

**City of Coral Gables City Commission Meeting**  
**Agenda Item H-1**  
**February 13, 2024**  
**City Commission Chambers**  
**405 Biltmore Way, Coral Gables, FL**

**City Commission**

**Mayor Vince Lago**

**Vice Mayor Rhonda Anderson**

**Commissioner Melissa Castro**

**Commissioner Ariel Fernandez**

**Commissioner Kirk Menendez**

**City Staff**

**City Attorney, Cristina Suárez**

**City Manager, Peter Iglesias**

**City Clerk, Billy Urquia**

**Public Speaker(s)**

**Estrellita Sibila**

**Jackson Rip Holmes**

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Agenda Item H-1 [4:10 p.m.]

A Resolution of the City Commission approving a stipulated settlement agreement between the City of Coral Gables and Business Improvement District of Coral Gables, Inc.

Mayor Lago: Moving onto H-1.

City Attorney Suarez: H-1 is a Resolution of the City Commission approving a stipulated settlement agreement between the City of Coral Gables and Business Improvement District of Coral Gables, Inc. Mr. Mayor, as you know, the City Manager Peter Iglesias and I attended a mediation in this case, in this litigation. What is before you is the settlement agreement that was agreed upon during that mediation. I have briefed each of you individually. I provided the final version of the agreement to you, I guess, very early this morning. The key terms were in the resolution and the cover memo. The only change in the key terms from what's in there to the actual settlement agreement is that the resolution said that the notice of voluntary dismissal will be within

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ten business days, the agreement says five business days, but otherwise the terms are set forth therein. I can go through them if you'd like or if you have any questions.

Mayor Lago: No questions. I reviewed it thoroughly.

Commissioner Castro: I'll move it.

Mayor Lago: Hold on one second. Do we have any comments from anybody here?

City Clerk Urquia: Yes, Mr. Mayor, Estrellita Sibila.

Mayor Lago: How are you. Good afternoon.

Ms. Sibila: Hello. Hello. Estrellita Sibila with law offices at 232 Andalusia, Suite 230. I'm one of the properties that's assessed a tax by the BID. I've been a constant sort of instigator for truth and for the actual records that the BID has maintained. In this litigation, I just want to make it clear, the BID has yet to still produce any of the documents that were requested of them, either the financial documents, or any public records. It's basically just delay, delay, delay until the city has folded into this agreement to stipulate a settlement. I think it's completely unfair. I think it's completely wrong. The BID has not provided any of the information that the city has asked for. They have not provided any production in the litigation. The city filed a motion to compel, not even two or three weeks ago, so I don't know what substantially changed between the position where they were saying that they've essentially evaded all their obligations, their fiduciary duties, absconded with the money and now suddenly we want to go ahead and let them lead the way and turn over these funds and manage it. Over the last year and-a-half, the city has produced all of the events. We haven't lost any additional Halloween arches, Christmas Trees, concerts on the plaza, basically the same functions that they were already doing. The city has stepped into the shoes of this defunct, delinquent organization and has done it successfully. And frankly, as a property owner that owns commercial property, my personal property taxes increased ten percent. So, the difference in the budget that you all have raised, in other words, doesn't necessitate an additional special taxing district to continue to tax me for services that the city could already provide. My question to Madam City Attorney is, what is the number of dollars that they actually ran away with and what are they planning to do with that, and why is this not under a receivership.

City Attorney Suarez: So, the number of dollars, the exact number of dollars, we're still waiting for confirmation of that. That's one of the things that they will need to provide to us, the exact starting balance with reasonable documentation showing what that balance is. They currently do not have staff, so that's why they could not give us that number, but what they can use the funds for is basically the purposes for which it was collected, consistent with state law under Chapter 170. So, it's only the purposes for which it was collected, and we put in the agreement some examples of the types of uses. There's also a process for coordination with the city, so if they have the intent to put on some of the events that the city has been putting on, they will notify the city so there'll be coordination and we avoid duplication or any conflict of events. With respect to – there is no commitment here that there will be a new business district established. I know that was one

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of your concerns. The city will explore such possibilities, but it will go through the full process and what that business district if and when it is adopted or established, will not necessarily look how it looks now. Like I said, we'll go through the process, and it will have to be what's in the best interest of the city.

Ms. Sibila: So, is it the case of they didn't produce any of that information in the last two years at the request of either the Commission or under the court case.

City Attorney Suarez: I'm sorry, what's the question.

Ms. Sibila: So, then they haven't produced that information whether – it's been almost two years that the city has been asking for that.

