 development project, which included 750 parking spaces. The last proposal from the developer partnership of The Allen Morris Company and The Related Group, or CGCC (Coral Gables City Center), suggested 620 parking spaces. Mr. Kinney does not believe this is enough, and the Commission knows he would have to discontinue 150 monthly parking permits.

Mr. Kinney continued that within nine-months' time the City will be breaking ground next to the new Public Safety Building site for a 450-parking space garage (Garage 7). The City is building the garage. Transient, or short-term/visitor, parking has increased 14% per year, every year since 2005. The City has been pursuing other modes of transportation due to growth even though it is running other systems such as Freebee and the trolley. Growth has been phenomenal, Mr. Kinney said, and it is not expected to change any time soon. Mr.

Kinney recently went to a Smart Cities/Parking symposium where it was said mass use of autonomous vehicles are 30-40 years away. Mr. Kinney said that Uber & Lyft are helping but have not impacted the parking demand in any significant way. In the core area over the summer, which is the slow time of year, they closed a garage 38 times because it was full. The garage across from Publix has no elevator, and parking on the third floor is not common. The on-street parking usage is 95%+ in the core area almost every day. The amount the City charges for parking is way below the market with an average rate of \$4/hour. The low price for parking in the garages puts downward pressure on off-street spaces, which incentivizes people to park in the garages. Parking revenue was \$17 million last year, which has gone towards funding the construction of the new Public Safety Building.

Mr. Kinney told the board that the City has 8,000 parking spaces, comprised of 1,000 spaces in parking lots; 1,850 spaces in garages; and the rest in off-street parking. Approximately 72% of off-street parking is paid for by phone. The board then began discussing parking tickets and Mr. Kinney explained that they are currently processed by the Miami-Dade County Clerk of Courts. The cost for a parking violation right now is \$18, but it will soon go up to \$36. Essentially, for an \$18 ticket, the City gets \$8.40, which is 66% of what the County collects, \$4 goes to school crossing guards, and a small amount goes to the State. The annual expense for parking enforcement in the past year was \$1.3 million and the revenue was \$850,000, due in part to Hurricane Irma. The City distributes 100,000 parking citations every year, but would much rather individuals pay for their parking instead of issuing a citation. The department anticipates a reduction in the number of citations. Mr. Kinney told the board that the Commission is split about whether to handle parking citations in-house rather than relying on the County to process them.

Board members considered the advantages and disadvantages of having the County's Clerk of Courts maintain the ticket processing component of parking violations. Advantages of bringing it in-house include: avoiding the Scofflaw rule that after four violations within the County, one's car could be impounded; the price wouldn't have to be raised as high as \$36; violators wouldn't have to travel to Downtown Miami for a hearing; appeals process could be handled online; and overall, more control over the process. Naysayers say it is too much effort, hassle, and more bureaucracy in the City. Others are keen on the idea to remove the County from the equation.

Mr. Kinney maintained his objectivity and says he sees advantages in both ways. He said the Parking board has so far expressed an interest for it to be handled in-house because they're not interested in the \$36 traffic ticket. He noted that pay station slips are transferrable anywhere in the Gables (e.g., if a driver has to move from one lot to an off-street space, for example). The Parking Department has welcomed alternative modes of transportation such as the trolley, Freebee, and scooters, to mitigate parking demands. He added that the City has, in effect, agreed to cover public parking demand based on zoning requirements.

Mr. Kinney told the board that the City went to bid for a centralized valet service for Miracle Mile. The issue was that several restaurants coming downtown all wanted valet, and the valet spots were taking up the off-street parking spaces. He provided the example that with a centralized valet service, one could eat on Giralda, get coffee at Barnes and Noble, and use

the app to instruct the valet where to bring the car. The new centralized valet company is for now just doing the Mile to observe how well it works. The Parking department has weekly meetings with them. The system is user-friendly, and one can use Apple Pay or credit card; cash isn't needed. Most of the responses have been positive, despite some growing pains. The valet service pays for renting spaces on the street as well as in the Museum and Merrick garages. Restaurants do not have to pay a fee for valet access because it is centralized.

