

City of Coral Gables City Commission Meeting
Agenda Item I-5
September 10, 2019
City Commission Chambers
405 Biltmore Way, Coral Gables, FL

City Commission

Mayor Raul Valdes-Fauli
Vice Mayor Vince Lago
Commissioner Pat Keon
Commissioner Michael Mena
Commissioner Jorge Fors

City Staff

City Manager, Peter Iglesias
Assistant City Manager, Ed Santamaria
City Attorney, Miriam Ramos
City Clerk, Billy Urquia

Public Speaker(s)

Vivian de las Cuevas-Diaz
Kathleen Moorman
Maria Cruz
Jackson “Rip” Holmes

Agenda Item I-5 [0:00:00 p.m.]

Update and request for further direction on Doctor’s Hospital Lot sale/lease.

Mayor Valdes-Fauli: Okay, next item is time certain, 9:30. We’re past. I-5, update and request for further direction on Doctor's Hospital Lot sale/lease.

City Attorney Ramos: Mr. Mayor, I've asked Vivian de las Cuevas, which is the City's real estate counsel, to come up and explain the history from the time that you approved the ordinance with the purchase and sale agreement and what's happened since then.

Commissioner Keon: Thank you.

Vivian de las Cuevas-Diaz: Good morning.

Mayor Valdes-Fauli: Good morning.

Commissioner Keon: Good morning.

Ms. De las Cuevas-Diaz: I'm going to take you through the chronological order that starts in August 28, 2018, just so you have the background, and then we can open up for questions at any point in time. So, in August 28, 2018, the Commission at the time approved negotiations and entering into a purchase and sale of the lot at Baptist Hospital, i.e. Doctor's was using as a parking lot. Conversations were slow. And February 11 of 2019, we finally get an executed agreement. On February 25 -- the reason that's important is it's the day before your next Commission meeting where you're going to approve the contract because now we have a substantial contract signed by the hospital to be approved by you as a Commission -- we, my office, noticed with Noel Polo, your surveyor, that there was a difference in the legal description that was attached to the contract. We let Doctor's Hospital know of that, and the City Commission approves, by ordinance and second reading, this purchase and sale agreement, with an amendment entered into by your City Attorney authorizing the City Manager and the City Attorney to revise the legal description to comply with what it is that's being leased. That is done with exchange of various conversations in March 4, March 5. We continue -- we agree on the legal description. During this time, we finally get a title commitment around April-ish, late April, from Doctor's. In the title commitment, it states that Coral Gables does not own that property, that there as a successor before, and therefore, we had a line -- or a gap, better yet, that shows that Coral Gables today is the owner. We go back and forth

in various discussions. We agree on an amendment to extend the closing. It's sent to Doctor's; it's never signed. I'm sorry. I want to back you up. The amendment for the legal description is sent to Doctor's; it's never signed before. We also sent an amendment with regards to the extension of the closing. It's never signed. At that point, your City Manager, your City Attorney and I involve my partner, Annie Hernandez, to bring a quiet title suit so that we can clear up title because whether we're selling it or not, you needed to clear up what you own. In this investigation, we go back and forth with Doctor's Hospital's title company, which we had done before, and we continue to ask them, are you sure because this is kind of odd. Long story short, our diligence, our background, my great partner Annie is able to find exactly how you are the owner. There is no need for a quiet title and the title issue goes away. So, now we get to the point that we had a meeting at one point. We were trying to negotiate what it was that we were going to do to make sure that what we are selling is what we owned. We sent an amendment, again, extending the contract, again, clarifying the legal description; we never get it. There is some emails back and forth that the attorney's out of town, that their executive director's out of town. So, it's not completely silent, to be brutally honest that this is what's happening, but we don't have an amendment. Finally, on August 9, once it's completely confirmed that your ownership is yours, we clarify, okay, here's the amendment again extending the contract and clarifying the legal description. We need you to sign this or move on. We give them a week's notice and we do not get it signed. And so, at this point, we have no contract. At this point, there is clarity that you own the property. At this point, there is clarity that the legal description that would be attached to this contract is the legal description that you currently have with the lease. That's where we are today.

Mayor Valdes-Fauli: Let me ask you something. From what I understand and having read our agenda and such, they wanted to get more land than what we owned, and they even wanted to get a right-of-way on University Drive.

Ms. De las Cuevas-Diaz: So...

Mayor Valdes-Fauli: And whoever did that I think was acting in bad faith on their part. And the fact that they haven't answered you I think is even more bad faith...

Ms. De las Cuevas-Diaz: There was a...

Mayor Valdes-Fauli: On the part of Doctor's Hospital and on the part of Baptist. And I'm very disappointed at that.

Commissioner Mena: Is it...

Mayor Valdes-Fauli: And my inclination on this would be let's put it up for sale at \$4 million and whoever buys it, buys it. And if they want to buy the right property at \$4 million, that's fine. And if not, we'll sell it to somebody else.

Commissioner Mena: Is it -- I'm sorry.

Vice Mayor Lago: No, no. Mike...

Commissioner Mena: Go ahead.

Vice Mayor Lago: Go ahead, please.

Commissioner Mena: I'm sorry. We haven't talked about this in a while. It -- the portion of -- there's a portion of the property, whatever portion that is, that remains under lease, though.

Ms. De las Cuevas-Diaz: There is an existing lease.

Commissioner Mena: The prior existing lease.

Ms. De las Cuevas-Diaz: There is an existing lease, and that is not in question.

Commissioner Mena: Until -- and when does that lease run through?

Ms. De las Cuevas-Diaz: I believe...

Commissioner Keon: Thirty years.

Ms. De las Cuevas-Diaz: You got an email last night. It got extended for another 30 years.

Commissioner Keon: For 30 years.

Ms. De las Cuevas-Diaz: I have to double-check on the date. Do you have it?

City Attorney Ramos: And so, if -- I can pull it up.

Ms. De las Cuevas-Diaz: Yeah, I'm sorry.

City Attorney Ramos: But if we sell it, we would sell it with the lease in place.

Ms. De las Cuevas-Diaz: Correct.

Commissioner Mena: That's what I...

Mayor Valdes-Fauli: If we sell it, what?

City Attorney Ramos: With the lease in place.

City Manager Iglesias: I believe the extension...

Vice Mayor Lago: My understanding, it's 30 years?

City Manager Iglesias: I believe the extension was 2018 -- from -- 30 years from 2018.

Ms. De las Cuevas-Diaz: From last year.

Vice Mayor Lago: Yeah.

Ms. De las Cuevas-Diaz: That is accurate. And you know, the concern is the way it's currently being used does -- they've been using the right-of-way, but when you look at our legal description, our legal description was never intended to do that. And when we -- when you approved it in August -- that's what I want to make sure -- it was very clear that we were approving the sale of that, of our lease.

Vice Mayor Lago: So, by using the right-of-way, how many additional cars do you think they've been parking there?

Ms. De las Cuevas-Diaz: I don't know. I -- that part, I could -- I should have maybe gone out and counted it, but I didn't.

Vice Mayor Lago: No, I just -- I just wondered because I find that interesting, you know.

Ms. De las Cuevas-Diaz: There was an argument -- not an argument. There was a discussion with Kevin Kinney because, at one point, in many leases back, just FYI, there was an option for them to pay and improve the parking lot, which was never done, which would have given them an additional 25.

Vice Mayor Lago: And the reason why I bring that up is because I live in the neighborhood. And if you look back on the three discussions, I voted no. And the reason why I voted no is because, number one, I felt that we should always have control of that property, especially in a neighborhood setting. We're not talking a -- you know, we're not talking about a commercial area. We're talking a residential neighborhood. So, whatever, that time came and went. Now, we're in a situation where we have to make decision whether we're going to go into -- we're going to continue a partnership with someone who I think is not playing fair, in my opinion. I'm all in favor of going out to market, with or without a number. We can put it to -- with the bid process. I think we'd find -- I think we'd find many people would be interested in that property from developers who are interested...

Mayor Valdes-Fauli: And we should enforce...

Vice Mayor Lago: In building townhomes...

Mayor Valdes-Fauli: As it is and not give them the use of the right-of-way.

Commissioner Fors: Because they're currently still using the right-of-way, right?

Ms. De las Cuevas-Diaz: Correct, but...

Vice Mayor Lago: Yes.

Ms. De las Cuevas-Diaz: That's not what your lease allows them.

