

**CITY OF CORAL GABLES
Property Advisory Board Meeting**

Wednesday October 17, 2012, 8:30 a.m.
Economic Sustainability Department
1 Alhambra Plaza, Suite 617, Coral Gables, FL 33134

MEMBERS	N	D	J	F	M	A	M	J	J	A	S	O	APPOINTING ENTITY
	'11	'11	'12	'12	'12	'12	'12	'12	'12	'12	'12	'12	
Luis Espino	P	+	P	+	P	P	+	E	P	+	+	E	Mayor Jim Cason
Jack Elmore	P	+	P	+	P	P	+	P	P	+	+	P	Vice Mayor William H. Kerdyk, Jr.
Maurice Donsky	P	+	E	+	P	P	+	P	P	+	+	P	Commissioner Maria Anderson
James Hinrichsen Vice Chairman	P	+	E	+	P	P	+	E	E	+	+	P	Commissioner Rafael Cabrera, Jr.
Tony Gonzalez	P	+	P	+	P	E	+	P	P	+	+	P	Commissioner Frank Quesada
Edmund Mazzei Chairman	P	+	P	+	P	p	+	P	P	+	+	P	City Manager Patrick Salerno
Valentin Lopez	P	+	P	+	E	E	+	P	E	+	+	P	City Commission

A = Absent
P = Present
E = Excused
+ = No Meeting

STAFF AND GUESTS

Cynthia S. Birdsill, Director, Economic Sustainability Department
Leonard Roberts, Assistant Director, Economic Sustainability Department
Chase Hamann, Business Development Analyst, Economic Sustainability Department
Megan Cross Schmitt, Administrative Assistant, Economic Sustainability Department
Thad Adams, Vice President, The Allen Morris Company

Motion Summary:

A motion to excuse Mr. Espino's absence was approved unanimously.

Mr. Elmore made a motion to approve the minutes from the July 9, 2012 Board meeting. Mr. Donsky seconded the motion, which passed unanimously.

The Vice Chair Mr. Hinrichsen called the meeting to order at 8:31 a.m. The Chair, Mr. Mazzei, joined the meeting in progress.

1. Motion to excuse Luis Espino's absence.

The Board expressed deep sympathy for the passing of Mr. Espino's son.

Mr. Gonzalez made a motion to excuse the absence of Luis Espino. Mr. Lopez seconded the motion, which passed unanimously.

2. Review and approval of the Property Advisory Board Minutes of July 9, 2012.

Mr. Elmore made a motion to approve the minutes from the July 9, 2012 Board meeting. Mr. Donsky seconded the motion, which passed unanimously.

3. Presentation about the current real estate market in Coral Gables by Thad Adams, Vice President, the Allen Morris Company.

Mr. Adams spoke about the current office and retail markets. Third-quarter 2012 metrics show that although Brickell's vacancy rate is very high due to the 2 million square feet of office space added to the market in the last 3 years, the area is doing very well. Mr. Adams explained that many of the building owners are offering sweetheart deals in order to lease their space. Mr. Adams added that in recent years some multinational corporations have chosen Doral and Waterford/Blue Lagoon not only because of the proximity to Miami International Airport, but because of the high quality office space with no charge for parking.

Mr. Adams told Board members that much of the current 24% vacancy rate seen in Coral Gables' Class A office space is due to the new Class A building at 396 Alhambra Circle. He said that the owners were doing a good job of attracting tenants, and Ms. Birdsill told the Board that HBO Latin America had moved their offices to the building.

Mr. Adams gave a brief overview of major tenants who are staying in Coral Gables:

- Gibraltar Bank – Relocating from 220 Alhambra Plaza into the 62,000 SF tower connected to 1 Alhambra Plaza.
- HBO Latin America – The retention and expansion of this company was a huge win for the City.
- Cherry, Bekaert & Holland – Two years ago the Allen Morris Company placed this CPA firm into 8,000 SF of space, however after a significant increase in staff, they now occupy 29,000 SF in the building at 2525 Ponce de Leon Boulevard.
- Mercantile Commerce – Recently renewed their lease of 80,000 SF at 220 Alhambra Plaza.
- Zubi Advertising – Anchor occupying 19,000 SF in their new building at Ponce Circle Park.
- AerSale – The Allen Morris Company expanded this international aviation company's space from 8,000 SF to 22,000 SF.

- Northwestern University – Their space in the building at 95 Merrick Way increased to 22,000 SF.
- Bayview Financial – Renewed their lease of 89,000 SF at the Village of Merrick Park.
- Merrill Lynch – Renewed their lease of 31,000 SF at 355 Alhambra Circle.

Mr. Adams gave a brief overview of tenants new to the Coral Gables market:

- Capital Bank – New corporate headquarters opened at 121 Alhambra Plaza.
- Starbucks – Latin American headquarters is now located at 95 Merrick Way, occupying 9,000 SF.
- Millicom International Cellular – New tenants in 396 Alhambra Circle occupying 22,000 SF.
- Dade Medical College – The Allen Morris Company placed their headquarters at 95 Merrick Way; the College has plans to locate a campus in downtown Coral Gables.

Mr. Adams mentioned the importance of the Permitting Assistance Program in working with potential new tenants and retaining existing companies who may have the perception that permitting requirements can create challenges to locating their businesses in Coral Gables. According to Mr. Adam's calculations, in the last two years, over 300 jobs have been retained or created with a capital investment of \$27 million thanks to the success of the program. Ms. Birdsill informed the Board that the Permitting Assistance Program was used with HBO Latin America and Cherry, Bekaert & Holland, and is currently being used with Dade Medical College. Mr. Adams credited the program as having led to Dade Medical College's expansion into downtown Coral Gables.

Mr. Adams explained that under the Permitting Assistance Program, the City not only expedites certain projects, the City and Chamber also provide an annual basic course on permitting for the small business community. Ms. Birdsill said that Carmen Olazabal, the Assistant Director of Development Services, had made many improvements to help streamline the permitting process. She encouraged Board members to spread the word about the Permitting Assistance Program and to tell anyone that is experiencing issues to contact the ESD.

Mr. Adams informed the Board that in the retail market, Coral Gables' vacancy rate is 4.6%. While Coral Gables is doing well, Brickell and Miami Beach's Lincoln Road present competition.

Mr. Mazzei told the Board that he is currently working on a deal with a company that already has two stores in Madrid for a retail space of 1,500SF in the 300 block of Miracle Mile.

Mr. Mazzei asked the status of 2325 Galiano Street and Mr. Roberts informed him that they have applied for their demo permit and have their contractor and architect in place. They anticipate opening in March 2013. Mr. Mazzei said that because it is City-owned property, once the build out is complete, the Board would like a tour of the building.

4. Review of Outstanding Rent Report.

The Board reviewed the Outstanding Rent Report which showed most tenants to be current.

There being no further business, the meeting adjourned at 9:24 a.m.

The next Property Advisory Board meeting is scheduled for December 19, 2012.

Respectfully submitted,

Megan Cross Schmitt
Administrative Assistant
Economic Sustainability Department