

CORAL GABLES

THE CITY BEAUTIFUL

Economic Development Board Meeting Meeting Minutes

Monday | October 3, 2022 | 8:00 a.m.

Location: Zoom and Police and Fire Headquarters (PFHQ), Community Meeting Room A
2151 Salzedo Street, Coral Gables, FL 33134

EDB MEMBERS	J	F	M	A	M	J	J	A	S	O	N	D	APPOINTING ENTITY
	'22	'22	'22	'22	'22	'22	'22	'22	'22	'22	'22	'22	
VACANT	-	-	-	-	-	-	-	-	-	-			Mayor Vince Lago
Olga Ramudo, Chair	P	P	P	X	P	P	X	P	P	P			Vice Mayor Michael Mena
Stuart McGregor	P	P	E	X	P	E	X	E	E	E			Commissioner Kirk R. Menendez
Tania Cruz- Gimenez	P	P	P	X	E	A	X	P	P	A			Commissioner Rhonda Anderson
Mary Snow	P	P	E	X	P	E	X	E	P	P			Commissioner Jorge Fors, Jr.
Barbara Perez	P	P	P	X	P	P	X	E	P	P			City Manager Peter Iglesias
Thad Adams	E	P	P	X	E	P	X	P	P	P			Chamber of Commerce

A=Absent E=Excused Absence P=Present X=No Meeting Ph=Present by Phone Z=Zoom - =Former Board Member

Staff and Guests:

Belkys Perez, Assistant Director, Economic Development Department
 Zeida Sardiñas, Asset Manager, Economic Development Department
 Francesca Valdes, Business Development Coordinator, Economic Development Department
 Leticia Perez, International Business Development Coordinator, Economic Development Department
 Yenis Gomez, Administrative Assistant, Economic Development Department

Chairwoman Ms. Olga Ramudo brought the meeting to order at 8:09 a.m.

1. Review and approval of September 7, 2022, Economic Development Board Meeting Minutes. Mr. Adams made a motion to approve the meeting minutes and Ms. Snow seconded the motion, which passed unanimously. There was no discussion regarding the minutes.

2. Excuse Board member absences

Ms. Snow made a motion to excuse today's absence for Mr. McGregor. Mr. Adams seconded the motion, which passed unanimously. There was no discussion regarding the absences.

3. 278 Miracle Mile lease Francesco Miracle Miles, LLC dba Francesco Restaurant

Ms. Sardiñas presented an item to the Board for their consideration and recommendation. The item is a proposed Lease Agreement with Francesco Miracle Miles, LLC, a Delaware limited liability company,

for the City-owned premises located at 278 Miracle Mile, Coral Gables, Florida 33134 for a period of seven (7) years and with two (2) additional, five-year renewal options, at the City's discretion.

Pursuant to the requirements of **Division 12 of the Procurement Code, Section 2-1094 -Analysis for Purchase, Sale or Lease of City Property-** the proposed Lease Agreement is being presented to the Economic Development Advisory Board for its recommendation to the City Commission.

City Staff recommends approval.

BRIEF HISTORY AND PROPOSED LEASE TERMS:

In July of 2020, the City of Coral Gables (the "Landlord") took over the city-owned restaurant space at 278 Miracle Mile Coral Gables, FL 33134 (the "Premises") from the previous tenant. Since then, the Landlord has been marketing the Premises in search of an experienced restaurateur with a chef-driven restaurant/entertainment concept. The ideal tenant needed to have had a leading role in the design/execution of restaurant build-out project(s) of similar size and/or complexity given that the Premises need a full renovation/build-out.

Between May 2020 and April 2022, the City provided information and showed the Premises to over ninety (90) interested parties. The City held two (2) formal advertisement processes, June 23-August 23, 2021, and April 8-26, 2022. The City received eight (8) proposals in response to the latest advertising process that took place April 8-26, 2022. The City Manager reviewed the eight proposals and selected Francesco Miracle Miles, LLC, dba Francesco Restaurant (the "Tenant") as the proposed Tenant for the Premises.

Experience/Brand/Design/Build-Out:

The Tenant's chef-driven concept dba Francesco Restaurant will be a signature dining experience created exclusively for downtown Coral Gables. Francesco Restaurant's chef, Franco Danovaro, and his team have had 38 years of experience playing a leading role in the design/execution of restaurant build-out projects and in day-to-day operations of restaurants in Lima, Buenos Aires, Mexico City, Key Biscayne, and Coral Gables. Chef Danovaro led the operations of the Zagat award-winning Francesco Restaurant on Alcazar and Salzedo between 2001-2016. While at its Coral Gables location, Francesco Restaurant won the Zagat title for the best restaurant in South Florida in 2006 and 2007.