Mayor Valdes-Fauli: Right.

Vice Mayor Lago: Yeah.

Mayor Valdes-Fauli: So, let's not let them use the right-of-way.

City Manager Iglesias: If I may say that we also -- the actual canal was not dug per the plat. We went ahead and had Public Works resurvey it, and we approached them on the additional property at which time they wanted additional right-of-way and additional property. So, I think we've already approached them on all aspects of what we can do here.

Mayor Valdes-Fauli: Let me ask you a question.

City Manager Iglesias: So, I would like to be -- to have the ability to market this property out in the open and not just with one -- with one enterprise.

Mayor Valdes-Fauli: Were they noticed that this was going to come up today?

Commissioner Keon: Is someone from Baptist here?

City Attorney Ramos: I believe someone's present.

Ms. De las Cuevas-Diaz: Someone from Baptist I believe is here.

Commissioner Mena: Erin Dowd is in the back.

Mayor Valdes-Fauli: Oh.

Ms. De las Cuevas-Diaz: That meeting, by the way, that Peter was referencing was in June, and we still don't have responses.

Vice Mayor Lago: Thank you very much, by the way. I appreciate that.

Mayor Valdes-Fauli: Thank you.

Ms. De las Cuevas-Diaz: You're welcome.

Vice Mayor Lago: How many times do you think you've reached out in the past, would you say, without receiving a response?

Ms. De las Cuevas-Diaz: This is a four-page memo. Most of it is about nonresponses.

Vice Mayor Lago: Thank you. I appreciate that.

Ms. De las Cuevas-Diaz: Did you have a question?

Mayor Valdes-Fauli: Yeah.

Commissioner Keon: I -- yeah. And we had a lengthy discussion yesterday over this issue -- I did with the City Manager. And you know, they -- you know, you have stated, or it's been stated that they act in bad faith and whatever else. I think we need to be careful here how we speak about, you know, some of our largest and -- institutions in our city, both the University of Miami, Baptist Hospital, any one of these people. So, what I asked yesterday was we -- apparently, we are the ones that generated the lease of this property. So, it would seem to me that we didn't know what we were leasing. So, I have a concern that we entered into a lease with someone who took -- I'm going to assume -- took our word for what the property was, and it wasn't what it is. So, we entered into this lease knowingly and it turns out that that parking lot had to have been permitted -- yes? That parking lot must have been permitted. Somebody answer me. Did we have a permit?

Ms. De las Cuevas-Diaz: This lease...

Commissioner Keon: Was that parking lot not permitted?

Ms. De las Cuevas-Diaz: Is old, just for the record.

Commissioner Keon: I don't care.

Ms. De las Cuevas-Diaz: Okay.

Commissioner Keon: Was it permitted?

Assistant City Manager Santamaria: Good morning, Commissioners.

Commissioner Keon: Good morning.

Assistant City Manager Santamaria: Mr. Mayor. Ed Santamaria, Assistant City Manager. There is a permit on file for that parking lot that involved the restriping and resurfacing of the lot.

Commissioner Keon: Okay, so...

Assistant City Manager Santamaria: Not for the construction of the lot, not that we have found.

Commissioner Keon: But was there a construction document or was there already a lease -- a parking lot there? There had to be some construction document that we based a permit on. And so, then we, you know, gave them a permit, and then we -- I hope that we, before we give the final ability to use that, we're supposed to know that it's been built in accordance with the plan and in accordance with a lease and in accordance with all these things. So, you know, how their attorney behaves or how their attorney doesn't behave, you know, I don't know. But I will tell you, there's three attorneys on this board that will tell you when they're representing their own interests, they're representing the interests of the person that hires them. So, I don't -- I'm not concerned about that. What I am concerned about is that, you know, I think we have a role in this somehow because we

leased it, we permitted it. We should have inspected it, and it was only now, when we looked at the sale, that we realized that the legal description wasn't accurate. Is that right?

Ms. De las Cuevas-Diaz: No. That's what...

Commissioner Keon: I'm sorry.

Ms. De las Cuevas-Diaz: I want to clarify.

Commissioner Keon: So, but the legal description was accurate. However, what was built there wasn't in accordance with it?

Ms. De las Cuevas-Diaz: No.

Commissioner Keon: What is the difference?

Mayor Valdes-Fauli: Let's...

Ms. De las Cuevas-Diaz: So, let me clarify for you...

Mayor Valdes-Fauli: Please clarify.

Ms. De las Cuevas-Diaz: Because there's two different things going on. It's the lease and the sale, and it's just for your clarity.

Commissioner Keon: Yes.

Ms. De las Cuevas-Diaz: Okay. It's important to note that this lease is pretty old.

Commissioner Keon: Right.

Ms. De las Cuevas-Diaz: I believe and I -- correct me if I'm wrong -- at one point during this year because it's been almost that -- well, it's been over a year. We found out that when it was initially permitted, when it was initially striped, it was an accurate parking lot of the legal description attached to your lease. Your legal description in your lease is accurate. It does not include the right-of-way.

Commissioner Keon: Okay.

Ms. De las Cuevas-Diaz: That is what...

Commissioner Keon: Okay.

Ms. De las Cuevas-Diaz: You approved to sell. What happened is, when we get the purchase and sale agreement back, we had been asking for the legal description.

Commissioner Keon: Right.

Ms. De las Cuevas-Diaz: And they sent us back a legal description including the right-of-way, which is not currently leased...

Commissioner Keon: No.

Ms. De las Cuevas-Diaz: To them.

Commissioner Keon: So...

Ms. De las Cuevas-Diaz: That is the difference. It's -- I understand your permitting issue, and that's a very valid one, but that doesn't make it right...

Commissioner Keon: No, I understand that.

Ms. De las Cuevas-Diaz: That the legal was incorrect.

Commissioner Keon: But it would seem to me what they sent you back was the actual parking lot, the description of the parking lot as it currently exists.

Ms. De las Cuevas-Diaz: And that -- these were the words in our meeting in June...

Commissioner Keon: Right.

Ms. De las Cuevas-Diaz: The words of their attorney. They're like, we expected you to sell us that additional piece. And I'm like, but that's...

Commissioner Keon: Okay, but they...

Ms. De las Cuevas-Diaz: Not what the Commission approved.

Commissioner Keon: Didn't. You know, I -- now, if we -- if we go back to Baptist and say to them, if you want to maintain this current lease, you're going to have to redesign your parking lot so that you are not in the right-of-way, which is fine, but in the redesign -- the reconfiguration of that parking lot, the parking -- the Code is different than it was originally. So, in addition to just saying you're going to have to redesign your parking lot so that you -- so that you're not in the right-of-way and so that your parking lot actually is on the legal description that is in accordance with your lease that we permitted, we inspected. We gave -- we did everything. You know, so I think we have a role in this. We -- we're complicit in this. You know, we made some errors too.

Mayor Valdes-Fauli: No, we're not.

Commissioner Keon: I think we've made some errors also.

Mayor Valdes-Fauli: You're looking at it (INAUDIBLE)...

Commissioner Keon: So, I think that what you, you know -- they're going to have to bring that parking lot up to Code. They're going to have to reconfigure it. They're going to have to redo the lighting. They're going to have to redo a lot of things. It is a very high cost to them. You know, rather than go through this, you know, issue with Baptist, you know, it's either you just -- I would rather see you go back and say to them, this is, you know -- we may have permitted, we may have done whatever, but you know what, it was an error. This is what it is. You have a certain amount of time to respond to us on this or, you know, we're going to put the land up for sale and it is an assignable lease. But it's like end of the story. I mean, you know, it's not just going back and forth and arguing or anything else. This is the deal, you know. You're going to have to redo that parking lot. If you don't want it, you're going to have to re -- it's going to have to be redone anyway. And you give, you know, Baptist -- I mean, I don't know what the people that are running Baptist Hospital actually realized or know about this. But you know, they are a very good community partner for this community. I would give them a chance to -- that's it. And that, you know, that their staff know that -- I mean, their executives know that, it's very clear to their attorneys what it is. And you know, then you come to this Commission. If this -- Commissioner Lago has said that he doesn't believe that it should be sold. So, you know, this is an opportunity to go back and say, okay, we're not going to sell it. We will continue leasing it. And you know, because that deal is off the table. The deal was made based on the need for Doctor's Hospital, you know, for parking, and Doctor's Hospital is an important amenity in our community. It is a very important, valuable medical facility within our community. Their ER is excellent, excellent, within our community. So, you know, I don't want to fight with Baptist. I want you to...

