

**CITY OF CORAL GABLES**  
**Property Advisory Board Meeting**  
 Wednesday December 19, 2012, 8:30 a.m.  
 Economic Sustainability Department  
 1 Alhambra Plaza, Suite 617, Coral Gables, FL 33134

MEMBERS	J	F	M	A	M	J	J	A	S	O	N	D	APPOINTING ENTITY
	'12	'12	'12	'12	'12	'12	'12	'12	'12	'12	'12	'12	
Luis Espino	P	+	P	P	+	E	P	+	+	E	+	E	Mayor Jim Cason
Jack Elmore	P	+	P	P	+	P	P	+	+	P	+	P	Vice Mayor William H. Kerdyk, Jr.
Maurice Donsky	E	+	P	P	+	P	P	+	+	P	+	A	Commissioner Maria Anderson
James Hinrichsen Vice Chairman	E	+	P	P	+	E	E	+	+	P	+	P	Commissioner Rafael Cabrera, Jr.
Tony Gonzalez	P	+	P	E	+	P	P	+	+	P	+	E	Commissioner Frank Quesada
Edmund Mazzei Chairman	P	+	P	p	+	P	P	+	+	P	+	P	City Manager Patrick Salerno
Valentin Lopez	P	+	E	E	+	P	E	+	+	P	+	P	City Commission

A = Absent  
 P = Present  
 E = Excused  
 + = No Meeting

**STAFF AND GUESTS**

Cynthia S. Birdsill, Director, Economic Sustainability Department  
 Leonard Roberts, Assistant Director, Economic Sustainability Department  
 Chase Hamann, Business Development Analyst, Economic Sustainability Department  
 Megan Cross Schmitt, Administrative Assistant, Economic Sustainability Department  
 Mindy McIlroy, Executive Vice President, Terranova Corporation

---

**Motion Summary:**

**A motion to excuse Mr. Espino and Mr. Gonzalez's absence was approved unanimously.**

**Mr. Elmore made a motion to approve the minutes from the October 17, 2012 Board meeting. Mr. Lopez seconded the motion, which passed unanimously.**

**Mr. Hinrichsen made a motion to approve the FY 2011-2012 Annual Report. Mr. Elmore seconded the motion, which passed unanimously.**

**Mr. Hinrichsen made a motion that the PAB will meet solely for the purpose of reviewing and approving the previous month's minutes even if that is the only agenda item. Mr. Elmore seconded the motion, which passed unanimously.**

**Mr. Hinrichsen made a motion that the PAB inform the City Commission of its concerns about how the Streetscape Project could impact parking and advise that improvements to the garages and passageways linking the garages to Miracle Mile be made prior to the start of work on the Mile. Mr. Lopez seconded the motion, which passed unanimously.**

---

The Chair Mr. Mazzei called the meeting to order at 8:29 a.m.

**1. Motion to excuse Luis Espino and Tony Gonzalez's absence.**

**A motion to excuse Mr. Espino and Mr. Gonzalez's absence was approved unanimously.**

**2. Review and approval of the Property Advisory Board Minutes of October 17, 2012.**

**Mr. Elmore made a motion to approve the minutes from the October 17, 2012 Board meeting. Mr. Lopez seconded the motion, which passed unanimously.**

**3. Review and approval of the FY 2011-2012 Property Advisory Board Annual Report.**

**Mr. Hinrichsen made a motion to approve the FY 2011-2012 Annual Report. Mr. Elmore seconded the motion, which passed unanimously.**

**4. Presentation about the current retail market in Coral Gables by Mindy McIlroy, Executive Vice President, Terranova Corporation.**

Ms. Birdsill introduced Ms. McIlroy, Executive Vice President of the Terranova Corporation which owns 8 buildings on Miracle Mile. Ms. McIlroy distributed copies of Terranova's 2012 Urban Retail Report to the Board members explaining that it was a sampling of high street retail markets' activity for the year, including Miracle Mile.

Ms. McIlroy reported that occupancy and average asking rates for the Miami-Dade shopping center markets held steady going into 2012. The average asking net rents for inline space county-wide was \$25.79 per square foot, an increase of 2% from the previous year. The county-wide vacancy rate also showed improvement, dropping from 6.4% to 5.5%. Ms. McIlroy stated that the improvement in occupancy was mostly due to the absorption of inline space rather than anchor space, explaining that most of the County's anchor and junior anchor space (defined as 15,000 square feet or larger) was absorbed in 2009 and 2010.

Ms. McIlroy said that Aldi, a New Jersey-based grocery retailer, and Dick's Sporting Goods both occupied spaces in the last year, and Walmart Neighborhood Market expanded. She reported that the retail trends absorbing most of the inline space (considered the small shop leasing) were fast casual dining restaurants, particularly the better burger and self-serve yogurt concepts. Ms. McIlroy stated that the trend in fast casual dining is expected to continue into the new year, however healthy food and Asian

concepts will likely move ahead of the better burger concept. Ms. McIlroy told the Board that in addition to fast casual dining, the personal services market (pilates and yoga studios, salons, blow dry bars, etc.) is likely to be strong in 2013.

