

City of Coral Gables
 CITY COMMISSION MEETING
 December 8, 2015

ITEM TITLE:

A Resolution authorizing entering into a renewal lease with Junkanoo Crew, Inc., d/b/a Ortanique on the Mile, with regard to City owned property at 278 Miracle Mile, Coral Gables, Florida for a period of ten (10) years.

DEPARTMENT HEAD RECOMMENDATION:

Approval

BRIEF HISTORY:

Junkanoo Crew, Inc., d/b/a Ortanique on the Mile, has been a tenant at the City-owned property at 278 Miracle Mile since 1998, pursuant to prior Lease Agreements, the most recent being dated September 13, 2011, which expires on August 16, 2016, and would like to replace its current five-year renewal lease with a longer period before undertaking \$325,000 in renovations. The renovations would coincide with construction of the Miracle Mile Streetscape project, when business is expected to decrease. The proposed lease terms are as follows:

Premises: 278 Miracle Mile, Coral Gables, FL

Tenant Improvements: Tenant agrees, at its sole cost and expense, to remodel the interior and exterior of the Premises using new and quality materials and equipment at an approximate cost of \$325,000.

Use: Restaurant

Term: 10 years from August 16, 2016 – August 16, 2025

Renewal: Provided Landlord chooses to renew the lease, the tenant will have 2 five (5) year renewal terms. Base Rent will in no event be less than 115% of the rate of the last lease year in the initial term or first renewal term, as applicable. Landlord shall have the right not more than twelve (12) months or less than six (6) months prior to the end of the initial Lease Term to notify the Tenant that the Landlord will not renew the Lease.

Rent: Throughout the Term of the Lease, commencing on the Rent Commencement Date, Tenant agrees to pay Landlord "Base Rent" as follows:

LEASE YEAR	BASE RENT PER MONTH	BASE RENT PER SQUARE FOOT
8/17/16-8/16/17	\$9,041.67	\$35.00
8/17/17-8/16/18	\$9,315.50	\$36.06
8/17/18-8/16/19	\$9,591.92	\$37.13
8/17/19-8/16/20	\$9,881.25	\$38.25
8/17/20-8/16/21	\$10,175.75	\$39.39

8/17/21-8/16/22	\$10,480.58	\$40.57
8/17/22-8/16/23	\$10,795.75	\$41.79
8/17/23-8/16/24	\$11,121.25	\$43.05
8/17/24-8/16/25	\$11,454.50	\$44.34
8/17/25-8/16/26	\$11,798.08	\$45.67

Percentage Rent: None

Security Deposit: There continues to be no security deposit.

Operating Expenses: Tenant will continue to pay its proportionate share of insurance and building expenses. Tenant's proportionate share of the building's common area expense is 8.2720%.

Real Estate Taxes/Bid Assessment: Tenants will continue to pay its share of Real Estate Taxes and the BID assessments.

City staff also reviewed the Tenant's business proposal noting the projected income is considered reasonable relative to the proposed rent.

Property Advisory Board recommended approval at its meeting on June 24, 2015.

LEGISLATIVE ACTION:

Date.	Resolution/Ordinance No.	Comments
September 4, 1997	Resolution No. 29598	Lease
September 13, 2011	Resolution No. 2011-223	Lease Renewal


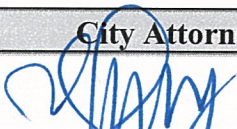

ADVISORY BOARD/COMMITTEE RECOMMENDATION(S):

Date.	Board/Committee	Comments
June 24, 2015	Property Advisory Board	Approved

FINANCIAL INFORMATION: (If Applicable)

No.	Amount	Account No.	Source of Funds
N/A			

APPROVED BY:

Department Director	City Attorney	City Manager
		

ATTACHMENT(S):

1. Proposed Resolution
2. Lease Agreement