Mayor Valdes-Fauli: Commissioner, nobody wants...

Commissioner Keon: To tell them...

Mayor Valdes-Fauli: To fight with Baptist.

Commissioner Keon: I want you to...

Mayor Valdes-Fauli: Nobody.

Commissioner Keon: I'm asking you that...

Mayor Valdes-Fauli: But they tried to...

Commissioner Keon: We would...

Mayor Valdes-Fauli: Take advantage of us.

Commissioner Keon: I -- please.

Mayor Valdes-Fauli: No.

Commissioner Keon: And who doesn't? And who don't we -- please.

Mayor Valdes-Fauli: Nobody does.

Commissioner Keon: And that's not the point.

Mayor Valdes-Fauli: I mean, good...

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Commissioner Keon: That isn't the point.

Mayor Valdes-Fauli: Faith people don't.

Commissioner Keon: That's not the point.

Mayor Valdes-Fauli: Yes, it is.

Commissioner Keon: The point is they have been there for a long time. They are important in our community. You go back and tell them this is the story. There's no more discussion. This is what it is. If you're going to have to -- we're going to...

Vice Mayor Lago: Can I...

Commissioner Keon: Have to redo the parking lot.

Vice Mayor Lago: Can I have some discussion on that?

Commissioner Keon: You're going to have to redo the parking lot. If they won't do it then, you know, you make a decision and that's the end of it. And stop going back and forth and paying hundreds and thousands of dollars in attorneys' fees to argue an issue that should be done.

City Attorney Ramos: So, I think there's two different things. One is the enforcement of the current lease and one is what you want to direct the Manager to do going forward with the property.

City Manager Iglesias: If I may say that Baptist takes care of Baptist and I have to take care of the City. And I do think that a lease is a lease, and we need to look at what is the most favorable thing that -- for our city.

Mayor Valdes-Fauli: And we should enforce...

City Manager Iglesias: The fact...

Mayor Valdes-Fauli: The current lease.

City Manager Iglesias: The fact of the matter is that they have been using property that is outside their lease. And...

Mayor Valdes-Fauli: And they know it.

City Manager Iglesias: We have approached them with additional properties because the canal was not excavated as per the plat, so there's quite a bit of additional property there. That was not successful. So, we have tried numerous times to work with them on that and it's not been successful. So, what I would like to see is the ability to enforce our contract and to go out and have -- if we're going to sell it, have it sold to -- not just to one entity but in the open. And that's what I would like to do on...

Mayor Valdes-Fauli: Okay. Let's...

City Manager Iglesias: As far as this is concerned.

Mayor Valdes-Fauli: Hear...

City Manager Iglesias: There is property there that has been used that is not part of the lease and is part of the right-of-way. It's part of University Drive.

Mayor Valdes-Fauli: And that is...

City Manager Iglesias: It's property that we...

Mayor Valdes-Fauli: Not right.

City Manager Iglesias: Cannot sell.

Mayor Valdes-Fauli: Let's hear from Baptist. Is there a Baptist representative?

Ms. De las Cuevas-Diaz: Yes, there is.

Mayor Valdes-Fauli: Okay, Baptist representative, please.

Commissioner Fors: Just a quick point of clarification. The lease -- I know the lease did not include that right-of-way description. Their offer to purchase it through the description...

Ms. De las Cuevas-Diaz: No. So, what happened is the legal -- the purchase and sale agreement was with a prior employee who was negotiating it and it came from Baptist, never included a legal description. So, two nights before the Commission, we reach out for the 22nd time on a legal description. When we get the legal description, we get with your surveyor at the City. We look at it and we tell them this legal description is incorrect.

Commissioner Fors: Because it includes the right-of-way.

Ms. De las Cuevas-Diaz: Because it includes the right-of-way. And the next day, when the Commission votes on it, it's voted to sell according to this purchase and sale agreement...

Vice Mayor Lago: Not the right-of-way.

Ms. De las Cuevas-Diaz: But to amend the legal description to conform with what is accurate.

Commissioner Fors: So, the description including the right-of-way had never been prepared by any surveyor up to that date?

Commissioner Keon: No.

Ms. De las Cuevas-Diaz: Never.

Commissioner Fors: So, they would have had to go out, get a surveyor...

Ms. De las Cuevas-Diaz: You got it.

Commissioner Fors: Write a new legal description and send it to us a night before...

Vice Mayor Lago: Yes.

Commissioner Fors: The thing.

Ms. De las Cuevas-Diaz: They didn't get the one from the lease, in other words.

Vice Mayor Lago: So -- and that's where -- Commissioner, that's where -- while I agree with a lot of the comments Commissioner Keon is making, I disagree with, you know, the issue of -- we all know that Baptist is an incredible partner. My father works at your facility at Doctor's. We've visited that facility a litany of times, you know, and we're grateful for you being in our community. But you know, if we're trying to be partners on this issue and my counsel tells me that we've reached out 22 times to try to iron this out and that we haven't gotten a response -- and Commissioner Keon says we're spending hundreds of thousands of dollars on attorneys. We have

no other choice. We have to spend the money because we're trying to close a deal. We're trying to close a deal on a project that this Commission voted in favor of.

Mayor Valdes-Fauli: And it would have been very...

Vice Mayor Lago: So we're...

Mayor Valdes-Fauli: Very easy...

Vice Mayor Lago: We're trying to reach out to try to resolve this issue and to see how we can find some sort of common ground, especially on the right-of-way, which you're contesting should be part of the deal, and I wholeheartedly disagree. And now, we've gotten to the point where it's on the Commission and the City Manager had to put the item before us.

Mayor Valdes-Fauli: And it would have been very, very easy to use the legal description in the lease, which is what they were acquiring.

Vice Mayor Lago: And at the end of the day, even though...

Mayor Valdes-Fauli: And they went out and...

Vice Mayor Lago: At the end...

Mayor Valdes-Fauli: Got a different legal description that included a lot more land.

Vice Mayor Lago: On our third or our fourth vote...

Mayor Valdes-Fauli: That's wrong.

Vice Mayor Lago: I even went along -- I think it was our third or fourth vote, I even went along with the sale saying that as long as the City used that money for, you know -- in the direction of buying and acquiring parks in the areas that were needed. So, I said, fine, I'll go along with it. Perfect, as long as we put certain restrictions on the use. You can't build a building on it. I just - to me, I think we shouldn't even be here at this point.

Mayor Valdes-Fauli: Let's hear from Baptist's people.

Kathleen Moorman: Hello. I'm...

Mayor Valdes-Fauli: Get close to the microphone.

Ms. Moorman: I'm Kathleen Moorman. And I came in just a few minutes ago, so I didn't hear the whole conversation. But just a couple things is the legal description is, as they were talking about earlier, you know, once the Commission approved it, then we went ahead and got a survey. And then our survey showed something different than the legal description. We were very thankful that when the City Manager asked us to come in and he says I can't sell you what's here, but I can sell you this. So, we spent some money on an architect and engineers to see if we could utilize what the City Manager had suggested. It came back that we would still be short 21 parking spaces. Now, when Vivian sent us a letter about, you know, executing on August 30, I was out of town, and I got back after the hurricane. And I said to her, well, the conversations back and forth show that you're willing to sell us something with 21 less parking spaces. And the agreement said that we based the appraisal and the value on more than -- those parking spaces. So, I asked if we could meet to talk about this, and I haven't heard back. So, my thought process is going through this is that...

Mayor Valdes-Fauli: You haven't -- I'm sorry. You haven't -- she hasn't heard back from you?

Ms. De las Cuevas-Diaz: Her email to me was Friday, if I remember correctly.

City Attorney Ramos: Friday afternoon.

Ms. De las Cuevas-Diaz: So, Friday...

Ms. Moorman: I told you I was out of town. I couldn't address your letter...

Ms. De las Cuevas-Diaz: Right, but...

Ms. Moorman: That came in.

Ms. De las Cuevas-Diaz: Just to be clear, you haven't heard from me, but the email was Friday when we were coming to the Commission, so I couldn't tell you. But to clarify, the letter was two weeks before that. And I understand you were out of town, but your attorney responded to us the Thursday before saying, no, here's the plan, not here's the signed amendment for the 22nd time that we've sent it. We sat in front of each other and we said, here's the first amendment. Are you in agreement with an extension? Yes. Are you in agreement with this legal description? Yes. And we've never gotten it back. And we met with the Manager and City Attorney in June, so we're talking about I didn't respond to your email of September -- I'm sorry, today's the 9th.

