



City of Coral Gables  
CITY COMMISSION MEETING  
May 13, 2014

**ITEM TITLE:**

Resolution authorizing entering into a lease with Aboti, LLC d/b/a Haagen Dazs, with regard to City owned property at 286 Miracle Mile, Coral Gables, Florida for a period of ten (10) years.

**DEPARTMENT HEAD RECOMMENDATION:**

Approval

**BRIEF HISTORY:**

The proposed tenant has been operating Haagen Dazs for more than 15 years. They own and operate 3 other Haagen Dazs franchises located in Bayside, Lincoln Road and Ocean Drive. Because the owners are long time Coral Gables' residents they would like to open a fourth location in the City owned space next door to Actor's Playhouse. Haagen Dazs has over 1,400 locations internationally, 220 in the US, 17 in Miami-Dade County and 0 in Coral Gables.

The proposed lease terms are as follows:

Premises: 873 square feet located at 286 Miracle Mile, Coral Gables, FL 33134.

Improvements: The tenant is taking the premises "as-is" with no tenant allowance. Tenant will make approximately \$300,000 in improvements.

Broker Fee: 3% fee of the total base rent (\$14,339), to be paid by the City to Equity Resource Group, LLC; 50% paid upon execution and 50% paid on the fifth month after the rent commencement date.

Term: 10 years commencing the earlier of obtaining a certificate of occupancy or 12 months after the date the agreement is fully signed (Note: the space requires a change of use since its prior use was a retail shoe store).

Landlord's Termination Right: Landlord has the right to terminate with 9 months' written notice. If landlord terminates in the initial term, landlord will have to reimburse tenant for its unamortized portion of tenant improvements on a straight-line basis over the initial term.

Renewal Terms: Tenant will have 2 – 10 year renewal terms at 95% Market Rate, which in no event will be less than 105% of the rate of the last lease year in the initial term or

first renewal term, as applicable. Tenant shall give the landlord six (6) months' notice to renew if not they lose their right to renew.

**Rent:**

<b>PERIOD</b>	<b>MONTH</b>	<b>PSF(NNN)</b>	<b>% Inc.</b>
Year 1	\$3,637.50	\$50.00	2%
Year 2	\$3,710.25	\$51.00	2%
Year 3	\$3,784.46	\$52.02	2%
Year 4	\$3,860.14	\$53.06	2%
Year 5	\$3,937.35	\$54.12	2%
Year 6	\$4,016.09	\$55.20	2%
Year 7	\$4,096.42	\$56.31	2%
Year 8	\$4,178.34	\$57.43	2%
Year 9	\$4,261.91	\$58.58	2%
Year 10	\$4,347.15	\$59.75	

This rent is a market rate and higher than the rate of \$46.90 per square foot paid in the last year by the prior tenant.

**Abatement:** Base Rent for the first three months after the Rent Commencement Date will be abated, but the tenant will pay its share of insurance, real estate taxes and other operating costs during that time. The abatement will be repaid if tenant defaults.

**Costs/CAM:** This will be on our standard lease form, so Tenant will be responsible for its share of common area costs including insurance, real estate taxes, and the BID assessment.

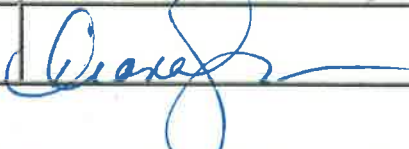
**Security:** The Tenant will post a security deposit of two month's base rent, common area operating costs and sales tax for a total of \$8,963.28. The owner will also provide a personal guaranty.

The Economic Development Board recommended approval at their meeting on April 2, 2014, the Budget and Audit Board recommended approval at their meeting on April 16, 2014 and the Property Advisory Board recommend approval at their meeting on April 30, 2014.


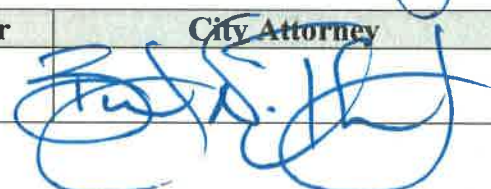
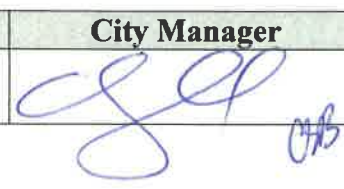
**ADVISORY BOARD/COMMITTEE RECOMMENDATION(S):**

Date.	Board/Committee	Comments
4/2/14	Economic Development Board	Recommended approval of proposed renewal terms
4/16/14	Budget and Audit Board	Recommended approval of proposed renewal terms
4/30/14	Property Advisory Board	Recommended approval of proposed renewal terms

**FINANCIAL INFORMATION: (If Applicable)**

No.	Amount	Source of Funds
001-362-153	\$4,481.64	Rental Revenue
001-7000-519-31-90	\$14,339.00	Non-Departmental Budget
Approved:		

**APPROVED BY:**

Department Director	City Attorney	City Manager
		

**ATTACHMENT(S):**

1. Proposed Resolution with Proposed Lease Agreement
2. Excerpt minutes of the Economic Development Board meeting of April 2, 2014
3. Minutes of the Budget/Audit Advisory Board meeting of April 14, 2014
4. Excerpt minutes of the Property Advisory Board meeting of April 30, 2014