



City of Coral Gables
CITY COMMISSION MEETING
July 9, 2024

ITEM TITLE:

A Resolution of the City Commission of the City of Coral Gables, Florida, authorizing the City to enter into a Lease with Bogey Grill, LLC, a Florida limited liability company, using a trade name to be determined, with regard to the City-owned property 2001 Granada Boulevard, Coral Gables, FL 33134 for a period of five (5) years and with one (1) additional, five-year renewal option, at the City's discretion.

DEPARTMENT HEAD RECOMMENDATION:

Approval.

BRIEF HISTORY:

The City of Coral Gables (the "Landlord") owns the Granada Golf Course Pro Shop Diner Building (Folio No. 03-4108-001-5855) located at 2001 Granada Boulevard, Coral Gables FL, 33134 (the "Building") which includes both the Golf Course Pro-Shop and a restaurant/diner space that encompasses 1,799 square feet (the "Premises"). The Premises, where the Burger Bob's diner operated between 2003-2022, under a concession agreement/lease with the city, are considered an amenity to the Granada Golf Course and its surrounding neighborhood.

On March 8, 2022, pursuant to Resolution No. 2022-51, the City Commission directed the City Manager to: (1) study diner-style restaurants to gain inspiration for the concept envisioned by the City Commission, (2) proceed with the demolition of the Premises, (3) establish a budget for the design and construction of the Premises, (4) engage a restaurant operator/tenant for the Premises, once the design and construction is complete, (5) preserve any equipment that is still useful; and (6) find a way to recognize Burger Bob's in the new diner-style restaurant Premises.

On May 10, 2022, pursuant to Resolution No. 2022-118, the City Commission waived the competitive process of the Procurement Code with respect to the operation of the Premises and directed the City Manager to negotiate directly with Ms. Rita Tennyson, for the operation and tenancy of the Premises.

As directed by the City Commission, the City's Public Works Capital Improvement Division (PWCIP) will complete a \$1.327 Million renovation and improvements project (the "Renovations"), whose design included community input through Community Recreation neighborhood meetings and meetings with residents at the Premises regarding the diner's aesthetics and furnishings. PWCIP expects that the city's general

contractor will achieve substantial completion of the Renovations in July 2024 and final completion by the end of September 2024.

In February of 2024, pursuant to Sec. 2-1092 of Division 12- Purchase, Sale, and Lease of Public Property of the City’s Procurement Code, the City contracted MAI certified appraisers Integra Realty Resources, Inc. and Quinlivan Appraisal PA to conduct market rent appraisals of the Premises. The summary of the completed market rent appraisals are as follows:

Date	Appraiser	Square Feet	Market Rent PSF
3/26/2024	Integra Realty Resources	1,799	\$35-\$40
3/19/2024	Quinlivan Appraisal, PA	1,799	\$35-\$40

Proposed Lease Terms:

Premises: 1,799 sq. ft. of restaurant use space leased in its “as is” condition.

Tenant Trade Name: Tenant shall conduct business at the Premises using one of the following trade names: Birdie Bistro, The Birdie Grill, Bogey Grill, The 10th Hole, Tee Time Grill, Oasis on the Green.

Landlord Renovations and Improvements: Landlord will complete the Renovations to the Premises and deliver the Premises to the Tenant within five (5) business days after the final completion of the Renovations as evidenced by the issuance of a final Certificate of Occupancy (the “CO”) (the “Possession Date”).

Term: The Lease term shall commence on the day that both Tenant and Landlord execute the Lease (the “Effective Date”) and shall expire five (5) years after the earlier of:

- (i) the date in which Tenant opens for business to the public.
- (ii) thirty (30) days following issuance of the CO (the “Rent Commencement Date”).

Renewal: Tenant will have one (1) additional, five-year renewal option, at market rent, and at the City’s discretion.

