

City of Coral Gables City Commission Meeting
Agenda Item E-2
June 14, 2016
City Commission Chambers
405 Biltmore Way, Coral Gables, FL

City Commission

Mayor Jim Cason

Commissioner Pat Keon

Commissioner Vince Lago

Vice Mayor Frank Quesada

Commissioner Jeannett Slesnick

City Staff

City Manager, Cathy Swanson-Rivenbark

City Attorney, Craig E. Leen

City Clerk, Walter J. Foeman

Deputy City Clerk, Billy Urquia

Public Speaker(s)

Agenda Item E-2 [9:10:30 a.m.]

An Ordinance of the City Commission of the City of Coral Gables, Florida authorizing the City to enter into a lease with Starbucks Corporation with regard to City owned property at 292 Miracle Mile, Coral Gables, Florida for a period of ten (10) years with four (4) consecutive five-year renewable options; providing for a repealer provision, severability clause and providing for an effective date.

Mayor Cason: Let's move onto E-2. This is also an Ordinance on Second Reading.

City Attorney Leen: Yes Mr. Mayor. Item E-2 is An Ordinance of the City Commission of the City of Coral Gables, Florida authorizing the City to enter into a lease with Starbucks Corporation with regard to City owned property at 292 Miracle Mile, Coral Gables, Florida for a period of ten (10) years with four (4) consecutive five-year renewable options; providing for a repealer provision, severability clause and providing for an effective date. Because this is an Ordinance on Second Reading, it's a public hearing item.

Mayor Cason: Do we have any speaker cards?

City Clerk Foeman: No Mr. Mayor.

Mayor Cason: Close the public hearing. Discussion?

Commissioner Lago: Well, I'd like to if we can through the Manager, if I may, I'd like to have a discussion in regards to, it's my understanding that the realtor who represents the other Starbucks parcel on U.S.-1 is here.

City Manager Swanson-Rivenbark: I'd refer the item to the City Attorney, because they've been in communication with Starbucks in Seattle, and they are certainly cooperating with us on the issue that was raised.

City Attorney Leen: Yes Mr. Commissioner, there was – I had a conversation, an exchange of e-mails, but basically a conversation yesterday with Donise Brown, who is in the General Counsel's office, I believe for Starbucks, and she does a lot of the legal work for the South Florida region. We had a very good and candid discussion. I explained to her that this was unacceptable, that the City Commission and the City Manager would not accept this, that my office would not either, that we would take any action necessary to stop the stacking on U.S.-1, which causes a public safety issue, and that that's why they were given a citation. Last week a warning that basically they past the warning period and so now they are in violation. What I was informed by Ms. Brown was that, she asked for a little bit of time to talk to Starbucks and to come back with a proposal; and I got an e-mail from her yesterday evening and what she indicated was that they would like an extension till June 30th on the violation in order to come forward with a proposal, a written proposal that would both address the short-term issue and the long term issue. She asked that the – what she told me in the conversation was as for the short-term; they understand that they need to stop the stacking. They are looking at hiring, having an off-duty police officer be there, Coral Gables Police Department police officer be there, and they are going to be working with the department, and I put them in contact, I'm putting them in contact with Frank Fernandez and Ed Hudak to address that situation. And then, number two, in the long term they understand that its unacceptable to have any stacking, so they need to find a way to structure the drive-through so that it doesn't cause stacking, and if they can't, then they are ultimately have to give up the drive-through, which may mean that the lease itself will have to be terminated. There is a lease right now for the parking lot and each side would basically agree to cancel it if they can't find a way to fix the drive-through issue. Anyhow, they are asking till the end of June, and I've informed her that the City Manager and I are placing this on the July agenda for final Commission action, either on their plan, if its necessary, or maybe able to be

approved administratively, but either for some final action there, or at least a status report to show that this issue has been resolved, or for final Commission action on the lease.

