

# CORAL GABLES

THE CITY BEAUTIFUL

## Property Advisory Board Meeting Minutes

Wednesday | August 17, 2018 | 8:30 a.m.

PAB MEMBERS	J	F	M	A	M	J	J	A	S	O	N	D	APPOINTING ENTITY
	'18	'18	'18	'18	'18	'18	'18	'18	'18	'17	'17	'17	
Alberto Manrara	P	P	X	P	E	P	P	P		P	P	X	Mayor Raúl J. Valdés-Fauli
Jonathan Leyva	P	P	X	P	P	P	P	P		P	P	X	Commissioner Michael Mena
Jack Lowell	P	P	X	P	P	P	P	P		-	-	X	Commissioner Patricia Keon
Valerie Quemada	P	P	X	E	P	E	P	E		P	P	X	Commissioner Vince Lago
Tony Gonzalez	E	P	X	P	P	P	E	P		E	P	X	Vice Mayor Frank Quesada
Edmund Mazzei	P	P	X	P	E	P	P	P		P	P	X	City Manager Swanson-Rivenbark
Andrea Molina Vice Chair	P	P	X	P	P	P	P	E		P	P	X	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:

Leonard Roberts, Interim Director, Economic Development Department

Mariana Price, Administrative Assistant, Economic Development Department

Mayra Saldana, Owner of Bloom Boutique

Delius Shirley, Owner of Ortanique on the Mile

### Meeting Motion Summary:

**A motion to approve the minutes of the July 11, 2018 meeting passed unanimously.**

**A motion to defer the lease termination notice to Bloom Boutique, allow it to operate through the holiday season, require that the owner stay up to date on rent payments (pay by the 30<sup>th</sup> each month), submit sales reports, and update insurance requirements, as well as agreeing to surrender the premises should that be the PAB's determination upon review of business performance at the January Property Advisory Board meeting without requiring further legal maneuvers passed unanimously.**

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

### 1. Review of July meeting minutes (Action)

Mr. Mazzei made a motion to approve the July meeting minutes, which Mr. Gonzalez seconded, and which passed unanimously.

## **2. Bloom Boutique (Presentation)**

Mr. Roberts provided a brief background on Bloom Boutique's presence in the City, saying that Bloom Boutique had operated in Coral Gables for 15 years before moving to Miracle Mile in February 2016, a few months prior to the Streetscape Project. Copies of a notice of default (provided in May 2018) and a notice to surrender the premises (provided in July 2018), both addressed to Ms. Saldana, were provided to board members.

Mr. Roberts reminded the board of the 20% rent abatement the City allowed its tenants affected by the Miracle Mile Streetscape Project. After the rent abatement, there were still collection issues with Bloom Boutique however, which were brought before this board. The PAB approved a rent deferment up to August 2017. After the board approved this, there were still concerns about payments, so the City Manager was asked to extend the deferment up to December 2017. An amendment was then added to the lease that stipulated the City's right to terminate the lease if Bloom Boutique was ever in default. Now, in August 2018, some lease components have been in default, which include certain insurance requirements, a percentage of the rent abatement, and accumulated past due fees for late rent payments. Mayra Saldana has been given until September 18, 2018 to surrender the premise. The market rate is \$55 PSF on Miracle Mile, while Ms. Saldana pays \$37.50 NNN (triple net). Mr. Mazzei asked what the true past due rent including late fees would be if the City were to ask Ms. Saldana to pay back everything she owed at once. Mr. Roberts responded approximately \$60,000, of which the City is holding \$7,000 before depositing because of the default issue.

Mr. Manrara introduced the owner of Bloom Boutique, Mayra Saldana, to the board. Ms. Saldana presented on the history of her business in Coral Gables and how she had a thriving business before the beginning of the Streetscape Construction Project in her previous location across the street. She noticed in August 2016 her sales numbers started to decline but she had expected to recuperate with the holiday season by December 2016. She stated she has done everything in her power to bring her business back, including selling her home and not paying herself a salary. Ms. Saldana told the board she participated in the retail workshops six months ago provided by the City and has since been doing everything she could to follow the recommendations, including branding her products. She also started "Bijou Boxes" which is a mail-order program for customers to receive garments and accessories via mail. She brought samples to demonstrate.

In attendance at the meeting was Mr. Delius Shirley, owner of Ortanique on the Mile and business neighbor to Bloom Boutique. Mr. Shirley made the point that there is not much to gain on the City's end by enforcing her surrender of the premises because of both the time it would take to prepare the property for a new tenant and the time it would take to find and negotiate another lease agreement with a new tenant. He concluded that it was in the best interest of both parties to allow Ms. Saldana to operate through the upcoming holiday season as one last final effort to see if she would be able to make her business viable once again, including to repay the City her outstanding debt.

## **3. Bloom Boutique Lease Status (Action)**

Mr. Mazzei made a motion to recommend that the termination notice be extended into January so the City can see how she does through the season and revisit her lease termination

in January, and Mr. Gonzalez seconded the motion. Mr. Lowell suggested an amendment that requires she stays up to date on her rent payments and submitting sales reports, and that there are no issues with her insurance. Mr. Manrara suggested amending the motion to include that Ms. Saldana attends the January Property Advisory Board to report back with her sales reports and outcome for the holiday season. At that time the Property Advisory Board will determine whether or not Bloom Boutique is a viable tenant. If not, Ms. Saldana would agree to shut down immediately without necessitating the City to go through further legal maneuvers. Rent will also be expected to be paid by the 30<sup>th</sup> of each month. Mr. Mazzei agreed and amended his motion to include the aforementioned amendments, which was seconded by Mr. Gonzalez and which passed unanimously.

**Mr. Mazzei made a motion to defer the lease termination notice to Bloom Boutique, allow it to operate through the holiday season, require that the owner, Ms. Mayra Saldana stay up to date on rent payments (pay by the 30<sup>th</sup> each month), submit sales reports, and update insurance requirements, as well as agreeing to surrender the premises should that be the PAB's determination upon review of business performance at the January Property Advisory Board meeting without requiring further legal maneuvers, which Mr. Gonzalez seconded and which passed unanimously.**

#### **4. Outstanding Rent Report**

An Outstanding Rent Report of the City's tenants with outstanding rent balances was given to board members.

Mr. Shirley was asked to speak on the wellbeing of the businesses after the streetscape project. His observation has been that, while there are many more people on the Mile, the streetscape project has attracted people who don't spend money on the Mile. Mr. Shirley has also not paid himself a salary in the last two years but has kept his staff onboard throughout and after the streetscape project. He reviewed the losses in revenue as a result of the construction and said that the 20% rent deferment did little to alleviate the negative effects on businesses.

#### **5. Other City Business**

Mr. Manrara asked for an update of the selection of the Fink Studio tenant. Mr. Roberts explained that CCE (Centro Cultural Español) was selected to be the next tenant of the Fink Studio building, chosen unanimously by the representatives of the Fink Studio Selection Committee. Mr. Manrara expanded saying that the Dante Alighieri Society is mostly a language school, deriving most of their revenues from language courses whereas CCE is focused more on culture.

Mr. Roberts also reviewed where the City is at in negotiating the sale of 7350 Coral Way, saying that the County's restrictive covenant of providing 80 parking spaces for the adjacent park made negotiations with a potential buyer fall through, so seeking a buyer is ongoing.

The meeting was adjourned at 10:00 a.m.

Respectfully submitted,

Mariana Price, Administrative Assistant - Economic Development Department