2. Commission Update

Mr. Roberts provided the board with updates regarding the ongoing negotiations for the redevelopment of Garages 1 & 4 with Coral Gables City Center (CGCC). The City has asked the developers to come down from their 6.5 FAR (floor to area ratio). The City allows 3.5 FAR, (which means if the land base is 10,000 SF, they can build 35,000 SF) and for 4.375 FAR if there are historic TDRs (Transfer Development Rights) included (with historic TDRs, they can build to 43,750 SF using the 10,000 SF land base example). Construction cannot occur above a historic building, but there is a practice of allowing developers to transfer the development rights from a given historic site onto a new project. CGCC has requested that the City contribute TDRs from historic sites, such as the Coral Gables Museum, to get up to the desired 4.375 FAR limit. In recent discussions, Mr. Roberts was told that the developer could bring the cost to the City down to zero on an annual basis in return for the waiver of all City public permits and impact fees (an estimated \$4M), and the donation of a small piece of land (2,500 SF) to help increase the size of their project. The Vice Mayor is worried about creating a tunnel effect on Andalusia with two towers on either side. Board members noted this effect already existed in other parts of the City, such as Almeria with the Bacardi building. The developer brought down the height of the project from 190 to 163 feet.

The ownership structure will be a *vertical subdivision*, which is similar to a condominium, but the difference is that the Florida Condominium Act has very strict rules on how condominiums are regulated. A vertical subdivision doesn't have the same regulations. Brickell City Centre, for example, is structured as a vertical subdivision which includes retail, hotel, garage, and residential components (which are condominiums). Therefore, a vertical subdivision could have within it a condominium structure. This is per a new Florida law that has only been around for two years. The City's attorneys on the tax side helped create the law, so the City feels very confident with this ownership structure. The City will own the public parking component, and the developers will own the residential and the office component. The residential units will be luxury apartments, but CGCC wants the right to convert it to condos in the future. Ms. Quemada warned that the building criteria and standards for apartments are markedly lower than what is required for building condominiums.

The ownership will be both the City and the developer. Either side would not be able to make any changes without the other's consent. Originally the City's proposal was that the developer would do a deal and sign a long-term lease, but with a lease, the developer wouldn't be able to convert the luxury apartments to condominiums. With a lease, as time progresses, the value of condo units goes down because the length of their lifespan diminishes. The City wants an agreement that provides a timeframe before the developer would be allowed to convert to a condominium. The expected asking price for the luxury

apartments is \$3.50 per square foot.

The final component of this deal is the financing. If the developer were to reduce the size of the building, then they were going to ask the City to contribute \$595,000/year, escalating at 2% annually, for 30 years (for building the project and including the public parking component). The City's position, Mr. Roberts explained, was that this defeated the purpose of the public parking. The RFP allowed for the City to negotiate with CGCC, and if deal terms couldn't be reached, to then negotiate with Terranova.

The final deal, which Mr. Roberts may be presenting at the January 22nd Commission Meeting, will be to build 620 public parking spaces dedicated to the City, and a residential and an office, which will consist of 117,000 SF of office space and ground floor retail. The current garage space across from Publix will have about 300 luxury residential rental units with ground floor units and the office tower will be by Actors' Playhouse. The Vice Mayor is concerned about the height of the project. It is still a large project because of the parking space requirement for all residential units, plus available spaces for public parking. A shared parking system is being considered for the office tower where, during the day the parking can be designated towards office parking, and at night designated for public parking, which would generate revenue for the City. There will be four levels of parking in residential tower and two levels on the office tower. Ms. Quemada said that in her experience there are pros and cons to shared parking and admitted that in the long run it's nice to have extra parking. Mr. Roberts said this was a big debate item in the negotiations.

3. Rent Report

Ms. Price reported to the board that all tenants are up-to-date with their payments and that Ortanique and Bloom Boutique are still paying according to the agreed terms. Board members noted that Bloom Boutique's arrangement ended at the end of the month and expressed interest in an update on their business performance at the next board meeting.

Mr. Roberts informed the board that the SOUTHCORP admiral who resided at the City-owned property located at 3501 Granada had decided to terminate the lease and move to a SOUTHCORP Doral property. As a result, the City has decided to sell the property, and to have Ron Shuffield as the realtor. The City has also hired him to assist with locating a site for Fire Station IV, and he is teaming up with Tom Byrnes for the assignment.

The meeting was adjourned at 10:06 a.m.

Respectfully submitted,

Mariana Price, Administrative Assistant - Economic Development Department