Ms. Moorman: We responded.

City Manager Iglesias: And...

Ms. Moorman: And we asked for time to have our architects and engineers...

Ms. De las Cuevas-Diaz: Correct.

Ms. Moorman: Look at...

City Manager Iglesias: Well, and your...

Ms. Moorman: And never responded back.

City Manager Iglesias: Architect did provide that, and we did receive that. And they wanted more property and more right-of-way...

Ms. De las Cuevas-Diaz: We received it...

City Manager Iglesias: Which also did not work.

Ms. De las Cuevas-Diaz: On September 3.

City Manager Iglesias: So, that -- if there was a plan submitted that added more property further south and actually more additional right-of-way which we discussed that we cannot sell the right-of-way. So, the proposed plan was something that we couldn't even -- we could not even do because it just provided a -- more loss of University Drive there that we cannot have. So...

Vice Mayor Lago: So, I think the question is very simple -- and this is -- and we can belabor the point as much as we want. And I think it's a question more towards Commissioner Keon and yourself. Are you willing to accept purchasing this property without the right-of-way? Are you -
- Commissioner Keon, do you think...

Commissioner Keon: They have to.

Vice Mayor Lago: No, no, but I'm...

Commissioner Keon: Right.

Vice Mayor Lago: Asking you because you were stating that, again, what a community partner they are and how they're the perfect fit for this property. But if they're not willing to buy this property without the right-of-way, I'm not going to sell them the right-of-way. I mean, that's City...

Mayor Valdes-Fauli: They're using the...

Vice Mayor Lago: Property. I don't...

Mayor Valdes-Fauli: Right-of-way...

Vice Mayor Lago: I don't know of any time -- I don't know -- I can't -- since I've been on this dais that we've allowed people, number one, to park on the right-of-way for an extended period of time, especially a private entity -- correct me if I'm wrong, Ed, Peter, you know, any staff.

City Manager Iglesias: We cannot sell the right-of-way, Vice Mayor.

Vice Mayor Lago: And now, we're talking about selling the right-of-way. I've never seen that done...

Commissioner Keon: Well...

Vice Mayor Lago: That I know of.

Ms. Moorman: So...

Vice Mayor Lago: And I need to know if Commissioner...

Commissioner Keon: I agree with you.

Vice Mayor Lago: I just want to know because...

Commissioner Keon: No. I...

Vice Mayor Lago: Because this is not about...

Commissioner Keon: I'm saying to you -- Commissioner Lago, I absolutely agree with you.

Vice Mayor Lago: Okay.

Commissioner Keon: You know what...

Vice Mayor Lago: So, there's nothing...

Commissioner Keon: And instead of this, you know...

Vice Mayor Lago: Then there's no question.

Commissioner Keon: Lawyers going back and forth...

Vice Mayor Lago: No, but there's...

Commissioner Keon: And billing for attorneys' fees, all you say is, this is the land. This is what it is. We cannot sell you a right-of-way. This is what's...

City Attorney Ramos: But Commissioner...

Commissioner Keon: For sale.

City Attorney Ramos: So, you know...

Vice Mayor Lago: But you just heard -- you just...

Commissioner Keon: Or you...

City Attorney Ramos: But Commissioner...

Commissioner Keon: Say no.

City Attorney Ramos: So, you know, that's exactly what happened.

Vice Mayor Lago: Yeah, we did.

Commissioner Keon: Okay. And so, we're telling you today.

Vice Mayor Lago: No, but they...

Commissioner Keon: You either buy it...

Vice Mayor Lago: But the -- but Commissioner, but that's...

Commissioner Keon: Or you don't.

Vice Mayor Lago: Not what I -- I want to put on the record and be very clear because I've had conversations with our team...

Commissioner Keon: Yeah.

Vice Mayor Lago: About this. And I also had a long conversation yesterday with our City Attorney. You know, if you don't respond from June, she's got to keep writing letters because we're in a contract with a buyer. This is the way it works. I mean, you have three attorneys who can tell you -- and I do real estate.

City Attorney Ramos: We were also told there was a title issue, which we...

Vice Mayor Lago: And there's a title...

City Attorney Ramos: Have to spend time...

Vice Mayor Lago: You're trying to cure...

City Attorney Ramos: Looking at the title issue.

Vice Mayor Lago: You're trying to cure that title issue. You're trying to move forward on a Commission directive and you're not getting a response. So, it comes to the point where...

Ms. Moorman: But that's not true. There were responses going back and forth. I think there's just one more thing that I don't know has been brought up. But if you look at the first amendment, there was an additional 25 parking spaces that we could utilize. So, if I look at Vivian's letter and she says, well, if you take exactly what you're leased, then we have to look at the first amendment, which I think was signed in 2000/2003. That would give us back the 25 parking spaces. And there's this question between 20 and 25 parking spaces. I think the bottom line is we were presented something to purchase that reduced the parking by 21 parking spaces. The equation or the matrix or the value that came up based on 33 parking spaces. So, if we're going to give up 21, then the price of \$3 million is not apples to apples.

Mayor Valdes-Fauli: Yeah, but you signed that, and you gave us the wrong legal description in order to include 25 that you didn't have the right to occupy in the first place.

Ms. Moorman: But there...

Mayor Valdes-Fauli: You didn't -- let me...

Ms. De las Cuevas-Diaz: Can...

Mayor Valdes-Fauli: But we have two people that wish to speak. But let me make a proposal. You have a lease. The lease does not include the right-of-way. You have the option to continue with this lease for 30 years, and we'll continue with the lease for 30 years. Or you want to buy it, you're going to buy what -- the property you have leased. And if you want to buy it, fine; and if not, maybe we'll put it up for sale to somebody else. You have the option to buy it under the initial agreement which was the property that is for -- that is leased to you. And if you don't want it, fine; don't take it. But you will occupy the property that you have leased and not one more space.

Ms. De las Cuevas-Diaz: Mayor, can I clarify just a couple of things? Yes, Kathleen, you are correct. In June, you responded to us. Unfortunately, I think you had the passing of your mother. And then, I reached out several times to counsel and -- including when we clarified title, and although we spoke to a title company, he's yet to respond until August -- the late August date. And to clarify for your information, the amendment she's talking about is March 6 -- is an amendment that, in 2002, if they had done the work and if basically the permits, the development had happened and the rate increase had happened, they would have gotten the 25 spaces. In March 2019, Kevin Kinney confirmed to my office that that was never done. So, although there's this amendment, the work was not done. So, it's not like these 25 spaces are there, unless I'm incorrect.

Ms. Moorman: So, from our...

Ms. De las Cuevas-Diaz: That's my understanding.

Ms. Moorman: Records -- and I, obviously, didn't work for Baptist at that time -- supposedly, it was done. So...

Ms. De las Cuevas-Diaz: Okay. So, I don't -- we don't have any record of that.

Mayor Valdes-Fauli: They have leased...

Ms. De las Cuevas-Diaz: And the rate increase never happened, so that's, I guess, the number-one issue.

Mayor Valdes-Fauli: Wait a second. Wait. I will recognize you, but Baptist is talking, and I will recognize you when time comes, alright? The property -- you have leased property for 30 years and you can occupy it, not the extra 25 spaces on the right-of-way, which you have not leased. You want to buy that, we'll sell it to you. You don't want to buy that, we'll put it up for sale somewhere else or we'll do something else.

Commissioner Keon: But irrespective of that, they're going to -- as long as now we recognize that it's in the right-of-way, even though there's a lease, we have the right to require that they remove the parking from...

Mayor Valdes-Fauli: Yes.

Commissioner Keon: The right-of-way. So...

Mayor Valdes-Fauli: Of course.

Commissioner Keon: One way or another, you're going to lose...

Mayor Valdes-Fauli: You're going to lose that.

