

CITY OF CORAL GABLES
Property Advisory Board
EXCERPT Meeting Minutes

Wednesday, August 9, 2017, 8:30 a.m.

Different Location: Coral Gables Art Cinema, 260 Aragon Ave, Coral Gables, FL 33134

PAB MEMBERS	J	F	M	A	M	J	J	A	S	O	N	D	APPOINTING ENTITY
	'17	'17	'17	'17	'17	'17	'17	'17	'17	'16	'16	'16	
Alberto Manrara	-	-	-	-	-	P	X	P		-	-	-	Mayor Raúl J. Valdés-Fauli
Jonathan Leyva	-	-	-	-	-	P	X	P		-	-	-	Commissioner Michael Mena
Luba DeWitt	E	P	E	E	P	P	X	P		P	X	P	Commissioner Patricia Keon
Valerie Quemada Vice Chair	P	P	E	P	E	E	X	E		P	X	P	Commissioner Vince Lago
Tony Gonzalez	E	P	P	P	P	P	X	P		P	X	P	Commissioner Frank Quesada
Edmund Mazzei	-	-	-	-	-	P	X	P		-	-	-	City Manager
Andrea Molina	P	P	P	Ph	P	Ph	X	P		P	X	P	City Commission

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

STAFF AND GUESTS:

Javier Betancourt, Director, Economic Development Department
Leonard Roberts, Assistant Director, Economic Development Department
Mariana Price, Administrative Assistant, Economic Development Department
Steven Krams, President & Executive Director, Coral Gables Art Cinema
Marlin Ebbert, Board Secretary, Coral Gables Art Cinema

Meeting Motion Summary:

A motion to recommend that the City support the expansion of the Coral Gables Art Cinema, on the condition they present a viable business plan, upon the expiration of the lease with Patio n’ Things, passed unanimously.

Mr. Betancourt brought the meeting to order at 8:36 a.m.

4. Coral Gables Art Cinema Presentation (Presentation) – Steven Krams, President & Executive Director

Mr. Betancourt introduced Mr. Steve Krams, the President & Executive Director of the Coral Gables Art Cinema. The Art Cinema started in 2006 and within four years was open for business beginning October 15, 2010. Mr. Krams introduced Marlin Ebbert, member of the Cinema’s board, as well as the secretary of the cinema’s Board of Directors. He also introduced his staff in attendance, Brenda Moe, Administrative Director, Elizabeth Dedios, Operations Manager, Regi Desjardins, Front-of-house Manager, Carolina Mayo, Marketing Manager, and Javier Chavez, Associate Director.

Mr. Krams provided an informative PowerPoint presentation, which included the following:

- Public-private partnership between City of Coral Gables and the Coral Gables Cinemateque.
- Board has desire to expand the Cinema into the space next door to include two additional screens.
- Cinema partners with City for the Movies on the Mile series.
- Relationship with Coral Gables Youth Center where rates and benefits are extended to all members of the Youth Center.
- Annual budget is \$1.1 million. Half comes from ticket sales, the remaining comes from grants.
- Approximately 55% of Cinema patrons stay and spend additional money in the Gables.
- 1,200 members who pay annual dues between \$70 - \$1,500.
- Cinema's geographic reach is significant, considering they're a not-for-profit org.
- 72% of theatre-goers utilize the adjacent City-owned garage.
- Diverse programming includes foreign and independent films, late-night programming, Family Day on Aragon (special shows only \$5 which includes popcorn and drink), Miami International Children's Film Festival (November), etc.
- New theatres would be between 50-75 seats each.

