



City of Coral Gables

Administrative Order of the City Manager

Administrative Order No.: 2022-01 Title: Leasing Policy

Ordered: June 24, 2022 **Effective:** June 24, 2022

AUTHORITY

Sec. 2-1089. - Purchase, sale or lease of public lands.

PURPOSE

The purpose of this policy is to ensure a transparent, consistent, and competitive process for the leasing of City property in instances where the Procurement Code is waived.

APPLICABILITY

Whenever the City proposes to lease its public lands or buildings, Chapter 2 Administration, Article VIII-Procurement Code, Division 12 Purchase, Sale, or Lease of Public Property, shall apply, unless the City Commission, upon a four-fifths vote, finds that the public interest would be served by waiving any or all provisions of the Procurement Code. When the City Commission chooses to waive the Procurement Code, this policy shall apply. The City Manager has the authority to waive any part of this process if it is in the best interest of City.

DEFINITIONS

City Property includes but is not limited to any land, real property, water or air rights titled to the City of Coral Gables as owner.

Lease of City Property (ies) means any right to lease City Property by way of agreement, irrespective of consideration being paid to the City, and irrespective of the City's also utilizing or being allowed to utilize the property for any purpose during the term of the lease. For purposes of this policy, the term "lease" shall not include special event permits, revocable permits, concession agreements, management agreements, use agreements or leases for a term of not more than three years, including option periods.

Request for Proposal Package (RFP) refers to the solicitation document released by the City of Coral Gables and used to attract rental bids and/or proposals.

No Consideration Lease refers to a lease entered into by City of Coral Gables and a third party which does not require lease payments.

Property Leasing Process means the process followed by the City of Coral Gables to advertise the Request for Proposal Package to lease City Property(ies).

POLICY AND PROCEDURES

SPECIFIC REQUIREMENTS

Once a City Property has been identified and approved for lease, a Request for Proposal Package shall be developed, advertised, and reviewed in accordance with the process set forth below:

A. Request for Proposal (RFP) Package

A Request for Proposal Package shall be developed for each property to be leased. The RFP Package may include, but not be limited to:

- 1) Specific information concerning the City Property Leasing Process
- 2) Legal description of the property
- 3) Survey, maps, and/or photographs of the property
- 4) List of prohibited activities
- 5) List of Insurance Requirements
- 6) Expected Lease Property Improvements, if applicable
- 7) Expected Maintenance Responsibilities
- 8) Request for Proposal Form to be completed by proposer.
- 9) Criteria by which the proposal shall be evaluated, including but not limited to:
 - a. Quality of concept
 - i. for restaurants, the quality of concept may include the quality of food and overall dining experience.
 - b. Experience of business owner, chef, and any other key personnel involved with the proposed incoming business
 - c. Design of space, including drawings and/or mood boards for the business
 - d. Total amount of private investment projected for building renovations, if applicable
 - e. Total amount of private investment for fixtures, furniture, and equipment
 - f. Financing sources for private investments
 - g. Economic viability of the proposed concept, including a five-year pro forma for the business
 - h. Proposed lease terms, including base rent, lease term, renewal options, security deposit, rent abatement etc.
- 10) Public Advertisement

B. Advertisement

The City shall advertise the RFP Package for the lease of City Property in a daily newspaper of general circulation in the City, followed by a sixty (60) day submittal period for the City's receipt of proposals from prospective lessees. The advertisement should be no less than one-fourth page. The City may also advertise the RFP Package on the City's website, and on any other service (CoStar, Loopnet) that can facilitate public knowledge of the solicitation of proposals to lease City Property.

C. Receipt, Review, and Approval of Lease Proposals

Lease Proposal Receipt: Lease proposals ("proposals") furnished in response to the City's RFP will be received by the City's Economic Development Department in digital format and may include additional printed copies.

Lease Proposal Review: The Economic Development Department in conjunction with the City Manager's Office will review all proposals received and determine which proposals are eligible for further

consideration based on responsiveness to the evaluation criteria outlined in the RFP Package. In addition to the criteria in the RFP Package, for restaurant space leases, a staff member from the City's Economic Development Department may be authorized to dine at an existing restaurant that is closely related to a proposer's restaurant concept (under the same ownership, same chef, similar menu, etc.) at the City's expense, for the purpose of evaluating ambiance, service, operations, quality of food etc.