Commissioner Keon: Those spaces that are in the right-of-way. You know, I don't know who you have been -- I know there's an attorney involved, and so I don't know if you've been only speaking with their attorney or if you have been speaking with the executive staff from Baptist Health Systems, who eventually makes the decision. And if you haven't, all I would say is, you - - this is the issue, you know. We now have a legal description, regardless of what was permitted, what was built, whatever, whatever. You're in the right-of-way. You're going to have to remove the cars from -- the parking spaces from the right-of-way. You're going to have to do that anyway. You're going to have to bring the lot up to Code because you're going to have to redo the lot. If you want to purchase what is consistent with the survey that we, the legal description and the survey for the City, then fine, you know. You offer \$3 million. You could pay the \$3 million. If this doesn't happen, then you're going to have to do -- redo the lot anyway. And if you want to put it up for sale and it's an assignable lease, fine. But like -- stop lawyering up.

Commissioner Mena: I got to...

Commissioner Keon: Just -- you go to them...

Commissioner Mena: Can I...

Commissioner Keon: And you tell them that's it.

Commissioner Mena: Can I say something? Commissioner Keon, respectfully, I'm not sure why the lawyers here are under attack for this. Like...

Vice Mayor Lago: Why?

Commissioner Mena: We made a decision as a Commission that then required legal services to...

Commissioner Keon: Right.

Commissioner Mena: Effectuate it. I got to be honest. I don't care when emails were sent or not sent, all this bickering back and forth.

Commissioner Fors: Me neither.

Commissioner Mena: This is nonsense. We all understand the issues. We need to get...

Commissioner Keon: Right.

Commissioner Mena: Ms. De las Cuevas does not have the authority to say that they have to change the parking lot because it's not in compliance with the Code. She does not have that authority. Her job was to negotiate and execute a document in compliance with what we requested. She's attempted to do that. I'm not taking -- and I'm not -- and I think, frankly, both sides have been treated a little unfairly here. I want to flip to the Baptist side. You know, while legally, I 100 percent agree the legal description in the lease should have been what governed, at the same time, we've allowed now for I don't know how many years for them to utilize a parking lot that is in the right-of-way. And so, I don't think it's that outrageous for them to have suggested that, you know, they maybe were under the, you know, perception that the deal related to that portion of the lot which they have been using for many, many years. We corrected that, fair enough. That's what lawyers should do. They look at the legal description, and now the parties need to make a decision on where to go. Sounds like you want a reduction in price because you're getting less parking spaces. We're probably not going to agree to that. I don't -- can't...

Mayor Valdes-Fauli: We're not going to agree to that.

Commissioner Mena: Speak for my colleagues. And so, let's make a decision and move forward. But I would just...

Mayor Valdes-Fauli: Yes, but they've had...

Commissioner Mena: All I would ask is that, you know, please, whoever the responsible person is from Baptist, whether it's yourself or your attorney, please just reach the end of the road here with Ms. De las Cuevas. Come back to us and let's make a decision.

Mayor Valdes-Fauli: Alright. We have two...

Commissioner Keon: I agree.

Mayor Valdes-Fauli: Excuse me for a second. But we have two...

Commissioner Keon: Thank you.

Mayor Valdes-Fauli: People from the public that wish to speak. I'm going to recognize them now, if that's okay. Maria Cruz. Please be brief.

Maria Cruz: Yes. Maria Cruz, 1447 Miller Road. Let me start by saying I never thought it was a good idea to sell that land, that we were not desperate. We did not have urgency to get that money because \$3 million in our budget is not urgent. But I also see very many things here. Number one, if they have been using that land without permission, I think they owe us money, so we shouldn't be talking about paying less for what they want to buy. They should be glad that we didn't charge them for using the land that they weren't supposed to be using. Okay.

Commissioner Mena: Don't you think that we should have been aware of that?

Ms. Cruz: But listen...

Commissioner Mena: Do we not have any responsibility...

Ms. Cruz: Let me tell you...

Commissioner Mena: To be aware of that...

Ms. Cruz: Something, Commissioner Mena.

Commissioner Mena: As a city?

Ms. Cruz: If Baptist...

Commissioner Mena: Because we've got to be honest about our own...

Ms. Cruz: Okay, but if...

Commissioner Mena: Our own issues.

Ms. Cruz: Baptist Hospital was a mom and pop enterprise that had a little -- I don't want to say Hialeah attorney, but a little -- not a very expert attorney, I would buy that argument. But you know what, they are too big to claim ignorance.

Commissioner Mena: So are we.

Ms. Cruz: Okay.

Commissioner Mena: So are we.

Ms. Cruz: But wait a second.

Commissioner Mena: We're a pretty big institution...

Ms. Cruz: Okay.

Commissioner Mena: And we have pretty good lawyers...

Ms. Cruz: But we...

Commissioner Mena: Ourselves.

Mayor Valdes-Fauli: They're using our property...

Ms. Cruz: Come on.

Mayor Valdes-Fauli: Illegally unbeknownst...

Ms. Cruz: Please.

Mayor Valdes-Fauli: To us.

Commissioner Mena: No, it wasn't unbeknownst to us. It was in the open site.

Ms. Cruz: Okay.

Commissioner Mena: It's a matter of public...

City Commission Meeting

September 10, 2019

Agenda Item I-5 - Update and request for further direction on Doctor's Hospital Lot sale/lease.

Ms. Cruz: Hello.

Commissioner Mena: We -- it was done in the open and we didn't catch it.

Ms. Cruz: Okay.

Commissioner Mena: That's not...

Ms. Cruz: But we did...

Commissioner Mena: Bottom line.

Ms. Cruz: Eventually.

Commissioner Mena: No.

Ms. Cruz: We did, eventually.

Commissioner Mena: Yes.

Mayor Valdes-Fauli: We didn't catch them, fine.

Ms. Cruz: And let me tell you, this excuse of, you know, I have a family emergency, something happened, I was out of town. They're represented by an attorney. When you're represented by an attorney, that attorney should be handling the deal whether somebody from the hospital is here or not.

Commissioner Mena: And that attorney's job...

Ms. Cruz: Okay.

Commissioner Mena: As an attorney is to vigorously represent his client...

Ms. Cruz: That's fine.

Commissioner Mena: And their interests...

Ms. Cruz: But where is the attorney?

Commissioner Mena: To the best of their ability...

Ms. Cruz: But where...

Commissioner Mena: Just like Ms. De las Cuevas is doing on behalf of the City.

Ms. Cruz: But where is the attorney...

Mayor Valdes-Fauli: So, we should be...

Ms. Cruz: To defend them?

Mayor Valdes-Fauli: Penalized by not...

Ms. Cruz: Where was he that he didn't answer?

Mayor Valdes-Fauli: I disagree with you.

Commissioner Mena: We need to stop being so sensitive.

Ms. Cruz: Okay.

Commissioner Mena: We're not being penalized.

Ms. Cruz: All I'm saying...

Mayor Valdes-Fauli: We are.

Commissioner Mena: No, we're not.

Mayor Valdes-Fauli: You're saying that because we didn't catch...

Commissioner Mena: No, we're not.

Mayor Valdes-Fauli: Their intrusion, we should be penalized, and I disagree with that.

Commissioner Mena: When did I say we should be penalized?

Ms. Cruz: Okay.

Commissioner Mena: I say we need to stop being -- I'm saying we need to stop being so sensitive and stop poking everybody else in the eye when we have been negligent in supervising what piece of property is used or not for many, many years.

Mayor Valdes-Fauli: And we should be penalized...

Ms. Cruz: Okay.

Mayor Valdes-Fauli: For that.

Commissioner Mena: No. Who's being penalized?

Commissioner Keon: We're not.

Commissioner Fors: And now that...

Commissioner Keon: We just need to settle it.

Commissioner Fors: Now that we've figured it all out and everybody knows exactly what we're talking about, are we going to make the deal or not?

Ms. Cruz: Going back to what I was saying, and I was interrupted, I do not see the reason to continue this conversation to sell. They have a lease for 30 more years. They've been able to survive for 30 years. They, at the point that the sale was proposed, the error was found. They were told that there was an error. They were given the opportunity to sign and they haven't. It's been a long time. I say this is a blessing that we found the mistake, that they do not want to pay the amount that they wanted if we fix the mistake, so call off the sale. Let them lease for the 30 years. And you know what, maybe at the end of this, we should take the sign that we shouldn't sell it after all.

Mayor Valdes-Fauli: Thank you. Mr. Holmes.

