



Mayor Carlos A. Gimenez

Cultural Affairs
111 NW 1st Street • Suite 625
Miami, FL 33128-1994
T 305-375-4634 F 305-375-3068
miamidadearts.org

miamidade.gov

June 18, 2018

Callie DeHaven
Director
Division of State Lands
Florida Department of Environmental Protection
Marjory Stoneman Douglas Building
3900 Commonwealth Boulevard
Tallahassee, Florida 32399-3000

Dear Ms. DeHaven,

We are in receipt of your letter dated May 21, 2018 ("Letter"). We have not, however, been provided by Department of Environmental Protection (DEP) or by the Office of Inspector General (OIG) with a copy of the OIG audit of Lease No. 4721 for the Coconut Grove Playhouse (the "Lease") referenced in your Letter. After receipt of your letter, we searched the OIG's website and were able to find a copy of the OIG audit of the Lease.

Pursuant to Florida Statute Section 20.055, the OIG is required to provide both the County and Florida International University (FIU), as co-tenants and as the entities contracting with the State of Florida for the Lease, with a copy of the draft audit findings and to notify us of the ability to submit a written response within 20 working days after receipt of the findings. Further, Florida law provides that "[t]he response and the Inspector general's rebuttal to the response, if any, must be included in the final audit report." See Fla. Stat. §20.055. After reviewing the audit, we respectfully disagree with its conclusion and strongly object to the issuance of this final report because the OIG failed to provide the County and FIU with its draft findings, an opportunity to respond to those findings in writing, and to have the County's and FIU's rebuttal included in the final audit report as required by Florida law.

Consequently, by copy of this letter, the County and FIU are petitioning the OIG to rescind its audit, comply with §20.055, and include in its final audit report the detailed, written objection set forth in the document attached as Exhibit A hereto setting forth the significant progress made to date and compliance with the Lease. In sum, the County and FIU maintain that we were and are in full compliance with the terms and conditions of the Lease. Accordingly, the County and FIU deem your request for a lease amendment to the Lease to be unwarranted.

The OIG's audit and your letter misinterpret the provisions of the Lease in regard to the timetable for completing our project. I have provided a more comprehensive and accurate account of the lease provisions in prior correspondence with your office (and in response to questions from the OIG). For example, the following is an excerpt from an email sent to DEP dated October 12, 2016 (Attachment 1):

"Given the complex nature of the work on the Coconut Grove Playhouse and the State's understanding of this, we agreed on a Lease and Business Plan that was approved, explicitly

characterizing the benchmarks of the timetable as approximate and subject to change. Please note the following illustrative sections of our Lease agreement with the State:

- "The leased premises shall be developed consistent with the original management concept included in the PLAN approved by the LESSOR on August 20, 2013, provided however, that all parties understand and agree that the details of the PLAN may evolve and change as a result of, and throughout, the design, construction and operational phases of the PLAN." (Lease Agreement No. 4721, Section 8, page 3).
- "The preliminary timetable for this work is contingent on variables ranging from the time necessary for the variety of necessary governmental approvals (ranging from County contracts for architectural and construction services to municipal reviews for historic preservation, permitting and inspections) to unforeseen existing site conditions and weather factors. Typically, capital projects consist of the following phases (with broadly approximate time periods for each phase)." (Coconut Grove Playhouse Business Plan, Exhibit B to Lease Agreement No. 4721, page 9).

The changes to the schedule that we sent to you in writing on March 21, 2016 constitute the very adjustments that generally were anticipated in the Lease and Business Plan and as such, are not Lease compliance issues. We appreciate your acknowledging the time it took us to clear up the encumbrances on the property's title and remind you that we also reported that additional time was necessary to competitively select the architectural and engineering team and to conduct the extensive testing on the Playhouse structure necessary to formulate thoughtful recommendations for the building. It is important to note that we continue to be committed to completing the Coconut Grove Playhouse capital project no later than October 15, 2022, subject to contingencies described in the Business Plan."

(emphasis added). It is important to emphasize that, specifically in reference to the general timetable, the Lease uses such phrases as "contingent on variables," "typically, capital projects consist of the following phases," and "broadly approximate time periods for each phase."

Finally, we reiterate what we provided in writing to the OIG:

"Please refer to the updated schedule provided to you as Attachment 4 in the December 13, 2017 response to your inquiries; this timetable is in adherence with the condition of the lease that requires the Playhouse project to be completed by 2022."

In fact, the County and FIU have made considerable progress on this important project; this has been reported repeatedly to DEP (and to the OIG). We point out the following as examples of the diligent effort and good faith exercised by the County-FIU partnership to advance work on the Playhouse:


- Our accomplishments regarding the Coconut Grove Playhouse project have been provided to DEP in our annual progress reports, most recently sent to DEP on March 12, 2018 (Attachment 2) and as indicated, we are now in the final phase of the architectural and engineering work;

- Our web site (<http://miamidadearts.org/coconut-grove-playhouse-updates>) continues to provide both an archive and the most recent information available on the Playhouse project in furtherance of our commitment to public information and transparency;
- As required in our lease, the County has expended considerable funds to advance the Playhouse project, as reported to the OIG as being in excess of \$864,000;
- As required by the Lease and with the concurrence of representatives from your office, earlier this year the County expended \$100,000 (\$40,000 directly and \$60,000 through its title insurance company) to resolve litigation against the County, FIU and the State wherein it was alleged that the State incorrectly exercised the reverter provisions regarding the property (Attachment 3);
- Our architectural and engineering team has shared its comprehensive research and is continuing to work in collaboration with the State Division of Historical Resources on the nomination of the Playhouse to the National Register of Historic Places; and
- We have developed a beautifully designed project that reflects the village ambiance and scale of Coconut Grove, respects the site's historic and cultural qualities, and provides an artistically excellent and financially sustainable business model.

The County and FIU have been responsive to each and every request for information made by DEP and the OIG. Our working assumption from the outset of this project is that the State, and specifically DEP, is our partner and is committed to understanding and helping us with the complexities of this important project. In light of recent actions by the State, we are concerned that the State is questioning our resolve and our capability. We want to remind you that the County and FIU have decades of distinguished track records for delivering capital projects that have made our cultural community one of the best in the nation and made this state university one of Florida's preeminent institutions of higher learning. Our partnership is dedicating all of this experience and expertise – not to mention considerable financial and human resources - to making the Coconut Grove Playhouse project a success.

We hope that the State can continue to act as a supportive partner in an endeavor that is an admittedly complex project that FIU and the County have undertaken with the sole objective of benefitting the community. We remain committed to returning great regional theater to the Coconut Grove Playhouse in compliance with our Lease.