Francesco Restaurant has also partnered with V&V Real Estate Group and Fusion Marketing Agency to carry out the build-out and marketing of the restaurant adding 26 and 10 years of expertise respectively in both real estate development and marketing to its team and on-going operations.



Concept:

The proposed Francesco Restaurant will be a white table-cloth restaurant featuring high-end classic fish and seafood cuisine steaming from the Peruvian Chalaco gastronomic culture from Port Callao, Peru combined with international influences from the Italian Island of Sardegna. The menu will also feature modern gastronomic twists that will showcase Florida's seafood and Miami's Latin Heritage. Menu items will include ceviches, tiraditos, causa, seafood rice dishes and risottos, grilled fish and meat, and spicy stews for the whole family to enjoy.

The restaurant's design and planned renovations have been specially created to restore the grandeur of its historic iconic Miracle Theatre. The project is inspired in part by the shape and the curve of the marquee, the plate glass entrance doors, and hallway mirrors. It will incorporate terrazzo floors, dark natural wood, touches of reflective stainless steel, and living plants. A contemporary nautical twist will add a Latin heritage while preserving the elegance and refinement of this iconic heritage building.

Proposed Lease Terms:

Premises: 3,147 gross sq. ft. Space is being leased in its "as is" condition.

Tenant Improvements: Tenant will complete renovations required to create a restaurant with a minimum value of no less than \$1,450,000.00 in improvements, no later than twelve (12) months from the Effective Date of the Lease. Any additional funds required to complete the Tenant Improvements will be the Tenant's responsibility.

Term: Seven (7) years from the Effective Date of the Lease with two (2) additional, five-year renewal options, at the City's discretion.

Base Rent and Escalations: Monthly rent at \$45.00 per sq. ft. on the second year of the term, increasing at the rate of three percent (3%) per annum thereafter.

Lease Year	Rent Per Square Foot	Annual Base Rent*
2	\$45.00	\$141,615.00
3	\$46.35	\$145,863.45
4	\$47.74	\$150,239.35
5	\$49.17	\$154,746.53
6	\$50.65	\$159,388.93
7	\$52.17	\$164,170.59

Additional Rent: Commencing on the Rent Commencement Date, the Tenant will pay Landlord Tenant's proportionate share of real property taxes and insurance for the Premises on a monthly basis.

Renewal Period Rent Increases: The Tenant will have two (2) additional, five-year renewal options, at the City's discretion. 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%).

Rent Commencement: The Tenant will not pay Base Rent for the initial twelve (12) months of the Lease Term while the Tenant performs the \$1,450,000.00 in Tenant Improvements to the Premises.

Security Deposit: Three (3) months at \$45.00 per sq. ft. (\$42,091.13).

The proposed tenant has the required restaurant design, build-out, and operations experience required for the total renovation/build-out and successful operation of the Premises. If approved by the City Commission, the Francesco Restaurant branded, chef-driven, dining concept will contribute to the vibrancy and resiliency of the downtown as the city continues to work towards making Coral Gables one of South Florida's premier dining destinations.

Pursuant to the requirements of **Division 12 of the Procurement Code, Section No. 2-1094 - Analysis for Purchase, Sale or Lease of City Property**, the proposed Resolution will also be presented to:

- The Property Advisory Board on September 14, 2022, for its recommendation to the City Commission. The Board recommended approval unanimously.
- The Budget and Audit Advisory Board on September 29, 2022, for its recommendation to the City Commission.

Pursuant to the requirements of **Division 12 of the Procurement Code, Section No. 2-1094 - Analysis for Purchase, Sale or Lease of City Property**- the Economic Development Board provides answers to the following three (3) questions (suggested answers are below):

1. Is the proposed use in keeping with the city goals and objectives?

The proposed use of the Premises as a restaurant/entertainment space keeps with the goals and objectives of the City's Retail Strategy which recommends branded, chef-driven dining concepts with entertainment components that contribute to the vibrancy and resiliency of the downtown. The proposed dining/entertainment use also continues to work towards the goal of making Coral Gables one of South Florida's premier dining destinations. The Premises are located in the heart of the downtown. Therefore, patrons of this returning Francesco Restaurant dining experience will also enjoy a convenient location to arrive, valet park, and explore the downtown thereby increasing economic impacts to the area.