Jackson "Rip" Holmes: Hi. Jackson "Rip" Holmes, 35 Sedonia. I was born at Baptist Hospital. And just about four days ago, Baptist -- Doctor's -- actually, I was born at Doctor's Hospital, here in Coral Gables. About four days ago, Doctor's Hospital saved my life. I think -- you know, it's funny because if you're talking about someone in your family and whether they live, or they die,

depending on the quality of medical care that they receive, they've saved my life on more than one occasion. They've extended my life probably -- let's -- conservatively, ten years. So, if we're thinking about right-of-way, I would ask of you to consider the right-of-way for someone dearest to you in your family, your child, your mom, your sister. Wouldn't you rather have what Doctor's Hospital has given me, the right-of-way to 15 more years of life than worry about whether there's -- we want to take some right-of-way -- the right-of-way to life is what they've given me and what they can give your family members that you love the most. We need them. This is part of our quality of life more than anything in this community. Thank you.

Mayor Valdes-Fauli: Thank you, sir.

Vice Mayor Lago: Thank you.

Mayor Valdes-Fauli: Alright. Do you want to make a closing statement or -- I think we've heard about the...

Commissioner Keon: I would like to make a motion to direct the Manager to please go back to the executives of Baptist Health Systems and sit down in a meeting with our attorney, you, their attorney and the executive -- whoever is in charge of Baptist Health Systems to make a decision on -- to just present -- this is -- yes, we allowed it happen. We recognize whatever has happened. This is the parcel of land. This is the parcel of land that we can sell to you.

Vice Mayor Lago: Are you willing to accept...

Commissioner Keon: This is...

Vice Mayor Lago: A reduced price?

Commissioner Keon: Are you willing to...

Vice Mayor Lago: Are you willing...

Commissioner Keon: If you want to purchase this parcel of land that we can sell to you at a purchase price -- and even if it's different than that, then you come back, you say they will purchase it for this, and we will say yes or no, and that's the end of the story. It's over. And you quit sending emails and things...

City Attorney Ramos: So, we've done...

Commissioner Keon: To one another.

City Attorney Ramos: All of that with the exception of getting a purchase price back from them. They said...

Commissioner Keon: Okay.

City Attorney Ramos: Because we have less spaces...

Commissioner Keon: That's fine.

City Attorney Ramos: We want a lower price.

Commissioner Keon: But I've also asked...

City Attorney Ramos: They haven't made an offer.

Commissioner Keon: That you reach out to the (INAUDIBLE) or whoever that we know and is active in our community and whoever they designate as their spokesperson besides their attorney that you have a meeting, you end it. It's over.

Vice Mayor Lago: Commissioner...

Commissioner Mena: What is...

Vice Mayor Lago: Can I...

Commissioner Mena: What is the -- is there like a current -- Madam City Attorney, is there like a current deadline we're operating on? And if there's not, can we impose one?

City Attorney Ramos: We absolutely can impose one.

Commissioner Keon: Then impose one.

City Attorney Ramos: The deadline for...

Commissioner Keon: I'm asking you...

City Attorney Ramos: Due diligence was 60 days from February, so that's been blown.

Commissioner Keon: Alright.

City Manager Iglesias: We...

Commissioner Keon: So, actually, I would ask...

City Manager Iglesias: Can we...

Commissioner Keon: Mike...

Ms. De las Cuevas-Diaz: Point of clarification...

Commissioner Keon: To be -- Commissioner Mena...

Commissioner Mena: To what?

Commissioner Keon: To please make the motion that is very clear in a legal sense.

City Manager Iglesias: Can we do this and also allow us to go...

Ms. De las Cuevas-Diaz: Can I clarify something for you...

City Manager Iglesias: Outside...

Ms. De las Cuevas-Diaz: Commissioner?

City Manager Iglesias: Of one...

Vice Mayor Lago: Yeah.

City Manager Iglesias: Potential buyer?

Vice Mayor Lago: And that's why I think we're also -- if I just may one second, Commissioner Keon. I know you want to wrap this up, but this is an important decision.

Mayor Valdes-Fauli: Yeah.

Vice Mayor Lago: We need to -- we've been waiting for a long time, probably over six months for this decision, and I think that for a deal to be struck -- I think we should just take a few more moments. Why not open this up to the public? Why not -- why...

Commissioner Keon: Because we're...

Vice Mayor Lago: Why not...

Commissioner Keon: In a conversation with Baptist. Finish that conversation. If you can't come to...

Vice Mayor Lago: You would be...

Commissioner Keon: Come to an agreement...

Vice Mayor Lago: If you would...

Commissioner Keon: Then put it on the market and...

Vice Mayor Lago: Madam...

Commissioner Keon: Do whatever you want with it.

Vice Mayor Lago: Madam Commissioner.

Commissioner Keon: But finish the conversation...

Mayor Valdes-Fauli: Can I...

Commissioner Keon: You're having with Baptist.

Vice Mayor Lago: Madam Commissioner.

Mayor Valdes-Fauli: Let's finish -- let me -- your motion is for us to finish the conversation with Baptist. And we will sell it to them for \$3 million...

Commissioner Keon: No. That isn't my...

Mayor Valdes-Fauli: What do you mean, no?

Commissioner Keon: Well...

Mayor Valdes-Fauli: What is it?

Commissioner Keon: My -- I mean, Commissioner Mena, speak to me in lawyer language.

Commissioner Mena: I'd like to -- I think we should -- respectfully, I think Vice Mayor Lago was in the middle of...

Vice Mayor Lago: No, no, no, no, no.

Commissioner Mena: Saying something.

Vice Mayor Lago: I just -- I mean...

Commissioner Mena: And I think he should finish.

Vice Mayor Lago: Personally, I give...

Commissioner Keon: Oh, I thought he was done.

Vice Mayor Lago: Let me...

Commissioner Keon: I'm sorry.

Vice Mayor Lago: Let me explain...

Commissioner Keon: I'm sorry. If you're not done...

Vice Mayor Lago: No, no. Let me...

Commissioner Keon: Then please continue.

Vice Mayor Lago: Well, I mean...

Commissioner Keon: I'm sorry if I...

Vice Mayor Lago: I mean, I couldn't...

Commissioner Keon: Interrupted you.

Vice Mayor Lago: Have been done. You cut me off.

Commissioner Keon: I'm sorry. I'm sorry.

Vice Mayor Lago: And I know that this is an emotional...

Commissioner Keon: Please continue.

Vice Mayor Lago: Topic for you and I understand that you're...

Commissioner Keon: Please.

Vice Mayor Lago: Insisting on selling this property to Baptist...

Commissioner Keon: No, I'm not.

Vice Mayor Lago: But I'm -- let me just finish. Just one second. I promise I'll be done, and I'll be very brief. I'm not going to be here too long, okay.

Mayor Valdes-Fauli: No?

Vice Mayor Lago: Yeah. So, what are we -- we've been working on this for months. We've been working on this for months. We've been going back and forth. Like Commissioner Keon stated, we've been spending tons of money on legal fees in an attempt to get to a resolution. This is a free market. This is a free market. I am -- I represent -- we represent the residents of the City of Coral Gables. I want to get the highest dollar for that sale. I want to get the most money in the coffers. So, for me, it's very simple. Put it on the market. You don't need to hire a firm. We have very capable and competent people here in the City. We can put it on the market like we've done things in the past. And I don't want to get three million. I want to get four and a half million for this property. And I want to use that money for projects that the residents and the business community deem appropriate. So, why are we right now in this process of hurrying up after months and months and months and months and months of negotiation and not getting to an

answer? I'm not going to get into that. We've already -- you know, I think we've beat that discussion to a point. But why not just put it to the market? What do we lose?

Mayor Valdes-Fauli: Could I...

Commissioner Mena: I -- yeah.

Vice Mayor Lago: We don't lose anything.

Mayor Valdes-Fauli: Speak for what you're saying? We had an agreement, sell it for \$3 million. You voted against it. But we had that...

Vice Mayor Lago: Fine.

Mayor Valdes-Fauli: And it was all...

Vice Mayor Lago: But I go with the Commission.

Mayor Valdes-Fauli: Wait.

Vice Mayor Lago: We, as a Commission...

Mayor Valdes-Fauli: Wait, wait, wait.

Vice Mayor Lago: Did that.

Mayor Valdes-Fauli: Wait, wait.

Vice Mayor Lago: That's fine.

