



City of Coral Gables
CITY COMMISSION MEETING
August 29, 2017

ITEM TITLE:

A Resolution authorizing entering into a second Amendment to the Retail Lease with Junkanoo Crew, Inc. d/b/a Ortanique on the Mile to allow a payment plan for past due rent with regard to city-owned property located at 278 Miracle Mile, Coral Gables, Florida.

DEPARTMENT HEAD RECOMMENDATION:

Approval

BRIEF HISTORY:

On December 5, 2015 the City Commission authorized Resolution No. 2015-289 for a Retail Lease, as amended by that First Amendment dated October 28, 2016 between the City and Junkanoo Crew, Inc. d/b/a Ortanique on the Mile ("Tenant") with regard to City property located at 278 Miracle Mile, Coral Gables, FL (the "Lease"). The Tenant has been a tenant with the City since September 1998.

The Tenant has mentioned their sales have decreased substantially due to Miracle Mile streetscape construction, that First Amendment provided a 20% temporary rent credit up to May 2017. The total credit was \$16,275, or \$1,808.33 a month, for 9 months. The Tenant claims that sales have been down substantially; hence they have not made payments since August 2016. The tenant has always paid rent since their occupancy in 1998. The total rent outstanding is \$111,313.30 ("Past Due Rent") as of June 2017. The City issued a default notice on April 5, 2017 requesting immediate payment or contact the City to work out a payment plan. The Tenant contacted the City who reviewed the Tenant's financial statements noting reduction in sales and the following terms are being proposed:

- Tenant pay the greater of 20% of gross sales in excess of \$110,000 or \$2,000 on a monthly basis towards the Past Due Rent with the full balance to be paid within 3 years;
- Tenant continue to pay the current rent;
- The remaining portion of Past Due Rent becomes due upon demand if a payment is missed;
- Tenant continues to be in default until the Past Due Rent is repaid;
- Landlord has the right until Past Due Rent is paid to retake possession and Tenant volunteers to vacate the property

On May 25, 2017, the proposed amendment terms and the Tenant's financial statements were presented to the Property Advisory Board (PAB), who recommended the tenant pay the Past Due Rent over 12 months in equal installment payments.

LEGISLATIVE ACTION:

Date.	Resolution/Ordinance No.	Comments
August 23, 2016	Resolution 2016-187	Approval of Lease Amendment
December 8, 2015	Resolution 2015-289	Approval of Lease
September 13, 2011	Resolution 2011-223	Approval of Lease

ADVISORY BOARD/COMMITTEE RECOMMENDATION(S):

Date.	Board/Committee	Comments
May 25, 2017	Property Advisory Board	Recommended a modified proposal

FINANCIAL INFORMATION: (If Applicable)

No.	Amount	Source of Funds
N/A		

ATTACHMENT(S):

- 1. Draft Resolution with Proposed 2nd Amendment to Retail Lease;**
- 2. Excerpt Minutes from Property Advisory Board meeting of May 25, 2017.**