

City of Coral Gables City Commission Meeting
Agenda Item I-1
May 28, 2019
City Commission Chambers
405 Biltmore Way, Coral Gables, FL

City Commission

Mayor Raul Valdes-Fauli
Vice Mayor Vince Lago
Commissioner Jorge Fors, Jr.
Commissioner Pat Keon
Commissioner Michael Mena

City Staff

City Manager, Peter Iglesias
City Attorney, Miriam Ramos
City Clerk, Billy Urquia
Economic Development Assistant Director, Belkys Perez

Public Speaker(s)

Agenda Item I-1 [12:15:22 p.m.]

A Resolution authorizing funding in the amount of \$350,000 to the Coral Gables Cinemateque, Inc. for the expansion of the Coral Gables Art Cinema into the City-owned property located at 240 Aragon Avenue, Coral Gables, Florida, with certain conditions.

Mayor Valdes-Fauli: City Manager Items, I-1.

City Manager Iglesias: Mr. Mayor this concerns Coral Gables Art Cinema and I believe Assistant Director Belkys Perez will be making a presentation.

Assistant Director Perez: Good afternoon everyone. So, I wanted to give you a little bit of history behind this item. In 2017 there was an LOI that came before you and it was approved by the Commission and it basically supported the Cinema's intent to expand. When you fast-forward to today, what you have in front of you is a resolution with a commitment from the City for \$350,000 that would go toward the buildout of the expansion, and also, a commitment to have an expanded lease with terms to be negotiated later on. So, these are requirements that they need, the Cinema

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needs in order to proceed with their state grant and also their Knight Foundation grant. This will help them achieve that. Now in order to offset the cost of the loss revenue that we would be receiving which is, of course the Art Cinema is a not-for-profit, and padding on things which is currently in the space is competitive rates. The City is going to be removing the parking discount that current patrons at the Art Cinema have. There is also an economic impact. We believe that the extra seats that will be coming in as a result of this expansion are really going to have more people dining in the downtown and shopping in the downtown as well. As far as Patio and Things, they've been aware of this from the very beginning. I would say even back by 2017, and we've been in constant contact. We are right now setting up a meeting for this week in order to go over some options, because there are some options. We want to make sure because they have been really good tenants that we find an alternate location for them that really meets their business needs.

Vice Mayor Lago: Quick question. In reference to, obviously the Cinemateque expansion, which I'm a big believer in. I think they bring a lot of value into the downtown and I think the entire Commission does. There is, obviously, going to be a shortfall from our current tenant to what the rent they are paying. What are we talking about?

Assistant Director Perez: So, the shortfall is – we are just talking about the...

Vice Mayor Lago: I ask for budgetary reasons and I want to make sure that...

City Manager Iglesias: The shortfall is \$85,000 when one looks at the additional parking. We have looked at the additional parking as a delta, they now get a break in parking which we will be removing. With that additional parking revenue, the ten-year cost is \$85,000.

Mayor Valdes-Fauli: A ten-year cost.

City Manager Iglesias: Ten-year cost is \$85,000.

Vice Mayor Lago: Per year?

City Manager Iglesias: No, no, total – for ten years.

Commissioner Keon: For ten years.

Mayor Valdes-Fauli: \$8,000 per year.

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City Manager Iglesias: \$85,000 over a ten-year period, so that this is due to the additional parking revenue. Its assumed they currently have about 50,000 patrons, about 32,000 use the parking vouchers.

Vice Mayor Lago: So, you are offsetting the decrease of the rent by obviously, the fact that there is going to be more parking.

City Manager Iglesias: That is correct.

Vice Mayor Lago: I just want to make sure because I want to give them all, and I know my colleagues agree with me on this, I want to give them all the necessary tools for them to succeed. I also want to make sure that we don't take a massive hit on the budget, because then the Manager will say listen, we can't do the following projects. I want to be upfront on all these issues to make sure we balance it.

City Manager Iglesias: That Vice Mayor does not include the \$350,000 that they are asking for as far as construction.

Vice Mayor Lago: Are we sure that the TI numbers – I know staff has probably vetted it, they probably have internal numbers. You are good with the \$350,000?

City Manager Iglesias: This is a portion of that construction cost. This is just an initiation of the construction.

Vice Mayor Lago: They have a capital raise.