Mayor Valdes-Fauli: Wait, let me finish. Now, you're interrupting me, but let me finish. And this would have been concluded, and we wouldn't be here had they not provided us with the wrong legal description. They had a legal description that they could have lifted from the lease and put it in the agreement and they didn't do that. They gave us the wrong legal description. They were using that property improperly, but they gave us the wrong legal description and that's why we're here today. I would like to have a compromise between Commissioner Keon's motion and yours, and we give it to, you know, the people to negotiate and say you buy it for \$3 million in the terms that are contained in our lease with that legal description. And if you don't want it because it's not enough, we'll put it up for sale.

Commissioner Keon: That's all we...

Commissioner Mena: I...

Mayor Valdes-Fauli: I'm not about to renegotiate anything.

Commissioner Mena: I agree with you. I would only...

Commissioner Keon: That's what I said.

Commissioner Mena: Add that I want an answer by next Commission meeting. And if by next Commission meeting, they're not...

Mayor Valdes-Fauli: Okay.

Commissioner Mena: In agreement with what we originally...

Mayor Valdes-Fauli: If you agree with that...

Commissioner Mena: Approved...

Mayor Valdes-Fauli: I make that motion.

Commissioner Mena: Yeah, with what we originally approved, then we'll make a decision to...

Commissioner Keon: I mean, that...

Commissioner Mena: Move on. To answer...

Commissioner Keon: That was essentially what...

Commissioner Mena: To answer Vice Mayor's...

Commissioner Keon: You were...

Commissioner Mena: Question.

Commissioner Keon: Yes.

Commissioner Mena: Just my opinion, I do think it's appropriate, given that we approved X, if they're still willing to make that deal that we approved, then we should do that because that's...

Mayor Valdes-Fauli: Okay, will you...

Commissioner Mena: In my opinion, the...

Mayor Valdes-Fauli: Second the motion?

Vice Mayor Lago: And I...

Commissioner Mena: The professional way to sort of just finalize...

Vice Mayor Lago: And I agree with you.

Commissioner Mena: If not, then I agree, we do move on.

Vice Mayor Lago: But as you know...

Commissioner Keon: And we move on.

Vice Mayor Lago: As you know, and as an attorney -- and I'm not an attorney, but I do real estate. There's a bookend to a contract. There's a due diligence period, and there comes a point where, like we said, there was 60 days and those 60 days came...

City Attorney Ramos: The problem is the contract was never signed, so there is no contract.

Vice Mayor Lago: Okay, but I mean, there's an understanding that, again, you just cannot...

Mayor Valdes-Fauli: There is a -- yeah.

Vice Mayor Lago: Continue to push this down the road and push this down the road, push this down the road. You got to sign a contract. You got to get to an agreement.

Mayor Valdes-Fauli: Okay.

Vice Mayor Lago: So, I mean, I'm just -- I'm going to vote no on this today and I'm -- very clearly because I think that the best move for the City as a whole is that we put this up -- we put this on the market and we see who's willing to pay the highest amount of money for it.

Mayor Valdes-Fauli: Okay.

Vice Mayor Lago: Bottom line.

Ms. De las Cuevas-Diaz: I just want a point of clarification because, Commissioner Keon, you keep on asking the executive -- the executive that Baptist has put in charge. And I just confirmed her -- with Kathleen...

City Attorney Ramos: Is here.

Commissioner Keon: Okay.

Ms. De las Cuevas-Diaz: Is her.

Commissioner Keon: Then if that is...

Ms. De las Cuevas-Diaz: That is who is...

Commissioner Keon: The designated person from...

Ms. De las Cuevas-Diaz: That's been the discussion...

Commissioner Keon: Baptist Hospital...

Ms. De las Cuevas-Diaz: The whole time, just to...

Commissioner Keon: That's fine.

Ms. De las Cuevas-Diaz: Clear the record.

Commissioner Keon: All I want to know is whoever is representing Baptist Hospital, whoever -- given that this is the end of the conversation, this is the last conversation that we're going to have on it. And you know what, to your point, Commissioner Lago, I don't think that it is proper that we enter into a discussion with someone with -- on anything with a number. And when we, all of a sudden, think that we can get more, we drop that, jump out of that discussion and say, so bad -- too bad, so sad. Listen, I think...

Mayor Valdes-Fauli: No. Let me...

Commissioner Keon: I think we can do better.

Mayor Valdes-Fauli: Let me repeat my motion.

Vice Mayor Lago: Let me...

Commissioner Keon: I don't think that's appropriate.

Vice Mayor Lago: Let me respond.

Commissioner Keon: So that...

Mayor Valdes-Fauli: Wait. Let me...

Commissioner Keon: I would agree with what the Mayor has said.

Mayor Valdes-Fauli: Come on.

Commissioner Keon: I agree with you, and I would like them to come back...

Vice Mayor Lago: I don't...

Commissioner Keon: As Commissioner Mena has said, to come back at the next Commission meeting with either yes or it's no.

Mayor Valdes-Fauli: Yes or no, with the terms...

Commissioner Keon: It's yes or no.

Mayor Valdes-Fauli: And the \$3 million and...

Ms. De las Cuevas-Diaz: Based on...

Mayor Valdes-Fauli: Yeah.

Vice Mayor Lago: Yeah, but listen...

Commissioner Keon: The City...

Mayor Valdes-Fauli: And if not...

Commissioner Keon: Survey...

Mayor Valdes-Fauli: We'll put it out for sale.

Commissioner Keon: For that parcel of land. Now, I don't -- you know what, anybody that's buying a parcel of land, if you're going to buy a home, if you buy anything, you're going to go have it surveyed. And so, maybe when they did the survey, they realized that, oh, no, this is actually what we need, so we're going to come back and we're going to ask you for this. You know what, you say the answer is no, you can't.

Ms. De las Cuevas-Diaz: Right.

Commissioner Keon: This is what it is.

Ms. De las Cuevas-Diaz: Absolutely.

Commissioner Keon: Do you want to buy it?

Mayor Valdes-Fauli: Yes or no.

Commissioner Keon: You buy it.

Ms. De las Cuevas-Diaz: I have one...

Commissioner Keon: And that's the end of the story.

Ms. De las Cuevas-Diaz: I do have one question for Commissioner Mena. The last email that the executive from Baptist is referencing is the email that came in on Friday, and it talks about reappraising the property. Because if they're only going to purchase the property for not including the right-of-way, then they don't believe that they appraised it...

Mayor Valdes-Fauli: They then...

Ms. De las Cuevas-Diaz: At the value...

Mayor Valdes-Fauli: Then we throw it...

Ms. De las Cuevas-Diaz: I just want to...

Mayor Valdes-Fauli: Up for sale.

Ms. De las Cuevas-Diaz: Clarify...

Commissioner Mena: Yeah. My...

Mayor Valdes-Fauli: Fine.

Ms. De las Cuevas-Diaz: So, we can give an answer.

Commissioner Keon: That's right.

Commissioner Mena: My opinion...

Commissioner Keon: No. We...

Commissioner Mena: My opinion and...

Commissioner Keon: Then we move forward.

Commissioner Mena: And I think it's consistent with what the Mayor has said is the agreed-upon price. If that does not work, then we're going to consider opening this up.

Commissioner Keon: Okay.

Commissioner Mena: If it does work, then we'll proceed. That's my...

City Attorney Ramos: Commissioner Mena...

Commissioner Mena: Opinion.

Mayor Valdes-Fauli: Mr. City Clerk...

City Attorney Ramos: A motion to that effect...

Mayor Valdes-Fauli: Will you call the roll, please?

City Attorney Ramos: And us bringing it back to you would be helpful.

Commissioner Keon: Yes.

Mayor Valdes-Fauli: Let's call the roll.

Commissioner Keon: The motion -- make sure that the motion...

Mayor Valdes-Fauli: Yes.

Commissioner Keon: Billy, could you read back the motion so we're sure that...

City Attorney Ramos: Motion directing the Manager to accept the exact same term -- to relay to them that they have until the next Commission meeting to sign an agreement -- a purchase and sale agreement with the exact same terms and the legal description in the lease.

Commissioner Fors: But wait...

City Attorney Ramos: If they don't do that, it would come back to the City Commission.

Commissioner Fors: Will that -- exact same terms, if the contract hasn't been signed, will that include also 60 days due diligence and right to cancel for another 60 days?

City Attorney Ramos: What I'm hearing from Commissioner Mena is that he wants it to be before the October...

Mayor Valdes-Fauli: Yes.

City Clerk Urquia: Eighth.

City Attorney Ramos: Eighth City Commission meeting.

Vice Mayor Lago: He wants a contract signed.

Commissioner Keon: But you want...

