

CITY OF CORAL GABLES
Economic Development Board Meeting Minutes
Wednesday, April 2, 2014, 8:00 a.m.
1 Alhambra Plaza, Suite 617, Coral Gables, Florida 33134

MEMBERS	S	O	N	D	J	F	M	A	M	J	J	A	COMMISSIONERS
	'13	'13	'13	'13	'14	'14	'14	'14	'14	'14	'14	'14	
Scott Sime Chair	E	P	A	P	P	P	P	P					Mayor Jim Cason
Alberto Manrara Vice-Chair	P	P	E	P	P	P	P	E					Vice Mayor William H. Kerdyk, Jr.
Jack PJ Mitchell	P	P	P	P	P	P	P	P					Commissioner Pat Keon
June Morris	E	P	P	P	P	P	P	P					Commissioner Vince Lago
Alexander Binelo	P	E	P	E	E	P	P	P					Commissioner Frank Quesada

A = Absent
E = Excused Absence
P = Present
X = No Meeting

STAFF AND GUESTS:

Cynthia S. Birdsill, Director, Economic Sustainability Department
Leonard Roberts, Deputy Director, Economic Sustainability Department
Michelle Cash, Marketing Coordinator, Economic Sustainability Department
Jorge Casuso, Business Development Analyst, Economic Sustainability Department

Meeting Motion Summary:

Mr. Binelo made a motion to recommend a proposed new lease for Haagen Dazs at 286 Miracle Mile to the City Commission, which was seconded by Ms. Morris and which passed unanimously.

2. Review of the new lease proposal for Haagen Dazs at 286 Miracle Mile

Mr. Roberts summarized the terms which are detailed below.

Background: 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. Since the owners are long time Coral Gables residents they will like to open a fourth location in the City owned space next door to Actor's Playhouse. Haagen Dazs has over 1,400 location internationally, 220 in the US, 17 in Miami-Dade County and 0 in Coral Gables.

Tenant: Aboti, LLC. d/b/a Haagen Dazs

Premises: 873 square feet located at 286 Miracle Mile, Coral Gables, FL. 33134. Space is being leased in its “as is” condition, and the tenant plans on spending approximately \$300,000 in tenant improvement.

Use: Ice Cream Shop.

Term: 10 years commencing on the earlier of issuance of a certificate of occupancy or 12 month after the date the agreement is fully signed.

Renewal Terms: Tenant will have 2 – 10 year renewal term 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.

Landlord’s Termination Right: Landlord has the right to terminate with 9 months’ written notice. If landlord terminates, landlord will have to reimburse tenant for its unamortized portion of tenant improvements.

Rent:
For the Premises:

LEASE YEAR	BASE RENT PER MONTH	BASE RENT PER SQUARE FOOT
Year 1	\$3,637.50	\$50.00
Year 2	\$3,710.25	\$51.00
Year 3	\$3,784.46	\$52.02
Year 4	\$3,860.14	\$53.06
Year 5	\$3,937.35	\$54.12
Year 6	\$4,016.09	\$55.20
Year 7	\$4,096.42	\$56.31
Year 8	\$4,178.34	\$57.43
Year 9	\$4,261.91	\$58.58
Year 10	\$4,347.15	\$59.75

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: 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 City reviewed the personal guarantor’s financial statements noting there were

sufficient real and personal assets to protect the City's stream of rental income. The Tenant will also invest \$300,000 of leasehold improvements into the space.

Broker Fee: 3% fee of the total base rent (\$14,339), to be paid by the City to Equity Resource Group, LLC.

Ms. Birdsill asked the Board to consider the list of questions below:

Questions for the Economic Development Board:

1. Is the proposed use in keeping with city goals and objectives?
2. What is the economic impact to the city including, i.e. is the proposed use in keeping with a public purpose and community needs, such as expanding the city's revenue base, reducing city costs, creating jobs, creating a significant revenue stream and improving the community's overall quality of life?
3. Are there alternatives available for the proposed disposition, including assembly of adjacent properties and can the project be accomplished under a private ownership assembly?

The board agreed that the lease is in keeping with the goal of a retail space, will provide revenue stream for the City and that the ownership structure is appropriate.

Mr. Binelo made a motion to recommend a proposed new lease for Haagen Dazs at 286 Miracle Mile to the City Commission, which was seconded by Ms. Morris and which passed unanimously.

Respectfully submitted,

Jorge Casuso, Business Development Analyst
Economic Sustainability Department