Lease Proposal Selection: Following the internal review of submissions, and in consultation with City staff, the City Manager shall determine whether to enter into negotiations with an eligible proposer or reject all proposals and begin the process anew by readvertising the original or revised RFP Package.

D. Prohibited Activities

The following activities, as well as any other activities listed on the Request for Proposal, are prohibited on City Properties.

- 1) No tenant shall use the property in any activity involving hazardous materials or substances.
- 2) No tenant shall use the property with the primary activity being the sale of alcohol or use the property for the purposes of adult entertainment activities.
- 3) Tenants shall not promote, foster or perpetuate discrimination on the basis of race, creed, color, age, religion, gender (or gender identification), marital status, status with regard to public assistance, national origin, physical or mental disability, or sexual orientation.
- 4) No tenant shall conduct any illegal activity on City Property.

E. No Consideration Leases

The City of Coral Gables, at its sole discretion, may enter into "No Consideration Leases", that are generally reserved for governmental entities and nonprofit organizations.

F. Lease Costs

All costs associated with the lease procedures addressed in this policy shall be, at the option of the City, paid by the lessee. These costs will be outlined in the Request for Proposal Package and may include but not be limited to appraisal fees, attorney's fees, financial audit fees, credit reports, letters of credit fees, broker fees, and banking fees.

G. Leases Negotiated during Property Acquisitions

The City may conduct acquisitions or sales of properties where it may become necessary to enter into terms and conditions for Lease Agreements as part of the purchase. Such lease of City Property is not subject to the requirements of this Policy for Leasing Process.

POST LEASE PROPOSAL DUE DILIGENCE

Once the City Manager selects a proposer, the proposer and the City Manager, with assistance from the City's Attorney's office, will negotiate a proposed lease agreement ("lease agreement"). Upon the lessee's execution of the lease agreement, - that lease agreement shall be submitted to the following analysis requirements:

- A. Lessee's disclosure of any and all interested parties
- B. Review by relevant advisory boards as outlined below

The lease agreement shall be presented to the Property Advisory Board, the Economic Development Advisory Board, the Budget/Audit Advisory Board, and any other City advisory board that the City

Manager designates in order for the City Commission and the public to be fully apprised of all conditions relating to the proposed lease of City property. The advisory boards shall analyze the proposed lease in accordance with the below criteria.

1) *Budget and Audit Advisory Board.*

- a. Is the purchase, sale and/or lease consistent with the property appraisal?
- b. What is the immediate impact on the current fiscal budget and the long-term effect on future budgets, i.e., the long-term overall effect on the City?
- c. Considering the City's mission statement, are there other alternatives to entering into the proposed transaction?

2) *Property Advisory Board.*

- a. Does the proposed use conform to the City's comprehensive plan and is it compatible with the surrounding neighborhood?
- b. Analyze the positive or negative impacts on adjacent property including, but not limited to, open space, traffic, access considerations, noise level, property values, improved development patterns and provision for necessary services including municipal utilities and other infrastructure systems and the needs and costs associated with the needed improvements. To the extent needed, traffic studies and other professional studies required shall be the responsibility of the proposed lessee.
- c. Are the terms and conditions of the proposed lease of City property based on market terms and value?

3) *Economic Development Board.*

- a. Is the proposed lease in keeping with City goals and objectives?
- b. What is the economic impact to the City i.e., is the proposed lease 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?

C. Submission to the City Commission

Once the preceding steps have been completed the lease agreement will be submitted to the City Commission for approval/denial with the following information:

- 1) Proposed Ordinance or Resolution with copy of the lease agreement
- 2) Presentation provided to residents at any Neighborhood Meetings
- 3) Public Notice to Neighbors and Summary of their Comments if applicable
- 4) Excerpt minutes of the Economic Development Board meeting
- 5) Excerpt minutes of the Property Advisory Board meeting
- 6) Excerpt minutes from the Budget/Advisory Board meeting
- 7) Excerpt minutes from any other City advisory board that reviewed the lease at the request of the City Manager and provided recommendations

The City Commission retains the right to accept, accept with conditions, or reject the City Manager's recommendation and may choose to negotiate with the recommended proposer, negotiate with another qualified proposer, negotiate with a non-eligible proposer, or reject all proposals.

EXPIRATION

This Order shall remain in effect until further notice or until superseded by action of the City Commission.

APPROVED BY:

Peter J. Iglesias, P.E.

City Manager

6/24/22

Date