2. What is the economic impact to the city including, i.e. is the proposed use in keeping with a public purpose and community needs, such as expanding the city's revenue base, reducing city costs, creating jobs, creating a significant revenue stream, and improving the community's overall quality of life?

The proposed use and occupancy of the Premises keeps with the public purpose/benefit of expanding the City's revenue base, creating jobs, and proposing a significant increase to the City's revenue stream. As such, there is material inducement for the Landlord to lease the Premises to the Tenant. Whereas the previous tenant's Lease for the Premises was at \$38.25 per sq. ft, the proposed Lease will increase the City's revenue base with rent at \$45.00 per sq. ft. during the second year of the Lease Term, increasing at the rate of three percent (3%) per annum thereafter. The Tenant will also pay the Landlord additional rent for its proportionate share of property taxes, and insurance. The restaurant should contribute to increasing parking revenues on Miracle Mile and at Garage #1 given the additional restaurant patronage.

3. Are there alternatives available for the proposed disposition, including assembly of adjacent properties and can the project be accomplished under a private ownership assembly?

Yes, there are other alternatives to this type of use, however, at this time, this is the most appropriate use for the location since it meets all of the requirements envisioned and recommended by the Retail Strategy for the area.

After some discussion and questions, the Board agreed with the responses mentioned above.

A motion was made by Ms. Barbara Perez to move forward with the Lease with Francesco Miracle Miles, LLC, a Delaware limited liability company, for the City-owned premises located at 278 Miracle Mile, Coral Gables, Florida 33134 for a period of seven (7) years and with two (2) additional, five-year renewal options, at the City's discretion. The motion was seconded by Ms. Snow. The motion was voted upon and adopted unanimously.

4. Economic Development Update

- **Food Truck Ordinance**

Ms. Belkys Perez updated the Board that the Ordinance will go to second reading on the October 11, 2022, City Commission meeting.

- **Time with Tony initiative**

Ms. Belkys Perez informed the Board that next month, the department would launch a new program for new and existing businesses meant to guide them through the permitting process. During Tuesdays with Tony, would be held at the new Development Services building. Tony Silio is the Ombudsman for Residents and Small Business Owners. The business wanting a meeting with Tony would fill out a form that will help the department determine what other disciplines need to be involved in the meeting.

- **Business Recycling event**

Ms. Belkys Perez informed the Board that we have scheduled our first business recycling drive-thru event to be held right behind City Hall on Saturday, December 3, 2022. We will have three stations collecting electronics e-scrap, paper shredding and professional clothing donations.

5. Consulates and Trade Offices

Ms. Leticia Perez reminded the Board that last year, we commenced a joint initiative with Mayor Lago to host five (5) international cultural events just for foreign government offices. The City provides up to \$20,000 to each foreign government offices hosting an event. To date, we have the following three (3) events:

- Day of the Dead - Saturday, October 29, 2022
- Carnival of Peru - February 2023
- Carnival of Barranquilla - April 2023

Ms. Ramudo reminded the Board that in the September 7, 2022, meeting there was a discussion about the possibility to host an International Fair. Ms. Belkys Perez informed the Board that the event is feasible. It could be held at McBride Plaza for the first year. The department would continue discussions with consulates to gauge their interest. There will be more information to come in the future.

6. Business Tax License Report

Ms. Valdes updated Board members on the new and upcoming businesses in Coral Gables.

7. Open Discussion

Ms. Ramudo congratulated the City's response, notifications, and updates preparedness during Hurricane Ian. Ms. Belkys Perez informed the Board our department, Economic Development was responsible for the Business Reports to all the businesses. The Communications Department was responsible for all the residential notifications. Additionally, there is a new software called Everbridge which is an app that you downloaded onto your phone. Once you are registered, you will be provided with updates via text and/or email depending on setting selection.

Ms. Barbara Perez inquired about Julio Grabiél's vacancy to the Board. Ms. Belkys Perez advised it is a City Manager's appointment and he will be appointing a new potential board member.

There being no further discussion, the meeting was adjourned at 8:45 a.m.

Respectfully submitted,
Yenis Gomez, Administrative Assistant, Economic Development Department.

DRAFT