

CITY OF CORAL GABLES
Property Advisory Board
Meeting Minutes

Wednesday, January 10, 2018, 8:30 a.m.

2121 Ponce de Leon Blvd., Suite 720, Coral Gables, Florida 33134

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	P	X	Mayor Raúl J. Valdés-Fauli
Jonathan Leyva	P									P	P	X	Commissioner Michael Mena
Jack Lowell	P									-	-	X	Vice Mayor Patricia Keon
Valerie Quemada	P									P	P	X	Commissioner Vince Lago
Tony Gonzalez	E									E	P	X	Commissioner Frank Quesada
Edmund Mazzei	P									P	P	X	City Manager Swanson-Rivenbark
Andrea Molina Vice Chair	P									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
Anthony Di Donato, General Manager, Coral Gables Country Club

Meeting Motion Summary:

A motion recommending that the Country Club report once to the Property Advisory Board and once to the City Commission each year to fulfill the terms of their lease passed unanimously.

A motion recommending that the City pursue default action and eviction of Ortanique if they do not submit the full month's payment today or any subsequent month when rent is due passed unanimously.

A motion recommending that the City Manager sign the updated agreement with Bloom Boutique, observe how they perform, and then consider giving them another chance to pay off their debts passed unanimously.

A motion recommending that all tenants, regardless of who their landlord is, should adhere to all of the codes and requirements within the City of Coral Gables. An addendum to this motion stated that enforcement of code should resume March 1st. This passed unanimously.

Mr. Roberts brought the meeting to order at 8:36 a.m.

1. Welcome New Member, Jack Lowell

Mr. Manrara introduced new Property Advisory Board member, Jack Lowell. Mr. Lowell

explained he's been in the real estate business for approximately 45 years, and has worked as a developer, banker, and broker.

2. Coral Gables Country Club – Update by GM Anthony Di Donato

Mr. Roberts provided some background on the Coral Gables Country Club, stating that the City owns the club, and has a long term lease for the management in effect since 2011. Part of the lease requires the Country Club to report to the Commission twice a year. The owner of the company, Nick Di Donato, who lives in Canada, would have to travel twice a year to present. It has been proposed that instead of presenting before the City Commission twice, to only report once to the Commission and once to the Property Advisory Board. He introduced Anthony Di Donato, the General Manager of the Country Club to present on its current business status. Mr. Di Donato admitted that the outbreak of the Zika virus, even though Coral Gables was not a hot zone, still had a detrimental effect on the Country Club's bottom line. He noted other businesses also took a hit as a result, citing Cibo on Miracle Mile and other businesses on South Beach. The Country Club has set up a parking plan with the City, which requires the club to utilize all of its parking lot spaces before parking around the vicinity on-street parking, and then when that fills up, there's a center parkway along Alhambra (used for valet), and if absolutely necessary, they utilize the swale along the Granada Golf Course. Mr. Di Donato explained that the challenge is the type of event: a daytime corporate event will attract more cars whereas an evening event such as a wedding, people tend to ride together thereby reducing the need for parking. Mr. Di Donato further detailed the negative effects Hurricane Irma had on their scheduling. (Clients often book their events months to years in advance.) Mr. Roberts explained that the Country Club is in good financial standing with the City. The "country club" name is a misnomer, as the management company operates as a public event space, and no country club membership is required to use said space. This has been a challenge, said Mr. Di Donato. The building has been in good shape thus far with only a few minor leaks here and there; they have been on top of maintenance. The pool bathrooms are in need of repair. Mr. Roberts also provided that since the building is considered historical, any renovation they do must be reviewed and approved from the Historic Resources Department. The Country Club also operates the Liberty Café. Their restaurant concept received a lot of push back from neighbors. Mr. Mazzei recalled when the deal between the City and the Country Club was originally made, saying it was in shambles and commending the Country Club on how far it has come. The lease expires in 2021 with two ten-year options for renewal. Part of the agreement dictates that the Country Club present before the Commission twice a year. Instead of doing that, it was suggested that they report once to the Property Advisory Board and later to the City Commission to fulfill the twice a year requirement.

Mr. Lowell made a motion for the Country Club to report once a year to the Property Advisory Board and once a year to the City Commission to fulfill the terms of their lease. Mr. Mazzei seconded the motion, which passed unanimously.

