

CITY OF CORAL GABLES
Economic Development Board Meeting Minutes
Wednesday, October 7, 2015, 8:00 a.m.
1 Alhambra Plaza, Suite 617, Coral Gables, Florida 33134

MEMBERS	J	F	M	A	M	J	J	A	S	O	N	D	COMMISSIONERS
	'15	'15	'15	'15	'15	'15	'15	'15	'15	'15	'14	'14	
Scott Sime Chair	P	E	P	X	X	X	P	P	P	P	P	P	Mayor Jim Cason
Olga Ramudo								P	P	P			Commissioner Jeannett Slesnick
Stuart McGregor							E	E	E	E			Commissioner Pat Keon
June Morris	P	P	E	X	X	X	P	E	P	P	P	E	Commissioner Vince Lago
Alexander Binelo	E	P	P	X	X	X	A	P	P	P	E	P	Commissioner Frank Quesada

A = Absent
E = Excused Absence
P = Present
X = No Meeting

STAFF AND GUESTS:

Javier Betancourt, Director, Economic Development Department
Leonard Roberts, Interim Director, Economic Development Department
Jorge Casuso, Business Development Analyst, Economic Development Department

Meeting Motion Summary:

A motion to approve the minutes of the September 2, 2015 Board meeting passed unanimously.

A motion to recommend that the City enter into a ten-year lease agreement with Starbucks for the City owned space at 292 Miracle Mile starting at \$45 PSF with two-five year renewals at fixed rates starting at \$69.58 PSF and another two five-year renewals at market rates after 20 years, that the termination fee be \$100,000 after the first five years, and that the rent abatement be four months to build out and three months during operation, passed unanimously.

Ms. Morris brought the meeting to order at 8:08 a.m.

- 1. Review of September 2, 2015 meeting minutes (Action)**

Mr. Binelo made a motion to approve the minutes of the September 2, 2015 Board meeting. Mr. Sime seconded the motion, which passed unanimously.

2. Discussion of Meeting Date and Time (Discussion)

Ms. Morris told the board she was concerned that meeting dates throughout the year had been changed. As a result, she had been marked as “excused” from a meeting she would have attended had the date not been changed. The Board agreed to keep the current schedule of holding its meetings every first Wednesday of the month at 8 a.m. Mr. Casuso informed the Board that if there is a quorum in the room, a Board member who is not present can participate and vote via telephone. Staff agreed to provide the Board with a meeting calendar and have a main line available during meetings for conference calls.

3. Review of final lease proposal for Starbucks at 292 Miracle Mile (Discussion)

Mr. Roberts informed the Board that Starbucks had submitted a counter offer to the terms presented by the City, which had taken into account the recommendations of the Board, as well as those of the Property Advisory Board (PAB). Starbucks’ proposed terms include a starting rate of \$45 PSF, instead of \$44 PSF, followed by 2 percent increases for the first 10 years, which amounted to an increase of approximately \$20,000 a year in rent. Starting rate during the first renewal option was increased from \$60.50 to \$69.58 and 2nd option renewal from \$66.55 to \$80 PSF. The increase resulted in an additional \$400,000 of revenue. Starbucks agreed to pay market rents after the first 20 years and estimated it would make \$850,000 to \$1 million in tenant improvements, insuring a quality outlet, Mr. Roberts said. Starbucks also agreed to a termination fee of \$100,000 if they terminate the lease after the first five years, and four month’s rent abatement during build out and three months during operation. Starbucks had wanted to have the deal approved by August so renovations could start in January, he said. Mr. Roberts added that the current tenant’s deal expires on January 31, so Starbucks can make the renovations during the Miracle Mile and Giralda Avenue Streetscape Project. Mr. Roberts said he anticipated Starbucks would be a destination business that should enliven the southeast corner of the Mile and Salzedo that could use more foot traffic. He added that The Economic Development Department was exploring developing a retail strategy for the street, since currently there is no plan to help determine the “types of retailers we want, where they would succeed and the rates.” He noted that the PAB currently reviews the lease proposals and that it may not be necessary for the Board, which must approve contracts of more than \$250,000, to review them in such detail. Mr. Sime noted that as a commercial Realtor he likes to review the details of a deal. Mr. Binelo said that if lease proposals are approved by the PAB, the Board can spend less time reviewing them. Mr. Sime said the Board should recommend that the City Commission approve the proposed Starbucks lease, since it was important for the City to retain the brand name retailer on the Mile.