Base Rent and Yearly Escalations: For five (5) years, commencing on the Rent Commencement Date, the Tenant will pay the Landlord monthly rent at \$35.00 per sq. ft., increasing at the rate of three percent (3%) per annum as follows:

Lease Year	Per Sq. Ft. Rent	Monthly Rent	Annual Base Rent
1	\$35.00	\$5,247.08	\$62,965.00
2	\$36.05	\$5,404.50	\$64,853.95
3	\$37.13	\$5,566.63	\$66,799.57
4	\$38.25	\$5,733.63	\$68,803.56
5	\$39.39	\$5,905.64	\$70,867.67

Additional Rent: Commencing on the Rent Commencement Date, the Tenant will pay Landlord additional rent (an estimated \$8.00 per sq. ft.) for the Premises, encompassing Tenant's proportionate share (35.64%) of:

- (i) Real estate property taxes for the Building.
- (ii) Landlord's common area maintenance costs for the maintenance, operation, management, or repair of the Building.
- (iii) Landlord's cost to insure the Building.

Security Deposit: Tenant shall provide a \$19,339.25 in security deposit to the Landlord encompassing three (3) months of base rent at \$35.00 per sq. ft. (\$15,741.25) and three (3) months of additional rent at \$8.00 per sq. ft. (3,598.00).

Equipment and Furniture: Tenant leases the Premises inclusive of equipment, fixtures, and furniture (the "FF&E").

Tenant's Maintenance/Operational Requirements: Tenant shall be responsible for the repair, maintenance and replacement of the interior of the Premises, including all walls, plumbing, electricity, fixtures, grease traps, fire extinguishers and alarms, the Grease Storage, the FF&E and all other appliances and equipment of every kind and nature and any mechanical systems servicing the Premises.

Landlord's Maintenance Requirements: Landlord shall be responsible for all exterior building maintenance, such as the roof, impact exterior glass damage, exterior painting, HVAC system, plumbing, and electrical systems servicing the building. Landlord shall not be required to undergo any repairs to the FF&E or the Renovations that are not covered by warranties.

Tenant's Insurance Requirements: Tenant shall provide the City' with its standard insurance requirements for general liability, workers compensation, automobile liability, liquor liability, and property insurance for the FF&E interior property as well as the Tenant's personal property.

In addition to providing food and beverage services at the Premises, Tenant may also:

- 1) Use the Premises for private events. Any private event that limits the general public's access to the Premises shall require Community Recreation Department Director approval.
- 2) Host public events in the Terrace Area but must apply through the City's Special Event Permitting Process for approval.
- 3) Provide catering services to the community, but this shall not affect the quality of service, or products provided on the Premises.
- 4) Sell non-food and non-beverage items to the public in connection with the Premises, including t-shirts, mugs, and nostalgic Burger Bob's merchandise.
- 5) Provide food and beverage service directly on the golf course but must obtain the proper approvals and permits from the appropriate governmental authorities and these must be subject to any rules and regulations imposed by Landlord.

Pursuant to Section 2-1097 of Division 12- Purchase, Sale, and Lease of Public Property of the City Code, the City Commission is authorized to approve by resolution a lease of city-owned land or buildings for a term not to exceed ten years, including all options. Moreover, this item requires a waiver of the Procurement Code. Section 2-1089, authorizes the City Commission, upon a four-fifths vote, to waive any condition imposed by the provisions of the Procurement Code that may not have been technically followed, where the Commission finds such a waiver to be in the best interest of the City and necessary to proceed with a purchase, sale, or lease.

FF& E

LEGISLATIVE ACTION:

Date.	Resolution/Ordinance No.	Comments
03/08/2022	Resolution No. 2022-51	Direction to CM for Premises
05/10/2022	Resolution No. 2022-118	Procurement Code Waiver

ATTACHMENT(S):

1. **Draft Resolution**
2. **Draft Lease Agreement**
3. **Integra Realty Resources Market Rent Appraisal**
4. **Quinlivan Appraisal PA Market Rent Appraisal**