City Attorney Suarez: We do not have the documentation showing exactly what the balance is, no, but that is part of the settlement. They are going to give us that amount as part of the settlement agreement. It's a path forward to get some certainty on that and to provide for a reasonable expenditure of the remaining funds for the purposes for which it's collected, with the oversight of the city.

Ms. Sibila: So, this is what troubles me. It's been almost two years and all they have to do is look at their bank statement and provide us with a balance, and this is just another example of them pushing the city into a position where they are just cornered. They are cornering you all into not complying with any of the documentation, not providing transparency and misusing our public funds, like we're taxpayers. This is taxpayer money. It's not just play money and it's our money. It's my money as a commercial property owner here in the district and I think its wrong that we're just letting them enter into a stipulated settlement where they've not provided any of the information, either at the Commission's request, either under threat of litigation, or under litigation, or even responded to a motion to compel in the court. It doesn't make sense that we would now say, no problem, we'll sign the stipulated settlement and hope that you give it to us within five days. Why can't we defer this. Ask them to submit all the documents that they are promising and then we could come back and give them something along the lines of what it is they are requesting. I think this is a complete breach of their fiduciary duties and I think by approving this stipulated settlement, you all are really failing us, the taxpayers that contributed into this fund that was for a specific purpose, not for them to litigate against the city and go rouge. Thank you.

Mayor Lago: So, Madam City Attorney, can you give me a little bit more background in regard to what documents we could potentially get our hands on if we were to defer this. What does it look like if we could have another meeting with them and say, listen, comply with a request for documents, balance, actual copies of your balance from the bank, what were the last expenditures, give us six months, a year.

City Attorney Suarez: So, Mayor, the agreement, part of the agreement was that they would have the time to provide that to us. We had, like I said, a day-long mediation with the City Manager,

and they were insistent that they were just having, they needed time to provide this documentation. If we do not, if this is not approved as is, then we have to go back and negotiate.

Mayor Lago: But let me ask you a question. If we approve this today, and they do not provide the documents, obviously they are not going to get the money.

City Attorney Suarez: No, they have the money, Mayor.

Mayor Lago: But I'm saying but they are not going to be able to have the use of the money.

City Attorney Suarez: We would enforce the settlement agreement.

Mayor Lago: Okay.

Vice Mayor Anderson: The option that we haven't discussed is whether or not we can amend the terms of this agreement, they countered it, it does happen in mediation where you have to wait for your Board of Directors here to speak, and being that we haven't looked at every single point there, now many days and so forth, and after this discussion, we don't even have any bank statements at all.

City Attorney Suarez: So, the starting balance or the remaining balance was one of the big points of negotiation and they are agreeing to provide us that within 30 days of this effective date with reasonable documentation showing what that starting balance is. That was a heavily negotiated point.

Vice Mayor Anderson: Again, we don't have any statements whatsoever. We are clueless, right, as to what this balance is. Nothing. Not even an estimate.

City Attorney Suarez: The estimate I have is \$570,000. That's an estimate.

Vice Mayor Anderson: That was their estimate based upon what date?

City Attorney Suarez: I don't know exactly what date, but in the last, maybe as of a month ago perhaps, I'm not sure.

Vice Mayor Anderson: Did they have a copy of a bank statement they were relying on?

City Attorney Suarez: I have not seen anything like that, Vice Mayor.

Vice Mayor Anderson: Sounds to me like they really weren't prepared for mediation. They didn't even have a single bank statement with them.

City Attorney Suarez: I don't know if they did or not. I haven't seen it.

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Vice Mayor Anderson: Can we make this agreement contingent upon them producing the statements.

City Attorney Suarez: So, when you say contingent, what do you mean, that once we have the information on the starting balance, if we get it.

Vice Mayor Anderson: Then its enforceable.

City Attorney Suarez: So that's something that they would have to agree to. I can try to see if we can get them on the phone, but they would have to agree to that.

Vice Mayor Anderson: I understand, but they are the ones that didn't come to the mediation prepared.

City Attorney Suarez: So, what's the will of the Commission? What would you like me to do?

Mayor Lago: I think we should defer. There are unanswered questions and I think its better to take a step back and see what we can work through the process.

Commissioner Fernandez: My biggest concern is, at least a bank statement should be something that can be provided rather quickly, so at least we have an answer to that question. That was one of my first questions to you when we spoke about this agreement how much money were we talking about. As we have ten days from the execution of this agreement to terminate.

City Attorney Suarez: Five days to dismiss the lawsuit.

Commissioner Fernandez: But we still won't have the documentation.

