

CITY OF CORAL GABLES, FLORIDA

RESOLUTION NO. 2017-282

A RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO A NONBINDING LETTER OF INTEREST WITH THE CORAL GABLES CINEMATEQUE, INC IN SUPPORT OF THEIR EFFORTS TO SEEK OUTSIDE FUNDING IN ORDER TO EXPAND INTO THE CITY-OWNED PROPERTY LOCATED AT 240 ARAGON AVENUE, CORAL GABLES, FLORIDA AT THE EXPIRATION OF THE EXISTING TENANT’S (PATIO & THINGS) LEASE BY SEPTEMBER 1, 2020.

WHEREAS, pursuant to Ordinance No. 2010-24, the City and Coral Gables Cinemateque, Inc. (“Tenant”) entered into an Amended and Restated Lease dated September 28, 2010, as amended by that First Amendment dated November 4, 2015 per Resolution No. 2015-260 and that Second Amendment dated April 1, 2016 per Resolution No. 2016-60 (collectively the “Agreement”) with regard to City property located at 260 Aragon Avenue, Coral Gables, FL also known at the Museum Garage; and

WHEREAS, the term of the Agreement commenced on October 1, 2010 and continues through September 30, 2025, and allows for a one 5-year renewal term unless extended or terminated by the Parties; and

WHEREAS, the Tenant has a one theater cinema with 144 seats (“Main theater”) that shows one film for several weeks in which patrons visit once per film; and

WHEREAS, the Tenant is desirous to add two smaller theaters with up to 80 additional seats that would allow the Tenant to rotate films from the Main theater to smaller theaters to allow more films to show on a more frequent rotation; and

WHEREAS, the City leases the space east of the Tenant to Patio & Things, located at 240 Aragon Ave whose lease expires August 31, 2017 and the Tenant would like to expand the number of theaters into the Patio & Things space at the time of that tenant’s lease expiration; and

WHEREAS, the financial terms of this transaction would result in less lease revenue to the City since the Tenant pays below market rent and Patio & Things pays market rent; and

WHEREAS, Staff believes that the decrease in lease revenue that would result from the Art Cinema’s expansion into that space would be offset by the greater economic development impact that would be generated by an increase in visitors to the cinema, which will in turn support surrounding business establishments and greater use of the Museum Garage’s parking; and

WHEREAS, the Tenant needs a nonbinding commitment from the City to raise funds to buildout the additional theaters and has requested a Letter of Interest (“LOI”) to include the following terms: 10 year term starting in 2020; two 5 year renewal options; lease rate to be negotiated; Tenant to provide build out; Landlord to provide rent abatement based on tenant improvement cost; use to include but not limited to showing films, film festivals, book readings, cultural performances, and include the sale of beer and wine; and Landlord shall have the right to audit the Tenant’s financials; and

WHEREAS, the Property Advisory Board and Economic Development Board reviewed the proposed terms and recommended that the City enter into a non-binding LOI as set forth in the above whereas clause, at their meetings on August 9, 2017 and August 24, 2017, respectively, and desires to review a business plan before a lease is executed; and

WHEREAS, in recognition that Patio and Things has been a model tenant, City Staff will work with them to provide an alternative location that meets their business needs, should the City decide to allow the Art Cinema to expand into their space; and

WHEREAS, the City Commission wishes to allow the Tenant to explore the opportunity of expanding into the Patio & Things space by executing a nonbinding letter of interest;

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSION OF THE CITY OF CORAL GABLES:

SECTION 1. That the foregoing “Whereas” clauses are hereby ratified and confirmed as being true and correct and are hereby made a specific part of this Resolution upon the adoption hereof.

SECTION 2. That the LOI is hereby approved in substantially the form attached hereto as Exhibit “A.”

SECTION 3. That the City Commission does hereby authorize the City Manager to enter into a nonbinding LOI with the Tenant to support their efforts to seek outside funding in order to expand into the City-owned property located at 240 Aragon Ave, Coral Gables, Florida with such modifications to the form attached hereto as Exhibit “A” as may be approved by the City Manager and City Attorney that are necessary to implement the intent of this resolution.

SECTION 4. That this resolution shall become effective immediately upon the date of its passage and adoption herein.

PASSED AND ADOPTED THIS TWENTY-SIXTH OF SEPTEMBER, A.D., 2017.
(Moved: Lago / Seconded: Quesada)
(Yeas: Keon, Lago, Mena, Quesada, Valdes-Fauli)
(Unanimous: 5-0 Vote)
(Agenda Item: I-1)

APPROVED:



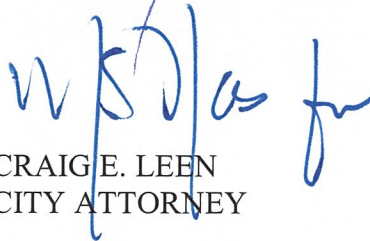
RAUL VALDES-FAULI
MAYOR

ATTEST:



WALTER J. FOEMAN
CITY CLERK

APPROVED AS TO FORM
AND LEGAL SUFFICIENCY



CRAIG E. LEEN
CITY ATTORNEY