A motion to recommend that the City enter into a ten-year lease agreement with Starbucks for the City owned space at 292 Miracle Mile starting at \$45 PSF with two-five year renewals at fixed rates starting at \$69.58 PSF and another two five-year renewals at market rates after 20 years, that the termination fee be \$100,000 after the first five years, and that the rent

abatement be four months to build out and three months during operation, passed unanimously.

4. Establish Goals for upcoming year

Mr. Betancourt said he believed in taking a holistic approach to the goals set by the Board but cautioned that the Board was limited in what it could do. Ms. Morris began the discussion by stating her top goal was to draft a comprehensive plan of economic incentives to bring important businesses and corporate headquarters to Coral Gables. She said the incentives should include expanding the Permitting Assistance Program and coming with a plan to solve the parking and signage problems that are barriers to corporate relocation. She said the Board should work with the Beacon Council to promote Coral Gables. Mr. Sime agreed that the Board's main goal should be to increase the number of new businesses locating in the City, as well as the number of business that are retained and expand within the City. He noted that the City did not provide direct economic incentives for businesses that locate in Coral Gables. Ms. Ramudo said she believed retaining existing businesses was "extremely important" and that the Board should find ways to promote them and determine the reasons some are leaving. Mr. Sime said businesses that already have left the City should also be contacted. Ms. Morris suggested identifying those businesses that are thinking about leaving and also determine which businesses the City would like to attract and "go after them." Mr. Roberts noted that many spaces are vacant on the Miracle Mile, but landlords are anticipating the Streetscape Project. Mr. Betancourt suggested retaining a retail advocate who can market the street to brokers and work with them to attract the kinds of businesses the City wants. Mr. Sime noted that there are "large stakeholders" on the Mile and suggested having them meet with the Board to discuss the kinds of businesses they are looking for and their vision for the street. Mr. Betancourt noted that any retail strategy would be developed with input from the property owners.

Mr. Binelo said one of the Board's goals should be to explore opportunities to bring an incubator or similar business to the City and link them with local financial institutions and realtors. Ms. Ramudo said she would like to maintain the City's character and Mediterranean atmosphere that gives it a uniqueness that others cannot replicate. She said there should be more incentives to help achieve this goal. "We don't want to lose what we are," she said. Mr. Sime agreed and noted that great cities have architectural standards and a unique heritage. Ms. Ramudo said she also would like to boost tourism to the City by helping sponsor industry events that highlight Coral Gables as a travel destination with many offerings. She said it is important to promote Coral Gables outside the City. Ms. Morris agreed, saying the City needs to promote and advertise Coral Gables businesses and sponsor events that bring visitors to the City. She also said that it was time to reassess the City's online presence and encourage the production of a video that showcases the benefits of locating a business in Coral Gables. It was also important, she said, to help restore Coral Gables High School to its former status as a point of pride for the City by exploring ways to finance new fencing paint the exterior of the buildings. Ms. Morris said it was important for the Board to find a way of establishing a method for gauging the success of its efforts by determining how many of its recommendations were acted upon by the City. After the discussion, the Board members ranked their goals. The four Board members present agreed the top goal should be

recruiting businesses and corporate headquarters, followed by retaining businesses and enhancing the aesthetic appeal of the exterior of Coral Gables High School, both of which received three votes. Ms. Ramudo said that the goals discussed by the Board needed to be consolidated. The Board members agreed to hold a strategy session to fine tune and consolidate the Board's goals.

5. Update on Business Tax Licenses and New Businesses (Discussion)

Mr. Roberts distributed copies of the City's license tax data, which showed that 69 new business licenses had been given between September 3 and October 6.

There being no further business, the meeting was adjourned at 9:09 a.m.

The next Economic Development Board meeting will be held on November 4, 2015.

Respectfully submitted,

Jorge Casuso, Economic Development Analyst, Economic Development Department