Sincerely,



Michael Spring
Senior Advisor to the Mayor
Director, Miami-Dade Department of Cultural Affairs

Attachments 1-3
Exhibit A

c: Dr. Kenneth A. Jessell, Senior Vice President and Chief Financial Officer, FIU
Valerie Peacock, Audit Director, Office of Inspector General, DEP

Spring, Michael (Office of the Mayor)

From: Woolam, Scott <Scott.Woolam@dep.state.fl.us>
Sent: Wednesday, October 12, 2016 12:06 PM
To: Spring, Michael (Office of the Mayor)
Subject: RE: Coconut Grove Playhouse Update

Thanks Michael

Scott Woolam
Senior Program Analyst
Division of State Lands
850-245-2806
Scott.Woolam@dep.state.fl.us
3900 Commonwealth Blvd. Mail Station 100
Tallahassee, Fl. 32399-3000



From: Spring, Michael (Office of the Mayor) [mailto:Michael.Spring@miamidade.gov]
Sent: Wednesday, October 12, 2016 12:05 PM
To: Woolam, Scott <Scott.Woolam@dep.state.fl.us>
Cc: Clark, David <David.A.Clark@dep.state.fl.us>; Lewis, Rene <Rene.Lewis@dep.state.fl.us>; Thompson, Vicki <Vicki.Thompson@dep.state.fl.us>; Ferro, Alex (Office of the Mayor) <Alex.Ferro@miamidade.gov>; Gonzalez, Miguel (CAO) <Miguel.Gonzalez2@miamidade.gov>; Denis, Marie (CUA) <MDENIS@miamidade.gov>
Subject: RE: Coconut Grove Playhouse Update

Dear Scott,

Given the complex nature of the work on the Coconut Grove Playhouse and the State's understanding of this, we agreed on a Lease and Business Plan that was approved, explicitly characterizing the benchmarks of the timetable as approximate and subject to change. Please note the following illustrative sections of our Lease agreement with the State:

- "The leased premises shall be developed consistent with the original management concept included in the PLAN approved by the LESSOR on August 20, 2013, provided however, that all parties understand and agree that the details of the PLAN may evolve and change as a result of, and throughout, the design, construction and operational phases of the PLAN." (Lease Agreement No. 4721, Section 8, page 3).
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The changes to the schedule that we sent to you in writing on March 21, 2016 constitute the very adjustments that generally were anticipated in the Lease and Business Plan and as such, are not Lease compliance issues. We appreciate your acknowledging the time it took us to clear up the encumbrances on the property's title and remind you that we also reported that additional time was necessary to competitively select the architectural and engineering team

and to conduct the extensive testing on the Playhouse structure necessary to formulate thoughtful recommendations for the building. It is important to note that we continue to be committed to completing the Coconut Grove Playhouse capital project no later than October 15, 2022, subject to contingencies described in the Business Plan.

We hope to see you in Miami on November 4, 2016. As requested, at that time we will provide you with a comprehensive capital project update based on the work of our architectural and engineering team.

Please call me if you have any questions

Michael

Michael Spring
Senior Advisor, Miami-Dade County Office of the Mayor
Director, Miami-Dade County Department of Cultural Affairs
111 N.W. First Street, Suite 625
Miami, FL 33128

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305-794-1694 (mobile)
305-375-3068 (fax)
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www.miamidade.gov

"Delivering Excellence Every Day"

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From: Woolam, Scott [mailto:Scott.Woolam@dep.state.fl.us]
Sent: Friday, September 16, 2016 3:10 PM
To: Spring, Michael (Office of the Mayor) <Michael.Spring@miamidade.gov>
Cc: Clark, David <David.A.Clark@dep.state.fl.us>; Lewis, Rene <Rene.Lewis@dep.state.fl.us>; Thompson, Vicki <Vicki.Thompson@dep.state.fl.us>
Subject: FW: Coconut Grove Playhouse Update

Hey Michael

Thank you for your letter providing the update on the status of the Coconut Grove Playhouse Business Plan requirements and your request to extend the associated timeline for Phase II. Please be aware that the extension request has raised many concerns about FIU and the County's abilities to remain in compliance with the lease terms and to complete the overall project as presented in the business plan approved by the Governor and Cabinet.

We understand the County believes all time delays can be made up in the construction phase time allotment of 36 – 60 months, with the final completion date remaining October 15, 2022. Additional details and assurances that the final completion date for the Playhouse is to remain unchanged will be needed before we can respond to the request regarding an extension. We realize that the first phase completion date laid out in the approved business plan was delayed for seven months due to clearing encumbrances on the property; however, the extension you have asked for includes the seven plus five additional months. If the request is approved, the project will be a full year behind schedule before the bidding activities are even begun.

We appreciate your efforts in setting up a meeting to discuss the master plans for the Playhouse. For the meeting, please provide more details to support this request including updates to the Development Schedule and the Regional Theater Preliminary Operational Forecast from page 13 of the Business Plan, all planning and schematic design plans, and how the construction phase will be altered to meet the completion date of October 15, 2022.

Please contact me if you have any questions.

Scott Woolam
Senior Program Analyst
Division of State Lands
850-245-2806
Scott.Woolam@dep.state.fl.us
3900 Commonwealth Blvd. Mail Station 100
Tallahassee, Fl. 32399-3000



From: Spring, Michael (Office of the Mayor) [<mailto:MS4@miamidade.gov>]
Sent: Monday, March 21, 2016 11:44 PM
To: Woolam, Scott <Scott.Woolam@dep.state.fl.us>; Thompson, Vicki <Vicki.Thompson@dep.state.fl.us>
Cc: Margol, Deborah (CUA) <DEBO@miamidade.gov>; Denis, Marie (CUA) <MDENIS@miamidade.gov>
Subject: Coconut Grove Playhouse Update

Hi, Scott, Vicki.

As a follow-up to our last report on the progress of our work to re-establish theater at the Coconut Grove Playhouse property, I am forwarding an updated timetable showing the originally estimated completion time frame for the design and construction of the project and the actual and revised dates that we can project as of today. As you may remember, after signing the lease, it took us the full 3 months to clean up the title encumbrances (bringing us to January 15, 2014); nonetheless, the attached timetable uses the lease's execution date (October 15, 2013) as the starting time for the schedule. In addition, the competitive selection process to secure the services of the architectural and engineering team took longer than originally anticipated.

Due to various tests and historical analysis needed to be performed on the existing structure, we are projecting that the design phase also will take longer than originally anticipated. The Land Use/Business Plan indicated that these kind of factors might affect phases of the work.

We are confident that we will be able to regain that time in the latter phases of the project, bidding and construction, in order to finish within the same overall scheduled time for the project. Please review the attached file and let us know if this revised timeline is acceptable. Feel free to call if you have any questions.

We will continue to provide updates as key milestones in the process are completed. We anticipate to have a master plan to share with the community by this summer.

