

CITY OF CORAL GABLES, FLORIDA

ORDINANCE NO. 2022-_____

AN ORDINANCE OF THE CITY COMMISSION OF THE CITY OF CORAL GABLES, FLORIDA, AUTHORIZING THE CITY TO ENTER INTO A LEASE WITH SRA CORAL GABLES RESTAURANT, LLC, A DELAWARE LIMITED LIABILITY COMPANY, DBA SRA. MARTINEZ WITH REGARD TO THE CITY-OWNED PROPERTY 2325 GALIANO STREET, CORAL GABLES, FL 33134 FOR A PERIOD OF FIFTEEN (15) YEARS AND WITH TWO (2) ADDITIONAL, FIVE-YEAR RENEWAL OPTIONS, AT THE CITY'S DISCRETION; PROVIDING FOR A REPEALER PROVISION, SEVERABILITY CLAUSE, AND PROVIDING FOR AN EFFECTIVE DATE

WHEREAS, SRA Coral Gables Restaurant, LLC, a Delaware limited liability company, dba SRA. Martinez (the "Tenant"), desires to lease the City owned property located at 2325 Galiano Street, Coral Gables, FL 33134 (the "Premises"); and

WHEREAS, Tenant proposes leasing 4,111 gross sq. ft. space in its "as is" condition; and

WHEREAS, Tenant will complete tenant improvements/renovations required to create a restaurant at the Premises with a minimum value of no less than \$1,300,000.00 in improvements, no later than twenty-four (24) months from the Effective Date of the Lease; and

WHEREAS, any additional funds required in excess of the \$1,300,000.00 to complete the Tenant Improvements will be Tenant's responsibility; and

WHEREAS, the initial Lease term will be for fifteen (15) years from the Effective Date of the Lease with two (2) additional, five-year renewal options, at the City's discretion; and

WHEREAS, monthly base rent at \$31.00 per sq. ft. during the third year of the Lease Term, \$34.00 per sq. ft. during the fourth year of the Lease Term, increasing at the rate of three percent (3%) per annum thereafter; and

WHEREAS, commencing on the nineteenth (19) month from the Lease Effective Date, Tenant will pay Landlord no more than \$9.00 per sq. ft. to cover Tenant's proportionate share of real property taxes, insurance, common area maintenance and operating costs for the Premises; and

WHEREAS, annual increases to Additional Rent shall not increase more than 5% per year during the term of the Lease; and

WHEREAS, Tenant will have two (2) additional, five-year renewal options, at the City's discretion where both the first and second renewal periods shall be subject to an adjustment of no more than eight percent (8%) over the Base Rent plus annual adjustments of three percent (3%); and

WHEREAS, Tenant will not pay Base Rent for the initial twenty-four (24) months of the Lease Term while Tenant performs the \$1,300,000.00 in Tenant Improvements to the Premises; and

WHEREAS, Tenant will provide a security deposit equal to three (3) months of base rent at \$31.00 per sq. ft. (\$31,860.25); and

WHEREAS, the Economic Development Board, the Property Advisory Board, and the Budget & Audit Advisory Board all reviewed the proposed terms, at their meetings on January 5, 2022, January 12, 2022, and January 24, 2022, respectively; and

WHEREAS, the Economic Development Board and the Property Advisory Board reviewed the proposed terms and recommended that the City enter into the Lease on the terms set forth in the above whereas clauses; and

WHEREAS, pursuant to Section 2-1097 of the City Code, this Ordinance requires a four-fifths vote because the Lease term exceeds ten (10) years; and

WHEREAS, pursuant to Section 2-1089 of the City Code, the City Commission waives any provision of Chapter 2, Article VIII that may not have been technically followed and finds such a waiver to be necessary in order to proceed with a purchase, sale, or lease which is in the best interest of the City, and that such waiver serves the public interest to the extent that any provision of this section was not complied with; and

WHEREAS, the City Commission finds that the Lease of the Premises serves the public interest and that it is in the best interest of the City to authorize the City Manager to execute the Lease;

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

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

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

SECTION 3. The City Commission does hereby authorize the City Manager to execute the Lease with the Tenant with such modifications to the forms 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 Ordinance.

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

PASSED AND ADOPTED THIS TWENTY-FIFTH DAY OF JANUARY A.D., 2022.

(Moved: / Seconded:)
(Yeas: / Nays:)
(Vote:)
(Agenda Item:)

APPROVED:

VINCE LAGO
MAYOR

ATTEST:

APPROVED AS TO FORM
AND LEGAL SUFFICIENCY

BILLY Y. URQUIA
CITY CLERK

MIRIAM SOLER RAMOS
CITY ATTORNEY