Several members of the board had questions for Mr. Krams, which he answered. There are several necessities for the two new screens. Distribution rights to films require a theatre to show that film for a certain amount of time. With only one theatre, the cinema is limited to what they show, and their customers will not normally return within that required amount of showing time to view a film twice. With two more theatre rooms, a new release could be moved to a smaller room to meet the distribution requirements while providing more opportunity to make profit from new films added to their schedules. Mr. Krams stated that theatre-goers demand variety. When asked if the Cinema would be able to make up for lost profit from Patio n' Things, Mr. Krams responded that he did not want to mislead anyone on this board or on the Commission about what the Cinema was seeking to do. He said the Cinema is interested in expanding to support the growth of the "Cultural Corridor" which other merchants on Aragon Avenue are keen to do (Coral Gables Museum, Books & Books, and the Colombian Consulate). While the City may lose profits, the surrounding businesses would benefit from the expansion. The Cinema is seeking the support of the City of Coral Gables to know whether or not they should begin to seek funding and grant opportunities for that possible expansion. They had been advised by the Knight Foundation to seek a grant. The City funded the bricks and mortar of the Art Cinema, as well as replacement of the HVAC system. Other than that, the Cinema has been fully self-sustainable. When asked why the Cinema couldn't consider expanding in a different space, Mr. Krams responded that doing so would essentially be starting a whole new operation, requiring double the staff (as opposed to a few more), and that it would defeat the purpose of expanding within the same space to profit more despite the film distribution requirements (the Cinema would be required to then buy two distribution licenses for each space they use to show a given film).

Leonard Roberts expanded on the Letter of Interest which would include the following terms:

Proposed Terms and Conditions:

1. Tenant: Coral Gables Cinemateque, Inc.
2. Initial Term: Initial term of the Lease shall be 10 years. The effective date to be determined. Tenant to retain 2 renewal options each for a period of 10 years.
3. Property Access: Tenant to have full and complete access to the Property in order for Tenant to initiate and complete Tenant improvements necessary for the intended use of the premises.
4. Lease Rate: Base rent for the Premises shall be based on Lease Rate arrangement to be negotiated between Tenant and Landlord.
5. Build-Out: Tenant to initiate and complete construction and build-out to include fixtures, equipment, seating, and projection systems. the city to complete demising walls, and hvac, electrical and plumbing.
6. Construction Allowance: Landlord shall give Tenant a construction allowance. Amount and terms to be negotiated.
7. Tenant Use: Non-profit Art Cinema presenting top quality films that may not be readily commercially available and for other cultural offerings including but not limited to film festivals, book readings, and small cultural performances presented by the Tenant and by other groups. Included in the use is the operation of a concession stand or food stations as an amenity to the Tenant's patrons, including the licensed sale of beer and wine.
8. Permits: Lease Agreement is contingent upon the City obtaining all necessary permits to include occupancy, zoning, etc. necessary for operating the intended business.
9. Audit: Records subject to the provisions of Public Record Law, Florida Statutes Chapter 119, shall be kept and maintained in accordance with such Statute. Tenant acknowledges that records and books, not subject to exemption under Chapter 119, may be disclosed and/or produced to third parties by the City in accordance with requests submitted under Chapter 119 or court orders without penalty or reprisal to the City for such disclosure and/or production. Tenant also agrees to assert, in good faith, any relevant exemptions provided for under Chapter 119 for records in its possession on behalf of the City. Furthermore, Tenant agrees to comply with the provisions outlined in Section 119.0701 of the Florida Statutes.
10. Non-Binding: This Letter of Intent is completely non-binding and has no effect on either party whatsoever until a Lease Agreement has been fully executed by both Tenant and Landlord.

If Landlord is desirous of leasing the Premises, a Lease will be prepared using the information contained herein. It is the intention of the parties to negotiate any remaining terms of the transaction and enter into a Lease. The parties are not bound until a Lease is executed.

5. Cinema expansion (Action)

Mr. Roberts explained that the Patio n' Things lease expires in 2020, and it takes time for the Cinema to raise money. He explained that a Letter of Intent would be nonbinding, but would express interest in supporting the Cinema's desire to expand into the adjacent space. Mr. Manrara asked the board if they would like to entertain a motion to support having the Letter of Intent for the Coral Gables Art Cinema to begin the fundraising process.

Mr. Mazzei made a motion to support a conditional Letter of Intent to support the Cinema expansion, dependent upon a reviewed business plan. Mr. Gonzalez seconded the motion, which passed unanimously.

The meeting was adjourned at 9:56 a.m.

Respectfully submitted,

Mariana Price, Administrative Assistant - Economic Development Department