



City of Coral Gables
CITY COMMISSION MEETING
July 15, 2008

ITEM TITLE:

RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A THREE (3) YEAR LEASE AGREEMENT, PLUS ONE THREE-YEAR (3) OPTION, WITH DULCE, LLC. FOR 950 SQUARE FEET OF RETAIL SPACE AT 286 MIRACLE MILE.

RECOMMENDATION OF THE CITY MANAGER:

The City Manager recommends approval of the lease.

BRIEF HISTORY:

The property located at 286 Miracle Mile is owned by the City of Coral Gables. It is 950 square feet and has been vacant since the prior tenant, Jewels on the Mile, vacated in early 2008. The space is permitted for retail use and the City has found a suitable tenant that is seeking high profile retail space and exemplifies the image the City is seeking to reinforce on the Mile. On May 19th Dulce, LLC's broker issued, on behalf of Dulce, LLC. a proposal to lease the space for a ladies luxury shoe store to the City's Development Department. The proposal explained the upscale market the business owners planned to target, the customer-focused business mission, and the adequate financial qualifications of the business owners. Since May 19th, the City has been working with Dulce, LLC on amenable terms of the lease. It stipulates a three-year lease agreement with an additional three-year option. The base rent begins at a monthly rate of \$3,500.00 (\$44.21 per square foot), and increases annually at 3% throughout the lease and option periods. The total value of the lease period is \$119,317.80 and the option period is \$141,855.42, which combines to yield \$261,173.22 for the six year occupancy duration.

Incorporated in the Lease terms, in an effort to revitalize the store front and make additional cosmetic upgrades inside the space, the City Administration is recommending a three-month rent abatement in lieu of much needed tenant improvements. The Lease Commence Date will be August 1, 2008 and the Rent Commencement Date, after the three-month abatement, will be November 1, 2008.

The City's Property Advisory Board has been consulted on two occasions. At its June 18th meeting, recommendations were made and subsequently reviewed by the City Attorney. Most of the recommendations were accepted and incorporated into the Dulce, LLC Lease and those that

were rejected were reviewed at the Board's July 9th meeting. Overall, the Board accepted the majority of the City Attorney's responses to the recommendations. Additionally, during that meeting two more verbiage issues were brought up which were later accepted by the City Attorney and incorporated into the lease.

The final proposal of the Dulce, LLC Lease is being submitted to the City Commission and has been reviewed by the City Attorney.

LEGISLATIVE ACTION:

Date:	Resolution/Ordinance No.	Comments

ADVISORY BOARD/COMMITTEE RECOMMENDATION(S):

Date	Board/Committee	Comments (if any)
June 18, 2008	Property Advisory Board	
July 9, 2008	Property Advisory Board	

FINANCIAL INFORMATION: (If Applicable)

No.	Amount	Account No.	Source of Funds
1.			
Total:	APPROVED BY:		

APPROVED BY:

Department Director	City Attorney (If Applicable)	City Manager
		

ATTACHMENT(S):

1. Lease draft
2. Resolution

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