City Attorney Suarez: Um huh.

Commissioner Castro: Question. Any litigation fees, can that be deducted from that balance that's on the bank?

City Attorney Suarez: Who's litigation fees?

Commissioner Castro: The BID's.

City Attorney Suarez: So, I don't know what has been deducted from their balance. I do not know.

Commissioner Castro: Because if they give us a little snapshot of what's in the bank account, will it reflect if they are going to go ahead and withdraw all the money, they spent in litigation for hiring attorneys.

City Attorney Suarez: I don't know what they have done with that.

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Commissioner Castro: So, just knowing what's in the bank account really won't be.

Ms. Sibila: If I may. To my point is that there's been no transparency with the city. So they're asking you to sign off on a stipulated agreement saying that you can no longer go after them or their officers or anybody related to the BID on any of these related claims to the money that's been absconded, but they haven't provided, as the attorneys for the city said, they haven't acted in good faith, they've engaged in repeated conferral with the defendant. However, the city's efforts have been met with delay and baseless boilerplate objections. There's been a complete lack of response or any correlating lack of reasonable effort on the part of the defendant to engage in good faith discovery. There's no reason for us to believe them now that suddenly when they have an agreement that says that we're going to dismiss all claims against them in five days that they are actually going to do what they are intending to do. They've never made us comfortable even under threat of litigation, under litigation, or any step of the way for us to now believe that suddenly they are going to come up with all these long lists of items that they now need to turn over.

Mayor Lago: Let me ask you a question. Madam Vice Mayor, will you be interested in deferring this item to have our City Attorney move in a direction where they could speak with the BID.

Vice Mayor Anderson: Yes. I think dismissal of this action at this point is not a good idea until these terms are resolved and the documents are provided.

City Attorney Suarez: So, I just want to – that's fine if that's the will of the Commission, but I would just like to explain. The purpose of a settlement agreement is because litigation is unpredictable, its costly, and this was a way to kind of resolve and have a path forward in a case that has its challenges, but...

Mayor Lago: Madam City Attorney, I understand that, and I support you and I'm willing to move forward, but I don't think we have support on the Commission. So, my intent is to defer the item and see how we can get some support from the BID, with some minimal documentation in an effort to garner goodwill.

Commissioner Fernandez: To the Vice Mayor's point. She asked about, can we do it contingent. Are we able to approve it contingent on receiving at least the fund's balances prior to the lawsuit being dismissed? That gives you a little parameter to try to get the documentation.

City Attorney Suarez: If that's a motion you would like to make.

Commissioner Fernandez: It doesn't derail the whole process.

City Attorney Suarez: I think you can do that motion and if I don't get it then it will be of no consequence, I guess, so that would be something to kind of move things along.

Vice Mayor Anderson: I'll move it.

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Commissioner Fernandez: I'll second.

Commissioner Castro: My worry here is that the longer we take, the more time they're going to be paying their attorneys and the less money we're going to receive.

Vice Mayor Anderson: That's always a concern with litigation.

Commissioner Fernandez: But I think with this, it gives us a little cover, because it instructs the City Attorney to try to get this information before.

City Attorney Suarez: Understood.

Commissioner Fernandez: The agreement is agreed to if we get this documentation prior to the...

City Attorney Suarez: So, to be clear. The documentation about the starting balance, something that shows the starting balance.

Commissioner Fernandez: Yes.

City Attorney Suarez: Understood. Okay.

Commissioner Fernandez: Which has been the biggest question mark that we've had throughout the whole process.

Mayor Lago: I have a motion and a second.

City Clerk Urquia: Mr. Mayor, before we move on, we have one additional member of the public requesting to speak on the item, Jackson Holmes.

Vice Mayor Anderson: I thought we lost him.

City Clerk Urquia: He's through Zoom.

Vice Mayor Anderson: Okay.

Mayor Lago: Mr. Holmes.

Mr. Holmes: Thanks so much. I don't know if you can see me, but I'm glad that you're moving to postpone it. I apologize. I've been under doctor's care here, so not that anyone cares, but I was hospitalized about a week ago, and I'm not trying to make you feel sorry for me, but I am trying to explain my absence. So, I wish I had made a stronger presentation in both items today that I've been interested in. Please postpone getting the requisite materials you are discussing.

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Mayor Lago: Okay. We have a motion and a second. Anything else?

Vice Mayor Anderson: No.

Commissioner Castro: Yes

Commissioner Fernandez: Yes

Commissioner Menendez: Yes

Vice Mayor Anderson: Yes

Mayor Lago: Yes

(Vote: 5-0)