Thanks,

Michael

Michael Spring
Senior Advisor, Miami-Dade County Office of the Mayor
Director, Miami-Dade County Department of Cultural Affairs
305-375-5049 (office)
305-794-1694 (mobile)

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Spring, Michael (Office of the Mayor)

From: Spring, Michael (Office of the Mayor)
Sent: Monday, March 12, 2018 4:59 PM
To: 'Woolam, Scott'
Cc: Clark, David; Fleener, Andrew; Thompson, Vicki; Kenneth A. Jessell Ph. D. (kenneth.jessell@fiu.edu); Denis, Marie (CUA); Ferro, Alex (Office of the Mayor)
Subject: RE: Annual Playhouse Update
Attachments: 2018.03.12 CGP Project Status Report.docx

Hi, Scott.

Please find attached the annual update on the Coconut Grove Playhouse.

Michael

Michael Spring
Senior Advisor, Miami-Dade County Office of the Mayor
Director, Miami-Dade County Department of Cultural Affairs
305-375-5049 (office)
305-794-1694 (mobile)

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From: Woolam, Scott [mailto:Scott.Woolam@dep.state.fl.us]
Sent: Monday, March 12, 2018 10:16 AM
To: Spring, Michael (Office of the Mayor) <Michael.Spring@miamidade.gov>
Cc: Clark, David <David.A.Clark@dep.state.fl.us>; Fleener, Andrew <Andrew.Fleener@dep.state.fl.us>; Thompson, Vicki <Vicki.Thompson@dep.state.fl.us>
Subject: Annual Playhouse Update

This is an EXTERNAL email. Exercise caution. DO NOT open attachments or click links from unknown senders or unexpected emails. Please click here if this is a suspicious message reportspam@miamidade.gov Enterprise Security Office

Hey Michael

Can we please get your Annual Playhouse Update preferably today? Thank you

Scott Woolam
Senior Program Analyst
Division of State Lands
850-245-2806
Scott.Woolam@dep.state.fl.us
3900 Commonwealth Blvd. Mail Station 100
Tallahassee, Fl. 32399-3000



Coconut Grove Playhouse – Status Report

March 12, 2018

Architectural and engineering work

- The A/E team continues the work with the County and Florida International University (FIU) on the architectural and engineering documents and the required regulatory reviews. On April 4, 2017, the City of Miami Historic and Environmental Preservation Board (HEPB) reviewed the request for a Certificate of Appropriateness for the master plan submitted by Miami-Dade County and its partner Florida International University. The design team, led by Arquitectonica, and historic preservation architect Jorge Hernandez presented the project's history, conclusions derived from the extensive research conducted on the building, and updated plans based on the refinements that had taken place since the application had been submitted. After hearing extensive testimony from the public, the HEPB approved the master plan concept with a 4-1 vote.

- Shortly after the HEPB's approval of the master plan, two Coconut Grove residents submitted an appeal to the HEPB's resolution R-17-023 (http://miamidadearts.org/sites/default/files/files/inline/2017.04.19_hepb_resolution_appeal.pdf). The county's response to the appeal is available here: http://miamidadearts.org/sites/default/files/files/inline/2017.06.16_mdc_response_to_appeal_of_miami_hepb_resolution_no._r-17-023.pdf

- The team presented the results of the design development phase at a town meeting held on October 19, 2017 at the Miami-Dade County Auditorium, followed by an opportunity for questions and answers. Materials presented at the meeting were made available in advance of the meeting and posted on the Department's web site. The presentation included:
 - The premiere of a powerful short video providing insight into the current condition of the Playhouse, the need for the planned improvements, and the opportunities that the restored historic front building, new theater building, compatible related development, and pedestrian-friendly public spaces will bring to the Coconut Grove community (<https://www.youtube.com/watch?v=BeZziYUcwBq>); and

 - A presentation by Bernardo Fort-Brescia, Founding Principal of Arquitectonica International Corporation, highlighting the new drawings from the design development phase of the architectural work including renderings of various exterior views throughout the site as well as the interior of the theater, showing how the entire, existing proscenium arch will be re-used for the new theater.

<https://drive.google.com/file/d/0B5QwEdZSVgAvS1F3UFZodDVpLW8/view>

- The 50% construction documents phase of the design work was authorized on December 4, 2017 and is almost complete. The following phase, 90% construction documents, will be authorized shortly.

- After being deferred for several months, the HEPB appeal was reviewed by the City of Miami Commission on December 14, 2017. On a motion by Commissioner Ken Russell, the City of Miami Commission voted 3-to-2 to overturn the near unanimous vote of their own Historic and Environmental Preservation Board (HEPB). The HEPB's positive vote in April 2017 was in support of the County's submitted master plan concept for the Coconut Grove Playhouse. The City Commission approved in part and denied in part the appeal, but included conditions that do not appear to be in keeping with the purview of the HEPB. The City resolution is available here: <https://www.dropbox.com/s/jiopkto57cda03g/2018.01.02%20R-17-0622%20A%20RESOLUTION%20OF%20THE%20MIAMI%20CITY%20COMMISSION.pdf?dl=0>

- In response to the City's resolution, the County has filed a petition for a writ of certiorari, which is available here: <https://www.dropbox.com/s/t7qjb9gdngi3h7f/Petition%20for%20Writ%20of%20Certiorari-Filed.pdf?dl=0>

- As part of the City of Miami's regulatory approval process, the A/E team has/will be presenting the project at the following review committees/boards:
 - **City of Miami's Coordinated Review Committee (CRC)** (January 10, 2018) - provided comments regarding zoning, landscaping, fire, public works, etc., all of which have been addressed for the following regulatory review;

 - **Urban Development Review Board (UDRB)** (February 21, 2018) –project approved without conditions and with overwhelmingly positive comments, <https://www.dropbox.com/s/rfmcee8kas6lwwq/2018.02.21%20Coconut%20Grove%20Playhouse%20-%20Signed%20UDRB%20Resolution.pdf?dl=0>);

 - **Planning Zoning and Appeals Board (PZAB)** – application submitted; review projected to be scheduled in May 2018;

 - **Historic and Environmental Preservation Board (HEPB)** – (date: TBD) a Certificate of Appropriateness will be requested for the full project.

- The project remains on target to be completed by October 2022.

GableStage

- GableStage continues to work with AMS Planning and Research on the operational, artistic, and mission-related aspects of the organization in preparation for its move to the Coconut Grove location and the organization's future as GroveStage. An updated operational pro-forma for the organization has been developed and is expected to be provided to the County this month.
- GableStage continues to collaborate with FIU on programming initiatives related to education and outreach.