3. Ortanique & Bloom Boutique in Default (Action)

In August 2016, the City renewed the lease with Ortanique, based on the premise that they would improve the space. They were considering an approximate \$300,000 renovation. In 2016, this board approved a motion to renew the lease for ten years. They've leased the space

since 1997. In May 2016, Ortanique told this City the construction was impacting their sales. The City reviewed their financials from the year before (along with other tenants on Miracle Mile) and noticed there was a 20% reduction in sales. The board approved a 20% rent abatement which would last the duration of the streetscape construction occurring on their block, which was from August 2016 to May 2017. Ortanique still did not pay their rent during this time. The City sent them default notices, and they attempted to comply making nominal payments. Ortanique claimed their sales went down more than 20% in subsequent months. The Property Advisory Board reviewed their financials, which showed that sales were down, but concluded that the restaurant did not adjust their expenses to reflect their reduction in sales, so they were unable to pay rent. This board made a motion to allow the rents to be deferred for a maximum of one year. The City Manager reviewed that and presented an opportunity for them to pay it back over a three-year period and not a one-year period, in which this board approved a 3-year lease deferral which passed in August 2017. There had been delays in Ortanique signing that agreement, claiming streetscape has hindered them. Ortanique said they are still reviewing the agreement, despite verbally agreeing with it before it went to Commission. In November 2017, the City presented them with a final action, that if they didn't sign the agreement, the City would issue a default. Ortanique promised to pay in January's rent.

Several board members voiced their approval of issuing a default notice to Ortanique given the numerous chances the City has provided them, recommending that if Ortanique does not pay their rent or sign the agreement from August, that the City defaults and evicts them.

Mr. Mazzei made a motion recommending that the City pursue default action and eviction to Ortanique if they do not submit the full month's payment today or any subsequent month when rent is due. The motion was seconded by Mr. Lowell and passed unanimously.

Mr. Roberts informed the board that Bloom Boutique paid January's rent yesterday, indicating their compliance with the City's demands in order to avoid default. Mr. Mazzei requested that the board be emailed upon Ortanique's rent submission to the City,

Mr. Mazzei made a motion for the City Manager to sign the updated agreement with Bloom Boutique, observe how they perform, and then consider giving them another chance to pay off their debts. Mr. Lowell seconded the motion which passed unanimously.

4. Issues of compliance with City tenants (Discussion)

Mr. Roberts explained that the City operates in a landlord capacity to the tenants occupying city-owned space. He gave the example of Open Stage, which has been advertising a lot more than they're allowed to on their windows. Mr. Roberts usually waits for Code Enforcement to act. He explained that City leases require tenants to follow City regulations not unlike other businesses that operate within the City. With the Streetscape Project coming to a close, code enforcement regulations will continue monitoring for adherence to the code. Mr. Roberts consulted with the board on how the City should handle enforcement, giving the example of the order of repercussions such as warning, citation, fine, and finally, court. Mr.

Mazzei asked how much time a merchant has after a warning has been given to comply, to which Mr. Roberts responded 30 days. Mr. Manrara stated his belief that the fact that a business is a tenant of the City does not put you in a different category as far as observing the rules.

Mr. Lowell made a motion that all tenants, regardless of who their landlord is, should adhere to all of the codes and requirements within the City of Coral Gables. Ms. Quemada seconded the motion, which passed unanimously.

Ms. Molina suggested that merchants be notified before warnings are handed out and enforcement resumes and that communication be sent to the merchants stating that in anticipation of the celebration of Miracle Mile, the City will resume code enforcement so that all tenants are in compliance.

Mr. Lowell made an addendum to his earlier motion stating that enforcement would resume March 1st, which was seconded by Mr. Leyva.

5. Outstanding Rent Report

Mr. Roberts reviewed the outstanding rent report with the board and explained that Starbucks as a new City tenant has already begun payment.

6. Other City Business

Mr. Roberts told the board that Javier Betancourt began his new position as the Executive Director of the Citizen's Independent Transportation Trust, a county agency that oversees the collection of the half-penny sales tax intended for the expansion of Miami's transportation system. The City is currently accepting applications for Economic Development Director.

Requests were made to discuss the garages on the 200 & 300 block of Miracle Mile, as well as the possibility of purchasing seats at West Lab at future board meetings.

The meeting was adjourned at 10:06 a.m.

Respectfully submitted,

Mariana Price, Administrative Assistant - Economic Development Department