Commissioner Lago: Thank you Craig. I had several discussions with the attorney that represent the owners of the property at Starbucks, and I also had a detailed conversation with our new Assistant City Manager Peter Iglesias in reference to the opportunities of redesigning the parking lot. It's a very tight site, so there are not many options. I know that he is reviewing to see, if hopefully they can come to an option. I want to make it very clear. We welcome them in the City, we want to continue having them in the City, but we need to put public safety at the forefront, that's number one. Number two, it's not only about public safety, even though that's the most imperative and most important aspect of this discussion. I think we are also having issues, which I spoke to the individual who owns the shopping center adjacent to Starbucks, and they are also having an egress and ingress issue when the stacking occurs, so people can't enter or exit that shopping center, where I think they have a Taco-Rico and they have a Subway, for an extended period of time, because there is no entrance except for that on U.S.-1, so I think that I don't have an issue waiting till June 30th. I just want to make sure that they are aware that we are serious about this and that this needs to be dealt with. We need to see some sort of progression by June 30th, a plan of action. So I recommend that they meet with the City Attorney, the City Manager, and our Assistant City Managers, both Mr. Iglesias and Mr. Fernandez to figure out a way to come before this Commission with a detailed action plan. Thank you.

Mayor Cason: So we have no speaker cards we said on this one?

City Clerk Foeman: No Mr. Mayor.

City Manager Swanson-Rivenbark: And Mr. Mayor, if I can...

Commissioner Lago: Commissioner Keon wanted to make a statement.

Commissioner Keon: I just wanted to ask why – I know that we can wait for a final plan of action from them on what they are going to do, but I would tell them that starting now, they need to hire either a private security guard or an off-duty policeman or someone to keep the stacking off of U.S.-1. Now, they can wait on people in the parking lot, they can deliver it to them in the parking lot when people are parking, I don't care, but you cannot continue to stack traffic on U.S.-1.

City Attorney Leen: We could make that a condition of the extension, for example. The point I want to make though too, is that we worked very hard here to keep this regulatory aspect, because there is a provision of our Zoning Code that's being violated, from the proprietary aspect

where we are the landlord, because here we are acting as regulator. Now because of the violation that also serves as a violation of the lease, so then as landlord in July you could take action based on that. So we've been very focused on the fact that there is stacking, that they can't allow the stacking, and one of the solutions that we propose, which I know they are looking into is having a police officer be there. Now we could insist on that in exchange for the extension – basically as a condition of granting an extension of time that they start during peak hours or anytime there is stacking at all that they have someone there, telling people not to stack on U.S.-1. It's probably going to be more effective and I would defer to public safety and the Police Department, but it probably would be more effective to have a police officer doing that, than just someone who works for Starbucks.

Commissioner Lago: So what you are basically saying – I agree with Commissioner Keon's statements. So what you are basically saying is the issue of potentially at their peak hours having a police officer on site to alleviate the traffic concern. So basically what they are going to be doing is, they are going to be turning away business. You are going to be forcing people to get out of the stacking lane, which I've seen it almost beyond the new dive shop that was just constructed on U.S.-1, we are talking about 20, 30, 40 cars deep in the mornings, because there is only one form of ingress and egress in that parking lot. I don't want to be dramatic, but it's a tough situation to be in. I don't know if our Police Chief or our Fire Chief want to mention anything or Assistant City Manager Fernandez want to discuss this issue. Do you have any additional comments?

City Manager Swanson-Rivenbark: And Mr. Mayor and members of the Commission, I have to say Starbucks is definitely paying attention. They have understood that we want to work out a safety solution. They understand that if we are not, we will move to close the drive-through through our parking lot, which is the lease that is in question, and therefore they may cancel the lease and we are prepared to do that without penalty. So we are clearly in the solution mode with Starbucks. They have said that they have reached out for off-duty, we'll facilitate that request and I also want you to know that there is Corey Burtrum, who is the real estate manager for Starbucks, he does both the one that we are talking about on Miracle Mile, which we are very excited about in our property, as well as the South Dixie Highway one, which is firstly successful, he can answer on either of those questions if you have any.

Mayor Cason: OK. So we close the public hearing. Motion on E-2, which is to remind people that's the Starbucks on 292 Miracle Mile.

Commissioner Lago: So moved.

Mayor Cason: Commissioner Lago makes the motion, Vice Mayor seconds. City Clerk.

Commissioner Keon: Yes
Commissioner Lago: Yes
Vice Mayor Quesada: Yes
Commissioner Slesnick: Yes
Mayor Cason: Yes
(Vote: 5-0)

[End: 9:19:16 a.m.]