Other project related items

- On November 30, 2017, a town hall meeting organized by County Commissioner Xavier Suarez, City of Miami Commissioner Ken Russell, and Lieutenant Governor Carlos Lopez-Cantera was held at City of Miami City Hall to discuss the Coconut Grove Playhouse. The majority of the speakers providing public input spoke in favor of the County's plan that has been authorized by the Board of County Commissioners, Florida International University Board of Trustees, and the State of Florida Cabinet and Governor. One of the recurring comments made by both the public and public officials is the need to move the project forward without delay.
- On December 1, 2017 Miami-Dade County Mayor Gimenez issued a comprehensive report on the project, outlining the various legislative actions approved related to the project, the progress being made to return theater to Coconut Grove, and the hurdles ahead. The report is available here: <https://www.miamidade.gov/mayor-memo/12.01.17-Coconut-Grove-Playhouse-Progress-Report.pdf>. In an effort to better educate the public on the facts related to the project, the report also includes a series of frequently asked questions. These FAQs are updated as new issues arise and are prominently posted on the Department's website here: <http://miamidadearts.org/coconut-grove-playhouse-frequently-asked-questions>.
- The Miami Herald published an article on February 5, 2018 that reported on the results of a public opinion survey of registered voters in Coconut Grove regarding the Coconut Grove Playhouse. By an almost 2 to 1 margin, voters support the County/FIU plan to build a 300-seat theater to be operated and programmed by GableStage. The Miami Herald article is available at

at <http://www.miamiherald.com/news/local/community/miami-dade/coconut-grove/article198416274.html>

- On February 6, 2018, the City of Miami's Historic and Environmental Preservation Board voted to forward the State's draft nomination report to the National Register of Historic Places to the Florida Historical Commission for review. The County's Historic Preservation Officer had provided a letter of support for the application that outlining important factual details that needed to be included in the nomination report. The letter is available here: <https://www.dropbox.com/s/r1tdqfo5p0s07yh/2018.02.01%20MDC-CoconutGrovePlayhouse-Comments%20to%20City.pdf?dl=0>.
- On February 8th, the Florida Historical Commission approved deferring the nomination report until August in order to allow staff additional time to strengthen the application. Jorge Hernandez, the historic preservation architect that is part of the Arquitectonica's team, is sharing the extensive research he conducted on the Playhouse with State staff to augment the factual details in the application.

Existing building and site operations

- We remain vigilant to keep the building secure from intruders and vandalism. All entrance and exit points are boarded and/or locked. Additional repairs are performed on an as needed basis.
- Miami Parking Authority (MPA) continues to manage the operation of all parking on site and regularly monitors the property.

Project updates are posted periodically on our website, including all past updates: <http://miamidadearts.org/coconut-grove-playhouse-updates>.

MEMORANDUM

Agenda Item No. 8(C)(2)

TO: Honorable Chairman Esteban L. Bovo, Jr.
and Members, Board of County Commissioners

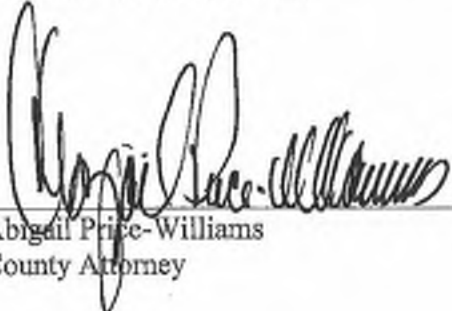
DATE: January 23, 2018

FROM: Abigail Price-Williams
County Attorney

SUBJECT: Resolution approving Mediated Settlement Agreement between Miami-Dade County, Board of trustees of the Internal Improvement Trust Fund of the State of Florida, Florida International University Board of Trustees, Roniel Rodriguez, IV, Old Republic National Title Insurance Company, and Strategic Properties Group, Inc. in an amount of \$100,000.00, of which \$40,000.00 shall be paid by the County

Resolution No. R-23-18

The accompanying resolution was prepared by the Cultural Affairs Department and placed on the agenda at the request of Prime Sponsor Commissioner Xavier L. Suarez.



Abigail Price-Williams
County Attorney

APW/cp

Memorandum

MIAMI-DADE
COUNTY

Date: January 23, 2018

To: Honorable Chairman Esteban L. Bovo, Jr.
and Members, Board of County Commissioners

From: Carlos A. Gimenez
County Mayor 

Subject: Resolution Approving the Settlement of a Lawsuit between Miami-Dade County, Board of Trustees of the Internal Improvement Trust Fund of the State of Florida, Florida International University Board of Trustees, Roniel Rodriguez, IV, Old Republic National Title Insurance Company, and Strategic Properties Group, Inc. Case No. 14-15650 CA 23

RECOMMENDATION

It is recommended that the Board of County Commissioners (Board) approve the attached settlement agreement of the lawsuit between Miami-Dade County, Board of Trustees of the Internal Improvement Trust Fund of the State of Florida (TIFF), Florida International University Board of Trustees (FIU), Roniel Rodriguez, IV, Old Republic National Title Insurance Company (National Title), and Strategic Properties Group, Inc. (Strategic) pending in the Circuit Court of the Eleventh Judicial Circuit, in and for Miami-Dade County, Case No. 14-15650 CA 23, (the Lawsuit) in the amount of \$100,000 in favor of Strategic. National Title shall pay Strategic \$60,000 and the County shall pay Strategic \$40,000 as full and final satisfaction and payment for all claims relating to the Coconut Grove Playhouse property.

SCOPE

This proposed settlement stems from litigation involving the State-owned, Coconut Grove Playhouse property and the privately-owned, adjacent Bike Shop property. The Coconut Grove Playhouse property is located in County Commission District 7, which is represented by Commissioner Xavier L. Suarez, but it will serve residents from throughout the County.

FISCAL IMPACT/FUNDING SOURCE

The fiscal impact to the County from entering into this settlement agreement is \$40,000 and shall be funded from parking revenue proceeds from the Coconut Grove Playhouse surface parking lot.

TRACK RECORD/MONITOR

The execution and enforcement of this settlement agreement will be overseen by Michael Spring, Senior Advisor to the Mayor and Director, Department of Cultural Affairs.

BACKGROUND


On October 12, 2012, the TIFF executed and filed in the public records a Notice of Automatic Reverter on the Coconut Grove Playhouse property stating that as a result of the Coconut Grove Playhouse, LLC's (Former Operator) breach of its deed, the Playhouse property had reverted to the State. At the time of the reverter, there were numerous claims against the Former Operator and the Playhouse property pending. Thereafter, the State of Florida issued a notice of its intent to offer the Playhouse Property for lease, provided any subsequent tenant would be required to and would agree to resolve all of the encumbrances on the Playhouse property. On October 1, 2013 via Resolution No. R-797-13, this Board authorized the County administration to enter into a lease agreement with the State, with FIU as a co-tenant for the

Honorable Chairman Esteban L. Bovo, Jr.
and Members, Board of County Commissioners
Page 2

Playhouse property, and on December 17, 2013 via Resolution No. R-1043-13 to negotiate with claimants that had encumbrances on such property and to resolve such claims in an amount not to exceed \$120,000. Thereafter, the County resolved five claims totaling \$40,375 and removed all of the encumbrances on the Playhouse Property.