Ms. McIlroy's then turned her focus to Coral Gables, specifically Miracle Mile, stating that the retail vacancy rate decreased slightly from 6.6% in 2011 to 6.2% in 2012. Many vacancies were filled quickly and in some cases spaces that had been vacant in 2011 were also leased. Ms. McIlroy reported that in 2012 rental rates on Miracle Mile increased by 14.2% over the prior year's rates going from an average of \$39.04 per square foot net to \$44.60 per square foot net. She also said that rental concessions were still common, with landlords typically offering 2-3 months of free rent on a five year lease term in lieu of giving tenant improvement allowances for their build-out costs. Ms. McIlroy anticipated that as Miracle Mile's vacancy rates decrease, concessions will likely shrink.

Ms. McIlroy told the Board that restaurant space in Coral Gables was in high demand in 2012, with Sushi Samba, Swine, BurgerFi, Café Italiano, Energy Kitchen and others announcing their plans to open in the area. She explained that larger chains prefer spaces that are located directly on Miracle Mile because there is certain amount of cachet associated with the address. She added that Ponce de Leon Boulevard and Galiano Street may have more spaces available to better accommodate a larger restaurant.

Ms. McIlroy told the Board that the City and the Business Improvement District were doing a very good job fostering cultural offerings that attract businesses. She said that it is a feature that she mentions frequently when trying to sell Coral Gables to prospective tenants and one that sets the City apart from its competition. She also said that the Design District and Downtown Miami markets are taking off, mentioning that a project like Swire's CityCentre could cause some vacancies in the peripheral areas should tenants relocate to the new space.

Mr. Mazzei asked Ms. McIlroy her opinion of the Shops of Sunset's decision to convert part of their space to office use. She responded that they must try to do something different and that there is a demand for office space in the South Miami market, especially for smaller, executive suite-type spaces. Ms. McIlroy added that there is currently a trend towards more urban environments, pointing to the example of the Offices at Mayfair in Coconut Grove attracting Sapient Corp. to a large portion of their complex.

Mr. Mazzei asked Ms. McIlroy her opinion of the City's Streetscape Project and the concerns that some have voiced over parking. Ms. McIlroy explained that though at first Terranova Corporation had not been supportive of the Streetscape Project, their concerns have since lessened thanks to the City's decision to consider increasing parking in the garages. She stated that they agree that the sidewalks are in much need of improvement, and explained that they are of the opinion that the garages and the walkways linking the garages to Miracle Mile should be better integrated into the design so that these areas can be enhanced before work on the street begins.

Ms. Birdsill noted that re-development of the two garages is under discussion.

Board members and Ms. McIlroy discussed the possible impacts that the Streetscape Project could have on parking, the pros and cons of angle parking versus parallel parking, and the importance of increasing available parking in garages.

**5. Discussion of PAB's meeting schedule in order to approve minutes in a timely fashion.**

Mr. Hinrichsen expressed concern about the delay that occurs when the Board does not meet each month to approve the prior month's meeting minutes, saying that it can sometimes cause the Commission to receive the minutes months after the meeting date. Board members agreed that even if there were no other agenda items, the PAB should meet monthly so that the prior month's meeting minutes can be reviewed and approved.

**Mr. Hinrichsen made a motion that the PAB will meet solely for the purpose of reviewing and approving the previous month's minutes even if that is the only agenda item. Mr. Elmore seconded the motion, which passed unanimously.**

**6. Discussion to advise the City Commission of the PAB's concerns about the Streetscape Project and parking.**

Mr. Mazzei asked Board members if they would entertain a motion to inform the City Commission of their concerns about how the Streetscape Project could impact parking, suggesting that the Commission consider making necessary improvements to the garages and pass-throughs linking the garages to Miracle Mile prior to commencing work on the Mile. Ms. Birdsill reminded the Board that the design for the Streetscape Project has not yet been developed.

**Mr. Hinrichsen made a motion that the PAB inform the City Commission of its concerns about how the Streetscape Project could impact parking and suggest that the Commission consider making improvements to the garages and passageways linking the garages to Miracle Mile prior to the start of work on the Mile. Mr. Lopez seconded the motion, which passed unanimously.**

**7. Review of Outstanding Rent Report.**

The Board reviewed the Outstanding Rent Report which showed most tenants to be current.

The next Property Advisory Board meeting is scheduled for January 16, 2013.

Respectfully submitted,  
Megan Cross Schmitt  
Economic Sustainability Department, Administrative Assistant