

CITY OF CORAL GABLES
Property Advisory Board EXCERPT Meeting Minutes
Wednesday, August 10, 2016, 8:30 a.m.
Economic Development Department
2121 Ponce de Leon Blvd., Suite 720, Coral Gables, Florida 33134

EXCERPTS

MEMBERS	A	M	J	J	A	S	O	N	D	J	F	M	APPOINTING ENTITY
	'16	'16	'16	'16	'16	'16	'15	'15	'15	'16	'16	'16	
Luis Espino Chair	P	X	P	P	P		P	X	X	P	X	P	Mayor Jim Cason
Ariel Fernandez	P	X	E	P	P		P	X	X	A	X	E*	Commissioner Jeannett Slesnick
Luba DeWitt	E	X	P	E	P		E	X	X	P	X	P	Commissioner Patricia Keon
Valerie Quemada Vice Chair	P	X	P	P	E		P	X	X	P	X	E	Commissioner Vince Lago
Tony Gonzalez	P	X	P	P	E		P	X	X	P	X	E	Commissioner Frank Quesada
Andrew Nadal	P	X	E	P	P		P	X	X	P	X	P	City Manager
Andrea Molina	A	X	P	P	P		V	V	V	P	X	P	City Commission

A = Absent E = Excused Absence P = Present X = No Meeting V = Vacant
 *Mr. Fernandez was scheduled to attend the meeting; however, due to miscommunication that led to a wrongful impression that the meeting had been canceled, he was not in attendance.

STAFF AND GUESTS:

Leonard Roberts, Assistant Director, Economic Development
 Mariana Price, Administrative Assistant, Economic Development Department

Meeting Motion Summary:

The Property Advisory Board made a motion to reduce the rent for the City tenants on Miracle Mile (Haagen Dazs, Bloom Boutique, and Ortanique) by 20% for the lesser of 3 (three) months or the length of construction on the Tenant’s block. The motion passed unanimously.

2. Recommended Rent Concessions for Haagen Dazs, Bloom Boutique, & Ortanique (Miracle Mile Properties) during Streetscape (Action)

Mr. Roberts summarized the proposal for rent concessions which are detailed below.

On January 26, 2016 the City passed a resolution approving the construction contract for the Miracle Mile and Giralda Avenue Streetscape project. The ground breaking was April 28, 2016 and construction started shortly thereafter. As part of the construction, the on-street parking has been temporarily halted in order to start the renovations (see images back). Sidewalk access has been reduced, also creating some limitation, but in all cases there continues to be access to every

storefront. The construction has affected businesses and the City would like to propose a rent credit to City tenants on Miracle Mile to provide some relief during the construction.

The City reviewed articles related to other retail businesses that showed revenues decreased up to 25% due to surrounding construction projects. The City then reviewed each tenant's sales activity noting each month reduction in sales from May to July, 2016. For instance, May to June, 2016 sales reductions were 18.6%, 38.5% and 7.52% for Haagen Dazs, Bloom Boutique and Ortanique, respectively. Bloom Boutique and Haagen Dazs are fairly new tenants and Ortanique is about to start renovation to their site.

The Property Advisory Board recommended leases for all three tenants. Haagen Dazs has been a tenant since June 2015; Bloom Boutique since February 2016 and Ortanique since September 1997. These entities provide a great product mix that sparks the economic vitality of the City's downtown as do many of the existing businesses on Miracle Mile.

The City is recommending a 20% reduction in lease payment during the anticipated construction expected on the south side of Miracle Mile. The total project timeline is 18 months so the City is proposing 9 months reduction.

Summary of Proposal:

	Haagen Dazs	Bloom Boutique	Ortanique
Lease Terms			
Commencement Date	Jun-15	Feb-16	Aug-16
Total SF	873	850	3,100
Revenue Loss			
from May to June	(18.6%)	(38.5%)	(7.5%)
Proposal			
Total Proposed Reduction (20%)	\$4,038	\$4,781	\$17,438
Reduction timing (mos.)	9	9	9
Per month deduction	\$448.63	\$531.25	\$1,937.50

Mr. Fernandez made a motion to recommend a 20% rent reduction for City tenants (Haagen Dazs, Bloom Boutique, and Ortanique) on Miracle Mile during streetscape construction for the lesser of 3 (three) months or the length of construction on the Tenant's block (instead of the originally suggested nine months) which was seconded by Mr. Nadal, and which passed unanimously.

Respectfully submitted,

Mariana Price, Administrative Assistant - Economic Development Department