

CITY OF CORAL GABLES
Property Advisory Board Meeting

Wednesday, August 17, 2011, 8:30 a.m.
 Economic Sustainability Department
 1 Alhambra Plaza, Suite 617, Coral Gables, FL 33134

MEMBERS	J	A	S	O	N	D	J	F	M	A	M	J	APPOINTING ENTITY
	'11	'11	'11	'11	'11	'11	'12	'12	'12	'12	'12	'12	
Luis Espino	P	P											Mayor Jim Cason
Jack Elmore	-	P											Vice Mayor William H. Kerdyk, Jr.
Maurice Donsky	P	E											Commissioner Maria Anderson
James Hinrichsen	P	P											Commissioner Rafael Cabrera, Jr.
Tony Gonzalez	-	P											Commissioner Frank Quesada
Edmund Mazzei	P	E											City Manager Patrick Salerno
Valentin Lopez	P	P											City Commission

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

*attended via phone

STAFF AND GUESTS

Cynthia S. Birdsill, Economic Sustainability Department Director
 Leonard Roberts, Economic Sustainability Department Assistant Director
 Cindy Dorrel, Special Projects Coordinator
 Kevin Kinney, Parking Director
 John Kowalchik, Assistant Parking Director

Motion Summary:

The minutes of the July 12, 2011 Board meeting were approved.

The Board recommends to the City Commission that they accept the proposed Supercuts Lease Renewal terms.

The Board recommends to the City Commission that they accept the proposed Amended and Restated agreement for Actors' Playhouse Productions.

1. Mr. Lopez called the meeting to order at 8:30 a.m.

New members, Tony Gonzalez and Jack Elmore, were introduced and welcomed to the board.

2. Approval of the July 12, 2011 Board Minutes

Mr. Hinrichsen moved to approve the minutes of the July 12, 2011 Board meeting. Mr. Lopez seconded and the motion passed unanimously.

3. Renewal of lease for Supercuts Corporate Shops Inc.

Ms. Birdsill informed the Board that a typographical error was found in the Base Rent section of the lease terms for Supercuts Corporate Shops, Inc., which inadvertently omitted the lease year 2/1/13-1/13/14. During negotiations with the tenant, it was proposed that the missing lease year base rent would be charged at a rate of \$37.22PSF which is an average between the previous lease year and the following lease year. Mr. Lopez made a motion to recommend approval of the correction by accepting the rate of \$37.22 PSF for the missing year, Mr. Gonzalez seconded and the motion passed unanimously.

4. Amended and Restated Agreement for Actors' Playhouse Productions

A list of the proposed deal terms for an Amended and Restated Agreement with Actors Playhouse Productions for the Miracle Theater at 280 Miracle Mile was distributed to the Board including the following terms:

- a. The Term would be extended an additional 5 years.
- b. The Tenant would retain its 2 – 10 year renewal terms
- c. The Tenant would have the right to add a third story to the Theater to allow for fly space, provided renovation is permitted by applicable laws
- d. As a non-profit, Tenant is currently not subject to real estate taxes or BID assessments, but in the event that the Tenant is subjected to such charges, they will be responsible for them. The City would agree that it will not take any action to change the Tenant's exemption with regard to the BID assessment.
- e. Tenant continues to be able to obtain its required flood and windstorm coverage through the City's insurance program, and continues to be responsible for the City's cost in providing such coverage. The City will allow the Tenant to make the payment each year in 12 monthly installments. The premium for the period of May 1, 2011-April 30, 2012 is \$23,269.51, which will be paid in equal monthly installments of \$1,939.13, and Tenant will pay the months of May through August upon execution of the new agreement. In early 2010, we determined that the Tenant had not been paying their insurance since 1999. We have been in discussions with them to resolve this matter since that time. The Agreement provides that Tenant will pay to Landlord premiums for the prior two years, in an amount of \$42,642.77 to be paid in 24 equal monthly installments of \$1,776.78. Failure to meet the payment schedules will result in the entire amount of \$194,614.63 (minus any amounts paid) immediately becoming due, along with applicable interest thereon. Language is added that any deductibles to be paid by Tenant for flood or windstorm will be equitably proportioned by the Landlord in its sole discretion based on losses sustained by Tenant, the other tenant in the building, and other properties covered by the applicable policies.
- f. Commencing with the 2011-2012 season, the Tenant will provide the City with 500 tickets each year to distribute to seniors and youth.
- g. In the event that Tenant does not renew, or is in default of the Lease, the audience seating will remain in the Theater. If Landlord refuses to extend the term of this Agreement after April 12, 2020 in violation of the Lease, then Tenant may remove the seating.
- h. Other: Standard lease language such as default language and language allowing minor amounts of Hazardous Materials such as cleaning supplies, was added. Restrictions on the Tenant being able to obtain grants or charitable donations while in default were eliminated provided any such funds must be held in escrow until sufficient funds are accrued to cure the default. In the event that enough funds are not obtained, the money must be returned to the donors. It shall be a default if Tenant fails to retain its

501c3 status. Provisions that are no longer applicable are deleted such as the City's need to purchase the property, the opening date, initial renovation, and initial management fee that is now expired.

Mr. Hinrichsen stated that he felt that the insurance payment obligations of the Theater should be waived in their entirety, as the Playhouse is an important organization to the City. Ms. Birdsill indicated that there had been extensive negotiations with the Theater, and the Theater has agreed to the proposed terms. Mr. Elmore made a motion to approve the terms as presented by staff and Mr. Gonzalez seconded. The motion passed with four votes in favor, and one against.

5. Parking Director and new Assistant Parking Director: Outstanding parking fees

Kevin Kinney, Parking Director for the City, introduced himself and his new Assistant Director John Kowalchik to the Board. He discussed the outstanding parking fees report with the Board. He described the types of charges listed on the report as follows:

- a. Annual Permit Fee: An annual fee for a parking space. If payee defaults on payment, the space reverts back to public parking.
- b. Long Term Lease: These are 30 year leases with monthly payments. A default on payment is considered a breach of the lease.
- c. Annual Assessment: When the City loses street parking due to development projects, the developer is responsible for payment of lost spaces via an annual assessment. If they default on payment, a lien could be placed on that property.

He then reported to the Board the status of collection for each tenant. While parking fees collection is handled by the Finance Department, Mr. Kinney reported that by November 2011 the Parking Department would have their own system installed that would be able to monitor and generate accounts receivables reports easily.

The Board thanked Mr. Kinney and Mr. Kowalchik for their visit.

6. Review of Outstanding Rents Schedule and Property Tax Report

The Board reviewed the Schedule of Outstanding Rents and Property Tax Report that was provided by the Finance Department as of August 16, 2011.

Fritz & Franz – Ms. Birdsill advised that because of scheduling, a meeting had not been confirmed with the tenant and that Mr. Roberts was still pending some sales reports.

7. Other Business

Ms. Birdsill advised the Board that at the next meeting they would be voting on a chair and vice chair. She further noted that she is working with the City Attorney's office to put into context the role of the Property Advisory Board. It was agreed the next board meeting would discuss the board's role.

- 8. Adjournment:** There being no further discussion, the meeting was adjourned at 9:20 a.m. Motion to adjourn moved by Mr. Hinrichsen and seconded by Mr. Gonzalez.

The next Property Advisory Board Meeting will take place on Wednesday, September 21, 2011 at 8:30 a.m. and will be held in the Economic Sustainability Department.

Respectfully submitted,

Cindy Dorrel
Special Projects Coordinator
Economic Sustainability Department