



City of Coral Gables
CITY COMMISSION MEETING
March 25, 2015

ITEM TITLE:

A Resolution authorizing entering into a lease with Myra Saldana, d/b/a Bloom Boutique, with regard to City owned property at 290 Miracle Mile, Coral Gables, Florida for a period of ten (10) years.

DEPARTMENT HEAD RECOMMENDATION:

Approval.

BRIEF HISTORY:

Bloom Boutique, which sells women's clothing and apparel, originally opened its doors in Downtown Coral Gables on Ponce de Leon Boulevard and currently occupies the space at 293 Miracle Mile, across the street from the City-owned space at 290 Miracle Mile, which is currently leased. Bloom's current landlord plans to rent the space to an existing tenant and increase the rent when the lease expires in September. Bloom has a proven business model, a built-in clientele and a good reputation with the community.

The proposed lease terms are as follows:

Premises: 850 square feet located at 290 Miracle Mile, Coral Gables, FL. 33134.

Tenant Improvements: The space is being leased in its "as is" condition, and the tenant plans to spend approximately \$75,000 in tenant improvements.

Use: Women's clothing, shoes and accessories.

Term: 10 years commencing on the earlier of issuance of a certificate of occupancy or 9 months after the date the agreement is fully signed.

Renewal: Tenant will have two – 5 year renewal terms 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.

Rent:				Previous
PERIOD	MONTH	PSF(NNN)	% Inc.	Tenant
Year 1	\$2,656.25	\$37.50	3	32.46
Year 2	\$2,736.29	\$38.63	3	
Year 3	\$2,818.46	\$39.79	3	

Year 4	\$2,902.75	\$40.98	3
Year 5	\$2,989.88	\$42.21	3
Year 6	\$3,079.83	\$43.48	3
Year 7	\$3,171.92	\$44.78	3
Year 8	\$3,266.83	\$46.12	3
Year 9	\$3,364.58	\$47.50	3
Year 10	\$3,465.88	\$48.93	3

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/CAM: 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 all special assessments.

Security: The Tenant will post a security deposit of two months' base rent, common area operating costs and sales tax for a total of \$7,190.25. City staff reviewed the Tenant's financial statements and found there were sufficient personal assets to protect the City's stream of rental income. As mentioned above, the Tenant will also invest \$75,000 of leasehold improvements into the space.


City staff also reviewed the Tenant's business proposal noting the projected income is considered reasonable relative to the proposed rent.

The Economic Development Board recommended approval at its meeting on March 4, 2015, the Budget and Audit Board recommended approval at their meeting on February 25, 2015, and the Property Advisory Board recommend approval at their meeting on March 3, 2015.

ADVISORY BOARD/COMMITTEE RECOMMENDATION(S):

Date.	Board/Committee	Comments
2/25/2015	Budget and Audit Board	Recommended approval of proposed lease terms
3/3/15	Property Advisory Board	Recommended approval of proposed lease terms
3/4/15	Economic Development Board	Recommended approval of proposed lease terms

APPROVED BY:

Department Director	City Attorney	City Manager
		

ATTACHMENT(S):

1. Proposed Resolution with proposed Lease Renewal
2. Excerpt Minutes from Budget and Audit Board Meeting, February 25, 2015
3. Excerpt Minutes from Property Advisory Board Meeting, March 3, 2015
4. Excerpt Minutes from Economic Development Board, March 4, 2015