Assistant Director Perez: Yes.

Commissioner Keon: And what is the capital fund raise that they need?- a million and-a-half and one point nine.

Assistant Director Perez: One point nine (million).

Commissioner Keon: OK. So, it's between one point five to two (million).

City Manager Iglesias: To two million dollars.

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Commissioner Keon: I support the expansion of the Cinema, but I would like to see that there is some substantial amount of money raised is going to go toward this before you terminate a lease on Patio and Things. Now, I know the renewal is for five years, but I think you can renew for shorter periods of time for a year to two years while you work with them, if they have not successfully shown the ability to raise – I mean I know that the grants that they are applying for, when do they come in?

Assistant Director Perez: I think they are going for the grants in June, and so, they will know next June.

Commissioner Keon: They will know next year. So, it's at least a year away, so I would think you have a couple of years that Patio and Things could remain in that space while we work with them to find another space. I would not like to see their lease terminated until there is – there is substantial dollars has been raised toward this.

Commissioner Mena: The flip side of that is, if there is an alternative location available in the interim, they may want to take that.

Commissioner Keon: They may choose – absolutely, but not to end the lease until we get to the point where...

City Manager Iglesias: They are a very good tenant, we are looking at alternate locations for them right now, we may have one. We also have a location by Garage 7, which would be ready sometime next year. So, we are looking to keep them as a tenant.

Commissioner Keon: It could be that two-year period of time.

Mayor Valdes-Fauli: OK. Let's listen to Steven Krams, Mr. Krams good afternoon.

Mr. Krams: Thank you for allowing me to speak today. This has been a journey for all of us, since we came into the building in 2009, we've had this conversation and I want to express my thanks to the Commissioners, to the City Manager, to the Mayor, to everyone here who has supported all of our efforts on behalf of expanding the Cinema and bringing more culture to our community. In the resolution, I believe it states for Commissioner Keon that its contingent upon us raising the funds, the initial funds. So, thank you very much for your consideration and see you at the movies.

Commissioner Keon: Thank you. I saw White Chrome, it was wonderful.

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Mr. Krams: Fabulous film.

Commissioner Keon: Fabulous movie.

Mr. Krams: And just to an aside to that, you should know that 38 percent of the entire revenue that was generated by the State of Florida for that film came from our theater.

Commissioner Keon: Really?

Mr. Krams: Yes.

Commissioner Keon: What a great movie. I encourage you all to go see it.

Vice Mayor Lago: Thank you what you do in reference to the City and all the shows and movies that you've done for Earth Week and when you bring the kids to watch movies and stuff like that. I appreciate that.

Mr. Krams: Thank you very much. We are just not a movie theater, I think everybody knows that here.

Commissioner Keon: Absolutely.

Vice Mayor Lago: You are a cultural destination.

Mr. Krams: We are a cultural destination. We've become, I think, very, very comfortable with the position we've taken in the community and I think with yourselves. Thank you very, very much.

Vice Mayor Lago: Thank you very much by the way. Mr. Feldman it's your turn. Thank you for being here sir.

Mr. Feldman: Thank you for your attention.

Vice Mayor Lago: Thank you for your patients. We should have heard you a long time ago.

Mr. Feldman: I'm Bennett Feldman, I live at 715 Palermo Avenue in Coral Gables. My office is 2655 LeJeune Road, moved in there temporarily about 30 years ago, but practicing law there. I'm here to support the resolution and hope the theater continues this wonderful going on. Thank you very much.

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Vice Mayor Lago: Thank you sir.

Commissioner Keon: I'll move it.

Vice Mayor Lago: I'll second.

Commissioner Mena: I also just want to commend Peter and his staff on the idea to adjust the parking to help bridge the gap here, because that really makes a big difference, makes it a lot more palatable to us, and its obviously a compromise and we'll work through it, but I think it was the right approach here. So, thank you to Peter and his staff for coming up with that.

Mayor Valdes-Fauli: Thank you.

Vice Mayor Lago: Great work.

Commissioner Keon: Call the roll Billy.

Commissioner Mena: Yes

Commissioner Fors: Yes

Commissioner Keon: Yes

Vice Mayor Lago: Yes

Mayor Valdes-Fauli: Yes

(Vote: 5-0)

[End: 12:24:52 p.m.]