Strategic obtained a final judgment against the Former Operator in September 2013 for approximately \$550,000 with interest and then sought, in 2014, to levy upon both the State-owned Coconut Grove Playhouse property and the adjacent, privately-owned Bike Shop property to satisfy its judgment. The State of Florida, FIU, the County and GH Mortgage (the purported owner of the Bike Shop property) all challenged Strategic's right to levy on the property. Miami-Dade County, on behalf of the County's Police Department, filed an action in court to have the court declare the parties' respective rights and named itself, FIU, the TIFF, Strategic, Roniel Rodriguez, IV, and GH Mortgage as defendants. The County and FIU also sought defense of their position from National Title, the title insurance company for the title policy on the Coconut Grove Playhouse property. Strategic, in turn, filed claims against the TIFF seeking to void its Notice of Automatic Reverter and have the court declare that the Playhouse property had never reverted to the TIFF and that Strategic's final judgment against the Former Operator had thereby become an encumbrance on the Playhouse property.

After protracted litigation, the parties all attended mediation in August 2017 and reached a settlement of Strategic's claims against the Coconut Grove Playhouse property for \$100,000, to be paid in the amount of \$60,000 by National Title and \$40,000 by the County. Strategic will continue to try to satisfy its Final Judgment through the Bike Shop property and its separate litigation involving GH Mortgage and Cosmopolitan Investment Group, LLC and if its recovery against one or both of those entities summed increased by \$100,000 meets or exceeds that owed to it pursuant to its Final Judgment, then it shall reimburse National Title and the County for all such sums that exceed its Final Judgment in proportion to National Title and the County's settlement payments.


Michael Spring
Senior Advisor

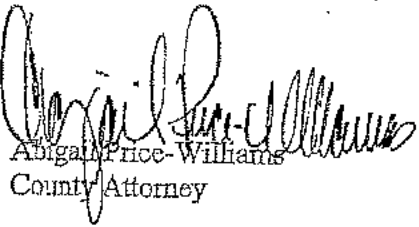


MEMORANDUM

(Revised)

TO: Honorable Chairman Esteban L. Bovo, Jr.
and Members, Board of County Commissioners

DATE: January 23, 2018

FROM: 
Abigail Price-Williams
County Attorney

SUBJECT: Agenda Item No. 8(c)(2)

Please note any items checked.

- "3-Day Rule" for committees applicable if raised
- 6 weeks required between first reading and public hearing
- 4 weeks notification to municipal officials required prior to public hearing
- Decreases revenues or increases expenditures without balancing budget
- Budget required
- Statement of fiscal impact required
- Statement of social equity required
- Ordinance creating a new board requires detailed County Mayor's report for public hearing
- No committee review
- Applicable legislation requires more than a majority vote (i.e., 2/3's _____, 3/5's _____, unanimous _____) to approve
- Current information regarding funding source, index code and available balance, and available capacity (if debt is contemplated) required

Approved _____ Mayor
Veto _____
Override _____

Agenda Item No. 8(C)(2)
1-23-18

RESOLUTION NO. R-23-18

RESOLUTION APPROVING MEDIATED SETTLEMENT AGREEMENT BETWEEN MIAMI-DADE COUNTY, BOARD OF TRUSTEES OF THE INTERNAL IMPROVEMENT TRUST FUND OF THE STATE OF FLORIDA, FLORIDA INTERNATIONAL UNIVERSITY BOARD OF TRUSTEES, RONIEL RODRIGUEZ, IV, OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY, AND STRATEGIC PROPERTIES GROUP, INC. IN AN AMOUNT OF \$100,000.00, OF WHICH \$40,000.00 SHALL BE PAID BY THE COUNTY

WHEREAS, this Board desires to accomplish the purposes outlined in the accompanying memorandum, a copy of which is incorporated herein by reference,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that this Board: (i) approves and incorporates the foregoing recital as though fully set forth herein; (ii) approves and authorizes the County Mayor or County Mayor's designee to execute the Mediated Settlement Agreement, in substantially the form attached hereto as Attachment 1, between Miami-Dade County, Board of Trustees of the Internal Improvement Trust Fund of the State of Florida, Florida International University Board of Trustees, Roniel Rodriguez, IV, Old Republic National Title Insurance Company ("National Title"), and Strategic Properties Group, Inc. ("Strategic") in the amount of \$100,000.00 in favor of Strategic; and (iii) authorizes the County Mayor or Mayor's designee to exercise all provisions set forth in the Mediated Settlement Agreement and to take all actions necessary to effectuate same. National Title shall be responsible to make payment in an amount of \$60,000.00 and the County shall be responsible to make payment in an amount of \$40,000.00.

The foregoing resolution was offered by Commissioner **Rebeca Sosa** who moved its adoption. The motion was seconded by Commissioner **Sally A. Heyman** and upon being put to a vote, the vote was as follows:

	Esteban L. Bovo, Jr., Chairman	aye	
	Audrey M. Edmonson, Vice Chairwoman	aye	
Bruno A. Barreiro	aye	Daniella Levine Cava	aye
Jose "Pepe" Diaz	absent	Sally A. Heyman	aye
Barbara J. Jordan	aye	Joe A. Martínez	aye
Jean Monestime	aye	Dennis C. Moss	absent
Rebeca Sosa	aye	Sen. Javier D. Souto	aye
Xavier L. Suarez	absent		

The Chairperson thereupon declared the resolution duly passed and adopted this 23rd day of January, 2018. This resolution shall become effective upon the earlier of (1) 10 days after the date of its adoption unless vetoed by the County Mayor, and if vetoed, shall become effective only upon an override by this Board, or (2) approval by the County Mayor of this Resolution and the filing of this approval with the Clerk of the Board.

MIAMI-DADE COUNTY, FLORIDA
BY ITS BOARD OF
COUNTY COMMISSIONERS

HARVEY RUVIN, CLERK



By: **Christopher Agrippa**
Deputy Clerk

Approved by County Attorney as
to form and legal sufficiency.

Mediated Settlement Agreement

Miami-Dade County (the "County"), Board of Trustees of the Internal Improvement Trust Fund of the State of Florida ("BOT"), Florida International University Board of Trustees ("FIU"), Roniel Rodriguez, IV, Old Republic National Title Insurance Company ("Old Republic") and Strategic Properties Group, Inc. ("Strategic" and collectively with all of the other entities named herein, the "Parties") met on August 9, 2017 to mediate the case styled *Miami-Dade County v. Strategic Properties Group, Inc., et al.*, Case No. 14-15650 CA 23 ("Lawsuit") and have reached an agreement as of such date to fully settle the claims by and between themselves arising out of or related to the matter set forth in the above-styled litigation, upon the following terms and conditions, subject to and contingent upon approval by the County Mayor and the Miami-Dade County Board of County Commissioners.