Commissioner Fors: He wants a contract, but we still have...

Commissioner Keon: A contract signed...

Commissioner Fors: Sixty days diligence...

Vice Mayor Lago: So, then -- which will...

Commissioner Keon: Or do you want a decision made...

Vice Mayor Lago: Which will then -- he wants...

Commissioner Keon: Commissioner Mena?

Vice Mayor Lago: A contract signed by the next Commission meeting.

Commissioner Mena: If they agree to the price we originally agreed on, sign the contract.

Vice Mayor Lago: With those terms.

Commissioner Mena: If they haven't, then let's talk about opening it up.

Commissioner Keon: When you sign a contract, do you have a due diligence period?

Vice Mayor Lago: Yeah, of course.

Commissioner Keon: I'm asking you.

Commissioner Mena: There's something in there.

Vice Mayor Lago: Sixty days.

Commissioner Keon: As an attorney...

Ms. De las Cuevas-Diaz: But we have done...

Commissioner Keon: Do you have...

Ms. De las Cuevas-Diaz: The point...

Commissioner Keon: Okay. Thank you.

Ms. De las Cuevas-Diaz: To Commissioner Fors is that we've gone through due diligence. That's how the...

City Attorney Ramos: Right.

Ms. De las Cuevas-Diaz: Whole title issue came up. We've reviewed title, we've cleaned up title. So, the question that I would like to ask is, the terms of the purchase price, the terms of the legal, we understand, are you shortening your due diligence or closing period?

Commissioner Fors: I think we've put an acknowledgment that they've already done due diligence, unless they have good reason for an additional short period of due diligence.

Ms. De las Cuevas-Diaz: I mean, I think, in all fairness, if I was the buyer -- and I'm just going to change my hat -- I would want at least a short period to update title and make sure survey's right. I mean, I don't know that you need 60...

Commissioner Fors: That's reasonable.

Ms. De las Cuevas-Diaz: But...

Commissioner Fors: That's reasonable.

Ms. De las Cuevas-Diaz: Thirty...

Commissioner Mena: So, basically...

City Attorney Ramos: So, for...

Commissioner Mena: You basically have a month from now, though.

Ms. De las Cuevas-Diaz: Right.

Vice Mayor Lago: Or if you want -- if they want an extension of due diligence, you give them two weeks, like in most cases.

Commissioner Mena: They have a month.

Vice Mayor Lago: You give them an extension of two weeks, and then you tell them they've got to put more money hard.

Mayor Valdes-Fauli: Mr. City Clerk...

City Attorney Ramos: I would like to state...

Mayor Valdes-Fauli: Will you call the roll, please?

City Attorney Ramos: I would like to state the original terms of the purchase and sale agreement so that we're crystal clear on what we're conveying to them now.

Commissioner Keon: Yes.

Ms. De las Cuevas-Diaz: Thank you.

City Attorney Ramos: The original PSA said that the City would convey the parcel to Baptist, obviously. The cost would be \$3 million. We've got that. That the sale will be subject to the restrictive covenant in place with the community. I'm assuming that stays the same.

Commissioner Mena: Yes.

City Attorney Ramos: That the hospital will continue to maintain the common areas surrounding the site and that the City will have access to the canal. That the hospital will have a 60-day due diligence period. What I'm hearing is that we're giving the hospital a 15-day, maybe, due diligence period from the day of signing. Is that acceptable?

Mayor Valdes-Fauli: Yes.

Commissioner Keon: Yes.

City Attorney Ramos: Okay. That the closing date will occur 30 days after final inspection.

Commissioner Keon: Yes.

City Attorney Ramos: Do we want to keep that term?

Commissioner Mena: Any issues with that?

Mayor Valdes-Fauli: Final inspection for what?

Ms. De las Cuevas-Diaz: It's basically...

Mayor Valdes-Fauli: It's a parking lot.

Ms. De las Cuevas-Diaz: The end of the due diligence period.

Mayor Valdes-Fauli: Okay.

Commissioner Fors: But...

Commissioner Keon: Okay.

Commissioner Fors: But not one during which they have a right to cancel or they do?

Ms. De las Cuevas-Diaz: During your...

Vice Mayor Lago: (INAUDIBLE) hard.

Ms. De las Cuevas-Diaz: Due diligence period, they still would, but you...

City Attorney Ramos: Which would only be...

Ms. De las Cuevas-Diaz: Shortened it to 15 days.

City Attorney Ramos: Fifteen days.

Commissioner Fors: It's also final inspection, but they're also occupying the property. So, I mean, they're inspecting it every day.

Commissioner Keon: They have a lease.

Ms. De las Cuevas-Diaz: Right, but you have a due diligence period. So, they have the right to get out of their contract during their 15 days. And after their 15 days, you move forward, and you close, 30 days. I mean, I wouldn't...

City Attorney Ramos: So, we close within 30 days.

Ms. De las Cuevas-Diaz: Sweat the small stuff.

City Attorney Ramos: The hospital will provide a deposit of \$300,000. The existing lease will be terminated, no broker involvement, and it's contingent on Baptist board and City Commission approval.

Vice Mayor Lago: And also, I mean, again, you might as well just add there that they're going to vacate the parking in the right-of-way.

Commissioner Mena: I think we should have that...

City Attorney Ramos: So, it's...

Commissioner Mena: Discussion at the end of the...

Commissioner Keon: That's a different...

Vice Mayor Lago: No, no. I'm...

Commissioner Keon: That's another discussion.

City Attorney Ramos: So, what we're...

Vice Mayor Lago: Just one second.

City Attorney Ramos: Selling them is the property description that's in the lease.

Commissioner Mena: Right.

Vice Mayor Lago: So, then we...

City Attorney Ramos: That resolves that issue.

Vice Mayor Lago: Okay, perfect.

Commissioner Mena: Right.

Vice Mayor Lago: So, I just wanted to make sure that we -- like Commissioner Mena had mentioned, we haven't enforced this in years.

Mayor Valdes-Fauli: Okay. Mr. Urquia...

Vice Mayor Lago: Now, it's an issue...

Mayor Valdes-Fauli: Will you call the roll?

Vice Mayor Lago: About enforcement.

City Attorney Ramos: These are separate. But what we're selling them is what was in the lease...

Vice Mayor Lago: Perfect.

City Commission Meeting

September 10, 2019

Agenda Item I-5 - Update and request for further direction on Doctor's Hospital Lot sale/lease.

City Attorney Ramos: That property description.

Mayor Valdes-Fauli: Mr. Urquia will call the roll, please.

Commissioner Fors: Perhaps...

City Attorney Ramos: I think we have a second.

Commissioner Fors: Perhaps a waiver of any claims to any kind of theory under which they took title to that right-of-way after occupying it for so long without objection.

City Attorney Ramos: That's a good point.

Commissioner Keon: Is that appropriate?

Ms. De las Cuevas-Diaz: Well...

City Attorney Ramos: Do you accept that amendment to the...

Commissioner Keon: Yeah. The Mayor...

City Attorney Ramos: Motion?

Commissioner Keon: The Mayor made it.

Mayor Valdes-Fauli: I will accept that amendment.

Commissioner Keon: I second it.

City Attorney Ramos: Do we have a second?

Commissioner Keon: I did.

City Attorney Ramos: I didn't hear a second.

Mayor Valdes-Fauli: Yes.

City Attorney Ramos: Very well.

Mayor Valdes-Fauli: Will you call the roll, please?

Commissioner Keon: Yes.

Commissioner Mena: Yes.

Commissioner Fors: Yes.

Mayor Valdes-Fauli: Yes.

Vice Mayor Lago: No.

(Vote: 4-1)

Mayor Valdes-Fauli: Okay. Next item, time certain, 10:30.

Commissioner Mena: Can we just -- sorry. Really fast point.

Mayor Valdes-Fauli: I'm going to hit you with it.

Commissioner Mena: Fair enough. I just want to make clear and state on the record that the request for a waiver is in no way an acknowledgment that a waiver is necessary because we believe that the legal description is clear and that's what's enforceable. So, I just want to make that clear.

Mayor Valdes-Fauli: Alright.

Ms. De las Cuevas-Diaz: Thank you.

Mayor Valdes-Fauli: Okay, time certain. I-1...

Commissioner Keon: Thank you.

Vice Mayor Lago: Thank you.

Mayor Valdes-Fauli: Mr. City Manager. Thank you.