

CORAL GABLES

THE CITY BEAUTIFUL

Property Advisory Board **EXCERPT** Meeting Minutes

Wednesday | December 12, 2018 | 8:30 a.m.

PAB MEMBERS	J	F	M	A	M	J	J	A	S	O	N	D	APPOINTING ENTITY
	'19	'19	'19	'19	'19	'19	'19	'19	'19	'18	'18	'18	
Alberto Manrara										P	P	P	Mayor Raúl J. Valdés-Fauli
Jonathan Leyva										P	P	P	Commissioner Michael Mena
Jack Lowell										P	P	A	Commissioner Patricia Keon
Valerie Quemada										P	P	P	Vice Mayor Vince Lago
Tony Gonzalez										P	E	P	Commissioner Frank Quesada
Edmund Mazzei										P	P	P	City Manager Swanson-Rivenbark
Andrea Molina Vice Chair										P	P	P	City Commission as a Whole

A = Absent E = Excused Absence P = Present X = No Meeting Ph = Present by Phone - =Former Board Member

STAFF AND GUESTS:

Frank Quesada, City Commissioner, City of Coral Gables
 Pamela Fuertes, Director, Economic Development Department
 Leonard Roberts, Assistant Director, Economic Development Department
 Mariana Price, Administrative Assistant, Economic Development Department
 Steve Krams, President, Coral Gables Art Cinema
 Brenda Moe, Co-Executive Director, Coral Gables Art Cinema
 Marlin Ebbert, Vice Chair, Coral Gables Art Cinema Board of Directors

Meeting Motion Summary:

A motion to recommend the City Commission to approve \$350k in support of the Coral Gables Art Cinema’s bricks and mortar expansion which will allow them to show films in a way that is most profitable and beneficial to the City passed 4-1 with one abstention.

Mr. Manrara brought the meeting to order at 8:31 a.m.

1. Cinema Expansion Presentation & Analysis

Mr. Steve Krams, President of the Coral Gables Art Cinema, and Ms. Brenda Moe, Co-Executive Director, gave a presentation to the board on the possibility of expanding the Gables Art Cinema into the adjacent space currently occupied by Patio n’ Things. Ms. Moe presented the following points:

- The Art Cinema already has a nonbinding LOI with the City which was approved by the Property Advisory Board at a previous meeting. The Art Cinema came back to the City to

request a \$350,000 grant towards the build out of their potential expansion.

- Director Fuertes supported the request to grant them the funding and to move forward with the request. Ms. Moe continued to say that this seed funding would assist in raising additional funding, such as the Knight Foundation and the State of Florida. They've occupied the space for eight years, have operated successfully and have an incredibly committed group of members. There are 55,000 visitors to the Cinema annually.
- The Cinema has one screen when the industry standard is three screens. It is not up to the Cinema to decide how long to show a movie—that is a requirement from the distributor. With the expansion, they would have two additional screens, which would allow them to bring in more products, move a film onto another screen, and bring in something else in order to increase their revenues. Revenues really are capped because only so many people can come in during a movie showing and there are only so many rentals they can host.
- Their goal is to expand and to bring more people to the City. They had a successful program with local restaurants called Film Flavors, wherein a patron can present their movie ticket at House, Seasons 52, or La Dorada, and in turn receive a free cocktail, appetizer, or dessert. They want to be a good neighbor and in return they offer marketing support on their screens.
- The Cinema would also like to make their space more available to cultural organizations that are recipients of City grants at little to no cost. The Cultural Advisory Board is excited about them having new space to extend those opportunities.

Ms. Ebbert, who sits on the Sustainability Advisory Board, said that last year they got permission from the Commission to have an Earth Week in April, and they showed a sustainability film at the cinema along with other programming. She continued that the Cinema has been very creative in making use of its space during so many hours of the day, including children's programming, after hours programming, etc. They pack the Cinema at 11 pm at night and they showed movies like *Midnight Cowboy* to a whole new generation of moviegoers. Ms. Moe said they're open 365 days a year, and that regular programming usually begins at about 4 pm in the afternoon.

The Cinema is asking for a recommendation from the board to the City Commissioners in support of \$350,000 in bricks and mortars. The buildout would not start until 2020 and they wouldn't need the funds until then, but they would need a letter stating that the City intends to support funding so that they may go to other grant organizations to raise additional funds.

Board members told the Art Cinema representatives that their function as a board was to look at issues from a property perspective, noting that Patio n' Things has been a viable business.

Mr. Krams told the board that the Cinema opened its doors in 2006 as a 501c3 non-profit organization. He pointed out that with 100,000 people coming into the downtown core with each spending \$20-30 plus parking, it isn't difficult to quantify this expansion, adding that this really represents a great contribution to the downtown core business community. Mr. Krams added that a large part of their programming comes from Spain, South America, and other places where the Spanish language is spoken.

Lastly, Mr. Krams pointed out that with Commissioner Quesada the board talked about building for the future. He stressed that the Cinema will not survive or continue to exist if they do not expand. Therefore they're looking for their continued support as they have appeared before this board previously. The additional ask is for the City to provide a \$350k grant towards the expansion buildout. The Art Cinema believes that it's a reasonable request and that it would enable them to bring in much more. They'll need anywhere from \$1.5-\$2M total for this project. They will ask the City to repeat what they did before to supervise the construction. Initially when this was done, the City managed the construction and made sure that it was bid properly, and that the money and funds were properly handled.

Mr. Roberts reminded the board that they had previously approved a Letter of Intent for the City to support the Cinema's expansion. Ms. Molina asked what the current Art Cinema rent is, and Mr. Krams answered \$1,500/month. Currently, Patio n' Things is paying \$8,500/month. Mr. Krams said the Cinema would request to pay another \$1,500 so the total would be \$3k/month, which goes up annually. Mr. Roberts said that Patio n' Things reimburses for common area maintenance and pays real estate taxes to the City, so the delta would be about \$120,000/year. If the Cinema were to replace the current tenant, the real estate taxes would be tax exempt as a not for profit. Also, Cinema visitors receive a 50% discount for parking. The total difference is not a small number but it's also not necessarily one that can't be overcome. The Cinema is 6k SF and pays \$35/SF. The LOI will not state the subsidized rent, which has not been agreed to yet. Mr. Roberts suggested that the delta might also be a wash with the extra \$30k in revenue from the other businesses in parking fees, not including the meters.

Ms. Molina said she thought the expansion idea was great because the City doesn't have many other cultural arts options. Mr. Manrara asked why another site was not considered for expansion to which Ms. Moe responded that it would be pointless to do so because the licensing is per site and by having two sites they could not rotate shows.

Ms. Molina made a motion to approve the \$350k for the Coral Gables Art Cinema to continue with their existing mission and to have an adjacent space that allows them to expand and show films in a way that is most profitable and beneficial to the City. Ms. Quemada seconded the motion, with two more votes for, one vote against, and one abstention on the motion. The motion passed 4-1 with one abstention.

The meeting was adjourned at 9:58 a.m.

Respectfully submitted,

Mariana Price, Administrative Assistant - Economic Development Department