1. Terms of Settlement.

a. Payment Obligations. In full and complete satisfaction of the claims between the Parties relative to the Lawsuit, Strategic agrees to accept the total sum of One Hundred Thousand and 00/100 Dollars (\$100,000.00), payable within ten (10) days, after approval by the later of (1) the County Mayor and (2) the Miami-Dade County Board of County Commissioners, and the exchange of executed copies of this *Agreement*. Payment to Strategic shall be made as follows: (1) Sixty Thousand and 00/100 Dollars (\$60,000.00) shall be paid by Old Republic, and (2) Forty Thousand and 00/100 Dollars (\$40,000.00) shall be paid by the County. All payments shall be made payable in accordance with the instructions set forth as Exhibit "A", or as otherwise instructed in writing by Strategic.

b. Stipulated Final Judgment. In return for such payment, the Parties shall file a *Stipulation for Final Judgment* relative to the Lawsuit declaring the BOT to hold fee simple

title ownership of the Coconut Grove Playhouse Property located at 3500 Main Highway, Miami, Florida more specifically described as the "Playhouse Property" in Exhibit A to the Quitclaim Deed recorded at OR Book 22498 Pages 4535-4548 ("Playhouse Property"); declaring that Strategic's Final Judgment against the Coconut Grove Playhouse LLC recorded at OR Book 28826 at page 1998 ("Final Judgment") of the public records of Miami-Dade County, Florida (and any subsequent or related recordings) is not enforceable as a lien, encumbrance or otherwise against the Playhouse Property or the BOT, FIU or the County; and declaring that the Playhouse Property automatically reverted to the BOT in October of 2012. All other claims shall be dismissed with prejudice. Each of the Parties to such action shall bear their own attorneys' fees and costs.

This *Agreement* and the payment set forth above is in exchange for the release of the Playhouse Property and settlement of all claims relating to the Playhouse Property and not in partial satisfaction of the Final Judgment.

c. **Mutual Releases.** In material inducement for and in consideration for the Parties' collective execution of this *Agreement*, each of the Parties do, for themselves and for their past, present and future employees, agents, representatives, officers, directors, shareholders, members, principals, subsidiaries and affiliates, heirs, executors, administrators, successors and assigns, jointly and severally, release the County, Strategic, BOT, Roniel Rodriguez, IV, FIU, and Old Republic, and their respective subsidiaries and affiliates, heirs, executors, administrators, insurers, sureties, successors and assigns, from any and all actions, causes of actions, suits, demands, damages and/or claims of every kind or nature, whether at law, under statute or in equity, whether in contract or in tort, presently known or unknown, which each and every one ever had, now have or which they hereinafter can, shall or may have against another Party and, upon or by reason of any matter, action, inaction, omission, cause or thing whatsoever from the beginning of the world to the date of this *Agreement* arising out of the Final Judgment, the reverter of the

Playhouse Property to the BOT, and the Lawsuit (including all claims brought or which could have been raised relating to the facts alleged therein). This release is not intended to release Cosmopolitan Investment Group, LLC ("Cosmopolitan"), GH Mortgage, LLC or any other party not a signatory to this *Agreement*.

d. **Reimbursement.** The Parties understand and acknowledge that Strategic has two pending actions against, amongst other parties, Cosmopolitan and GH Mortgage, LLC (Case No. 13-01596 CA 09 and Case No. 14-15581 CA 09 and referred to herein as the "Bike Shop Lawsuits") relating to the property adjacent to the Playhouse Property commonly known as the Bike Shop property is more specifically described as the "Bike Shop Property" in Exhibit A to the Quitclaim Deed recorded at OR Book 22498 Pages 4535-4548 ("Bike Shop Property"). To the extent that Strategic's total recovery obtained from this *Agreement* along with that recovery from either or both of the Bike Shop Lawsuits (or any settlements resulting therefrom) exceeds its Final Judgment, then Strategic agrees to reimburse the County and Old Republic all such recovered funds (up to \$100,000.00) in excess of its Final Judgment. The County and Old Republic shall be reimbursed proportionate to their payment as set forth in this *Agreement*. Strategic agrees that it shall use its best efforts to recover the full amount of its Final Judgment in the Bike Shop Lawsuits and against any other parties. In the event that Strategic recovers the full or partial amount of its Final Judgment prior to the final approval and execution of this *Agreement*, then, (a) in the event of a full recovery, no payment shall be made to Strategic by the County or Old Republic and (b) in the event of partial recovery, the amounts due hereunder by the County and Old Republic shall be reduced accordingly proportionate to their required payment set forth in this *Agreement*.

2. **Litigation; Prevailing Party.** If any of the Parties breaches any term of this *Agreement*, including the violation of any representation and warranty, and/or it becomes necessary for any of the Parties to apply to a Court of competent jurisdiction for the enforcement

of this *Agreement*, the breaching Party shall be responsible for all attorneys' fees, consulting fees, engineering fees, and such other fees, expenses and costs of whatever kind or nature, incurred by the prevailing Party, as a result of the default, at all trial and appellate levels.

3. **Miscellaneous Provisions.** (i) **No Oral Agreements.** It is agreed and understood by the Parties that there have been no oral or other agreements of any kind whatsoever as a condition precedent or to induce the execution and delivery of this *Agreement* by any Party hereto. It is further agreed that no change, addition or amendment shall be made herein or to any of the terms, covenants or conditions hereto except by writing, signed by all Parties to this *Agreement*. (ii) **Severability of Terms.** The provisions of this *Agreement* are intended to be severable. In the event that one or more provisions of this *Agreement* shall be declared or held to be invalid, illegal or unenforceable, in whole or in part, in any respect, unless such invalidity, illegality or unenforceability shall be tantamount to a failure of consideration, the validity, legality and enforceability of the remaining provisions contained in this *Agreement* shall not in any way be affected or impaired thereby. (iii) **No Third Party Beneficiaries.** It is further agreed that this *Agreement* is solely for the benefit of the Parties hereto and shall not create any rights in any person not a party hereto, or in any way increase the rights of third persons, or increase the obligations of the Parties hereto to any third person, or increase the liability or obligations of any Party, except as may otherwise be set forth expressly in this *Agreement*. (iv) **Review of Counsel.** The Parties represent and warrant that they, along with their selected, independent counsel, have fully participated in the negotiating and drafting of this *Agreement*, that they have read and reviewed this *Agreement* and discussed the terms and conditions with their selected, independent counsel, and that as a result of their review and consultation with counsel, they understand the meaning, terms, conditions and ramifications of this *Agreement* and that they are entering into this *Agreement* freely and voluntarily without any duress or compulsion, economic or otherwise. (v)

No Presumption in Drafting. It is further understood and agreed by the Parties that this Agreement shall be construed without any regard to any presumption or other rule requiring construction against the party causing this Agreement, or any Exhibits attached to this Agreement, or to be drafted. (vi) **Amendments in Writing.** No waivers, amendments or modifications of this Agreement shall be valid unless in writing and signed by each of the Parties. (vii) **Admissibility of Agreement.** The Parties hereby agree that this Agreement shall be admissible into evidence in any judicial, administrative or other forum for the purpose of establishing that the Parties are hereby barred from pursuing further litigation or administrative actions as more explicitly expressed herein. (viii) **Counterparts.** The Parties agree that this Agreement may be executed in counterparts. *AL*

AGREED TO AS INDICATED BELOW.

