



City of Coral Gables
CITY COMMISSION MEETING
July 14, 2020

ITEM TITLE:

A Resolution of the City Commission authorizing entering into a Lease with Graziano's Gourmet in the Gables, LLC with regard to City-owned property at 2301 Galiano Street, Coral Gables, Florida, 33134, granting the approval of Lease terms for a period of five (5) years with two additional five-year renewal options subject to City Commission approval.

DEPARTMENT HEAD RECOMMENDATION:

Approval

BRIEF HISTORY:

Graziano Enterprises, LLC assumed the Lease for 2301 Galiano Street, Coral Gables, FL 33134 (the "Premises") by virtue of an Assignment Agreement dated September 27, 2005, as authorized by Resolution No. 2005-189. Pursuant to Resolution No. 2006-01, in December of 2005, Graziano Enterprises LLC assigned the Lease to Graziano's Gourmet in the Gables, LLC (the "Tenant") by execution of an Assignment Agreement. Pursuant to Resolution No. 2010-181, the Tenant and the City of Coral Gables (the "Landlord") entered into a renewal Lease on August 25, 2010 for five (5) years with one five-year renewal option. In 2015, the Tenant exercised its renewal option, which expires on August 10, 2020. Landlord and Tenant desire to enter into a new Lease and the proposed terms are as follows:

Premises: 2301 Galiano Street, Coral Gables, FL 33134 is located in the City's Parking Garage #6 and consists of 6,613 SF (including 148 square feet of storage).

Term: Five (5)-year term (August 11, 2020 - August 10, 2025).

Rent: Base Rent will be \$33.00 PSF for the first year of the Lease and will escalate at three percent (3%) per year throughout the Lease term.

Lease Year	Base Rent Per Month	Base Rent Per Square Foot
Year 1 - 8/11/20-8/10/21	\$18,185.75	\$33.00
Year 2 - 8/11/21-8/10/22	\$18,731.32	\$33.99
Year 3 - 8/11/22-8/10/23	\$19,293.26	\$35.01
Year 4 - 8/11/23-8/10/24	\$19,872.06	\$36.06
Year 5 - 8/11/24-8/10/25	\$20,468.22	\$37.14

Renewal Term: Tenant will have two (2) five-year renewal options exercisable by providing notice to the Landlord of its intent to renew not more than twelve (12) months and no less than six (6) months prior to the expiration of both the initial Lease Term and the first renewal option. The Landlord shall have thirty (30) days to approve or reject the Tenant's requests for renewals and these shall be subject to City Commission approval.

The per square foot (PSF) rate during the first year of each renewal option will be subject to an adjustment of no more than eight percent (8%) over the Base Rent at the end of the initial Lease Term and first renewal period. The two (2) five-year renewal periods shall include annual increases of three percent (3%) per year.

Operating Expenses: Tenant shall be solely responsible for the installation, operation and maintenance expenses of the Premises, including the cost of all HVAC, heating, electricity, water, sewer, garbage, gas and waste removal, other utility expenses, janitorial service, pest control, and insurance.

Common Area Expenses: Tenant shall pay its proportionate share, [fifty percent (50%)], of common area maintenance, operating expenses, and insurance.

Real Estate Taxes/BID Assessment: Tenant shall be responsible for payment of all applicable property taxes, and Business Improvement District (BID) tax assessment for the Premises.

Security Deposit: Tenant shall deposit with Landlord additional funds to raise the current amount held as the Security Deposit (\$14,960.66) to an amount representing the sum of two months' (i) Base Rent, (ii) estimated common area operating costs, (iii) estimated property taxes, and (iv) sales tax (\$46,635.86).

LEGISLATIVE ACTION:

Date.	Resolution/Ordinance No.	Comments
1/12/06	Resolution No. 2006-01	Approving assignment from Graziano Enterprises LLC to Graziano's Gourmet in the Gables, LLC
9/27/05	Resolution No. 2005-189	Authorizes negotiation and execution of assignment from Fine Catering and Events Company to Graziano Enterprises, LLC
10/26/04	Resolution No. 2004-215	Authorizes assignment from Amici's.
10/27/98	Resolution No. 29619	Authorizes negotiation of lease with Amici's Gourmet Market for 10 years
8/24/2010	Resolution No. 2010-181	Authorizes entering into a renewal Lease

FINANCIAL INFORMATION: (If Applicable)

No.	Amount	Source of Funds
460-362-174		Lease Renewal

ATTACHMENT(S):

- 1. Draft Resolution**
- 2. Draft Lease**