Strategic Properties Group, Inc.

By: *[Signature]*
Title: *Officer with Authority*
Counsel: *[Signature]*

Miami-Dade County, Florida

By: *[Signature]*
Title: *Senior Adviser, Office of the Mayor*
Counsel: *[Signature]*

The Board of Trustees of the Internal Improvement Trust Fund of the State of Florida

By: *[Signature]*
Title: *Senior Program Analyst*
Counsel: *[Signature]*

Florida International University
Board of Trustees

By: *[Signature]*
Title: *VP & CFO*
Counsel: *Carlos B. Castillo, General Counsel*

Old Republic National Title Insurance Company

By: _____
Title: _____
Counsel: _____

Roniel Rodriguez, IV.

By: *[Signature]*
Title: *Individually and As Counsel*
Counsel: *[Signature]*

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Counsel: *[Signature]*

Miami-Dade County, Florida

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Title: *Senior Advisor, Office of the Mayor*
Counsel: *[Signature]*

The Board of Trustees of the Internal Improvement Trust Fund of the State Of Florida

By: *[Signature]*
Title: *Senior Program Analyst*
Counsel: *[Signature]*

Florida International University Board of Trustees

By: _____
Title: _____
Counsel: *[Signature]*

Old Republic National Title Insurance Company

By: *[Signature]*
Title: *VP/Claims Counsel*
Counsel: *[Signature]*

Roniel Rodriguez, IV.

By: *[Signature]*
Title: *Individually and As Counsel*
Counsel: *[Signature]*

Exhibit A

Bank: **BANK OF AMERICA**
Account Name: Roniel Rodriguez IV PA IOTA Trust
Account #: 898052843825
Routing Number: 026009593
SWIFT: BOFAUS3N

Bank Address: Bank of America
150 West Flagler Street
Miami, Florida 33130
Bank Phone: 1-800-432-1000

FOR ALL OTHER ELECTRONIC TRANSACTIONS:

Routing/ABA ACH Number: 063100277

**Miami-Dade County Department of Cultural Affairs
Response to
Audit of Lease Agreement 4721
by the Florida Department of Environmental Protection
Office of Inspector General (OIG) Report: A-1718DEP-019
for the Coconut Grove Playhouse Property**

June 18, 2018

Miami-Dade County ("County") and Florida International University (FIU) respectfully disagree with the conclusion and feel compelled to point out the incomplete information, significant omissions of facts, and inaccuracies contained in the above-referenced audit ("Audit"). The information below is provided in response and rebuttal to the Audit dated March 12, 2018.

Methodology

To date, the County and FIU have not been provided by Department of Environmental Protection (DEP) or by the Office of Inspector General (OIG) with a copy of the OIG audit of Lease No. 4721 for the Coconut Grove Playhouse (the "Lease").

Pursuant to Florida Statute Section 20.055, the OIG is required to provide both the County and FIU, as co-tenants and as the entities contracting with the State of Florida for the Lease, with a copy of the draft audit findings and to notify us of the ability to submit a written response within 20 working days after receipt of the findings. Further, Florida law provides that "[t]he response and the Inspector General's rebuttal to the response, if any, must be included in the final audit report." See Fla. Stat. §20.055. After reviewing the Audit, we respectfully disagree with its conclusion and strongly object to the issuance of this final report because the OIG failed to provide the County and FIU with its draft findings, an opportunity to respond to those findings in writing, and to have the County's and FIU's rebuttal included in the final audit report as required by Florida law.

Consequently, the County and FIU hereby petition the OIG to rescind its Audit, comply with §20.055, and include in its final audit report the detailed, written objection set forth in this document.

Project Timetable

The OIG's audit misinterprets the provisions of the Lease in regard to the timetable for completing the project. The more comprehensive and accurate account of the lease provisions was provided to the OIG and DEP. For example, the following is an excerpt from an email sent to DEP dated October 12, 2016 (Attachment 1):

"Given the complex nature of the work on the Coconut Grove Playhouse and the State's understanding of this, we agreed on a Lease and Business Plan that was approved, explicitly characterizing the benchmarks of the timetable as approximate and subject to change. Please note the following illustrative sections of our Lease agreement with the State:

- "The leased premises shall be developed consistent with the original management concept included in the PLAN approved by the LESSOR on August 20, 2013, provided however, that all parties understand and agree that the details of the PLAN may evolve and change as a result of, and throughout, the design, construction and operational phases of the PLAN." (Lease Agreement No. 4721, Section 8, page 3).
- "The preliminary timetable for this work is contingent on variables ranging from the time necessary for the variety of necessary governmental approvals (ranging from County contracts for architectural and construction services to municipal reviews for historic preservation, permitting and inspections) to unforeseen existing site conditions and weather factors. Typically, capital projects consist of the following phases (with broadly approximate time periods for each phase):" (Coconut Grove Playhouse Business Plan, Exhibit B to Lease Agreement No. 4721, page 9).

The changes to the schedule that we sent to you in writing on March 21, 2016 constitute the very adjustments that generally were anticipated in the Lease and Business Plan and as such, are not Lease compliance issues. We appreciate your acknowledging the time it took us to clear up the encumbrances on the property's title and remind you that we also reported that additional time was necessary to competitively select the architectural and engineering team and to conduct the extensive testing on the Playhouse structure necessary to formulate thoughtful recommendations for the building. It is important to note that we continue to be committed to completing the Coconut Grove Playhouse capital project no later than October 15, 2022, subject to contingencies described in the Business Plan."

(emphasis added). It is important to emphasize that specifically in reference to the general timetable, the Lease uses such phrases as "contingent on variables," "typically, capital projects consist of the following phases," and "broadly approximate time periods for each phase."

Finally, we reiterate what we provided in writing to the OIG:

"Please refer to the updated schedule provided to you as Attachment 4 in the December 13, 2017 response to your inquiries; this timetable is in adherence with the condition of the lease that requires the Playhouse project to be completed by 2022."

It is important to point out that the Timetable chart provided in the Audit is not a part of the Lease. In addition, the Audit did not include some of the pertinent facts that we provided to the OIG regarding this Timetable. For example, in our December 13, 2017 response to the OIG's inquiries, we stated, "The timetable shown above is not part of the lease. The lease was executed on October 15, 2013 and the State required that the encumbrances on the title be cleared within a 90-day period, making the lease effective on January 15, 2014." Nonetheless, the Audit uses the incorrect date of October 15, 2013 to calculate date ranges.

Furthermore, the changes that this Timetable is being used to illustrate are attributable to the very conditions in the Lease that we have pointed out: "The preliminary timetable for this work is contingent on variables ranging from the time necessary for the variety of necessary governmental approvals (ranging from County contracts for architectural and construction services to municipal reviews for historic preservation, permitting and inspections) to unforeseen existing site conditions and weather factors." In the County's December 13, 2017 response to the OIG's inquiries, the County stated the following:

"The time required to complete the competitive selection process for the architectural and engineering services professional services agreement and the appeal of the Certificate of Appropriateness for the master plan granted by the City of Miami's Historic and Environmental Preservation Board are typical examples of issues that have impacted the Coconut Grove Playhouse project. The time required for each individual phase will vary and will continue to change as the project evolves. The County remains confident of its ability to complete the project within the overall timeline stipulated in the Business Plan."

It also is important to note that reports and schedule updates provided by the County to DEP clearly have not constituted "Revision Requests" to the Lease as suggested by the Audit. These updates and reports are provided to apprise DEP of progress being made on the project and to demonstrate that the County and FIU are in full compliance with the Lease.

Finally, the last sentence of this section of the Audit on page 7 of the Audit provides only part of the County response provided to the OIG on January 5, 2018; it omits the final County sentences which are as follows:

"The County continues to move forward, implementing the approved plan that is well underway (currently at the 50% construction document phase and beginning to undergo regulatory agency reviews) for returning theater to Coconut Grove. Please refer to the updated schedule provided to you as Attachment 4 in the December 13, 2017 response to your inquiries; this timetable is in adherence with the condition of the lease that requires the Playhouse project to be completed by 2022."

Business Plan Components

Operating Forecast

The Audit misrepresents the earned revenue portion of the GableStage annual operating budget as only "ticket revenue and concessions." In fact, "memberships" are ticket sales (i.e., subscribers buy tickets for the entire theatrical season) but are not included in the Audit's financial calculation of "total revenues...generated from ticket revenue and concessions." This mistake was made in the Audit in spite of the fact that the County's January 5, 2018 response to the OIG provided the following explanation and factual information:

"It is important to provide you with the proper framework to view the budgetary line items of a non-profit cultural organization so that you do not arrive at inaccurate assumptions/conclusions. Typically, Revenue Budgets of non-profit cultural organizations consist of three principal sources:

- Earned Revenues – admissions and subscriptions (ticket sales), memberships, contracted services, and other earned revenues;
- Contributed Income – corporate, foundation, private/individual, special events (e.g., fundraising events), and other contributed revenue; and
- Public Grants – local, state and federal government funding sources.

To clarify by percentage the proportionate breakdown of revenues proposed in the Business Plan's Preliminary Operational Forecast for Regional Theater (Page 14 of 16), the actual distribution of revenue generation represented by those assumptions back in 2013 is as follows:

- 43.145% - Earned Revenues (\$1,125,000/\$2,607,500)
- 43.432% - Contributed Income (\$1,132,500/\$2,607,500)
- 13.423% - Public Grants (\$350,000/\$2,607,500)

GableStage is a financially responsible and debt-free, non-profit organization that not only continues to mount critically-acclaimed and award-winning seasons of theater but also balances its budget annually with a combination of earned revenues, contributed income, and public and private grants, through which it maintains a positive fund balance. It is important to underscore that there is a difference between a project budget in a specific grant application and an organization's overall annual operating budget.

Based on an independent audit submitted by the organization for its most recently completed fiscal year (FY 2016-2017), which is included herein as Attachment A – GableStage 2016-2017 Audited Financial Statements, GableStage's budget is comprised of the following:

- 41.756% - Earned Revenues
- 43.782% - Contributed Income
- 14.462% - Public Grants"

In regard to the updated operating pro forma developed by GableStage, the Audit incorrectly states that the County did not provide a "prior pro-forma;" in fact, the County pointed out in its January 5, 2018 response to the OIG:

"The 'original pro-forma' is the document previously identified in your inquiry as the 'preliminary operational budget included in the Business Plan' (pages 13 and 14 of 16) attachment to the lease."

In fact, since that time, the updated operating pro forma has been completed, was provided to DEP, and is posted on the County's web site: <http://miamidadearts.org/news/gablestage-grovestage-completes-updated-business->

[and-transition-plan](#). It represents a responsible and comprehensive analysis of the business elements that will constitute the successful operation of the Playhouse by GableStage.

Operation of Parking and Site Maintenance

The Audit reports on the "MPA Income and Expense Report," listing the total revenues and total expenditures to date. The Audit neglects to include the following important information provided to the OIG in the County's January 5, 2018 response to the OIG's inquiries, affirming that all parking revenues are committed to the Playhouse project:

"The balance of the funds is committed to be used for these site-related expenses and for the construction of the theater and is accounted for in the Project Budget submitted to you on December 13, 2017 as Attachment 1."

Finding and Recommendation

The County strongly disagrees with the Audit's only "Finding" which incorrectly asserts that it has failed to adhere to the timetable for the project. The County's position has been set forth in detail in the "Project Timetable" section of this response to the Audit and the County maintains that it is in full compliance with the Lease's requirements. The Audit offers only an unsubstantiated and speculative generality regarding its conclusion that "the Project will be subject to further delay." Consequently, the County respectfully rejects the Audit's "Recommendation."

In fact, the County and FIU have made considerable progress on this important project; this has been reported repeatedly to DEP (and to the OIG). We point out the following as examples of the diligent effort and good faith exercised by the County-FIU partnership to advance work on the Playhouse:

- Our accomplishments regarding the Coconut Grove Playhouse project have been provided to DEP in our annual progress reports, most recently sent to DEP on March 12, 2018 and as indicated, we are now in the final phase of the architectural and engineering work;
- Our web site (<http://miamidadearts.org/coconut-grove-playhouse-updates>) continues to provide both an archive and the most recent information available on the Playhouse project in furtherance of our commitment to public information and transparency;
- As required in our lease, the County has expended considerable funds to advance the Playhouse project, as reported to the OIG as being in excess of \$864,000;
- As required by the Lease and with the concurrence of representatives from your office, earlier this year the County expended \$100,000 (\$40,000 directly and \$60,000 through its title insurance company) to resolve litigation against the County, FIU and the State wherein it was alleged that the State incorrectly exercised the reverter provisions regarding the property;

- Our architectural and engineering team has shared its comprehensive research and is continuing to work in collaboration with the State Division of Historical Resources on the nomination of the Playhouse to the National Register of Historic Places; and
- We have developed a beautifully designed project that reflects the village ambiance and scale of Coconut Grove, respects the site's historic and cultural qualities, and provides an artistically excellent and financially sustainable business model.

The County and FIU have been responsive to each and every request for information made by DEP and the OIG. Our working assumption from the outset of this project is that the State, and specifically DEP, is our partner and is committed to understanding and helping us with the complexities of this important project. In light of recent actions by the State, we are concerned that the State is questioning our resolve and our capability. We want to remind you that the County and FIU have decades of distinguished track records for delivering capital projects that have made our cultural community one of the best in the nation and made this state university one of Florida's preeminent institutions of higher learning. Our partnership is dedicating all of this experience and expertise – not to mention considerable financial and human resources - to making the Coconut Grove Playhouse project a success.