



City of Coral Gables
CITY COMMISSION MEETING
September 8, 2020

ITEM TITLE:

Resolution. A Resolution of the City Commission authorizing entering into a Rent Deferral Agreement with the Biltmore Hotel Limited Partnership with regard to the City-owned premises at 1200 Anastasia Avenue, Coral Gables, Florida 33134 granting rent deferment for rent due on July 1, 2020 (\$177,547.35), waiving any late charges, fees, and penalties provided for in the Lease during the deferment period, and providing for deferred rent repayment on January 1, 2021 and April 1, 2021.

DEPARTMENT HEAD RECOMMENDATION:

Approval

BRIEF HISTORY:

On February 10, 1986, pursuant to Resolution No. 24101, adopted February 23, 1983, the City of Coral Gables (the "Landlord") executed a lease agreement with Sovereign Group 1986-1 LTD, for the City owned property located at 1200 Anastasia Ave, Coral Gables, FL 33134, consisting of the Biltmore Hotel, the Country Club Building, and the Conference Center (collectively, the "Premises").

On July 29, 1999, pursuant to Resolution No. 29721, adopted April 27, 1999, the Biltmore Hotel Limited Partnership (the "Tenant") became a successor in interest to the Sovereign Group 1986-1 LTD and entered into an Amended and Restated Lease with the Landlord.

On January 2, 2001, pursuant to Resolution No. 30008 adopted November 14, 2000, Landlord and Tenant entered into a First Amendment to the Amended and Restated Lease. Other amendments ensued pursuant to Resolution No. 30223, adopted December 11, 2001, a Deferred Rent and Restoration Agreement dated January 16, 2002, and a Settlement and Release Agreement on December 19, 2011, and an Agreement to redirect 50% of rent to Property Improvements on June 12, 2018 (collectively, the "Lease").

On March 9, 2020, the State of Florida Governor Ron DeSantis issued a State of Emergency related to the COVID-19 public health emergency directing the temporary closure or reduced operation of certain businesses. Also as a result of the Corona VIRUS Pandemic, Miami-Dade County Mayor Carlos Gimenez mandated that all hotels in Miami-Dade County cease or modify their business operations, including but not limited to, the adoption of certain social distancing guidelines and temporary limitations on the acceptance of new reservations, except to specific classes of individuals.

The Biltmore Hotel, in complying with such orders, temporarily ceased all operations and

further vacated the Premises, in a responsible and appropriate manner. The Biltmore Hotel has now re-opened to guests, as permitted under current state and county regulations, and is accepting future reservations for group meetings and events.

On July 1, 2020, the Tenant notified the Landlord that due to the aforementioned unforeseen circumstances caused by the COVID-19 public health emergency, it was in default under the Lease for failure to pay the full amount of rent due on July 1, 2020 and requested rent relief assistance. Due to the uncertainty created by the crisis, the Landlord was unable to assess the economic impacts of the COVID-19 public health emergency and the County Mayor's emergency orders on the Tenant's operations and revenue.

As such, Landlord and Tenant wish to enter into a Rent Deferral Agreement granting the Tenant a rent deferment for rent due on July 1, 2020, in the total amount of \$177,547.35 (the "Deferred Rent"), and waiving any late charges, fees, and penalties provided for in the Lease during the deferment period. The Rent Deferral Agreement also states that the Tenant, in addition to paying rent quarterly pursuant to the Lease (\$177,547.35), will also repay the Deferred Rent to the Landlord in two equal installments on January 1, 2021 (\$88,773.67) and April 1, 2021 (\$88,773.67). Scheduled payments will be as follows:

Payment Date	Rent Due	Deferred Rent Installment Due	Total Rent Payment Due
January 1, 2021	\$177,547.35 ¹	\$88,773.67	\$266,321.03 ¹
April 1, 2021	\$177,547.35 ¹	\$88,773.67	\$266,321.03 ¹

¹ This figures above are estimates of the scheduled payments due and are subject to CPI adjustments. The actual amounts may vary.

LEGISLATIVE ACTION:

Date.	Resolution/Ordinance No.	Comments
February 10, 1986	Resolution 24101	Executed Lease Agreement
April 27, 1999	Resolution 29721	Amended and Restated Lease
November 14, 2000	Resolution 30008	First Amendment to the Amended and Restated Lease
December 11, 2001	Resolution 30223	Deferred Rent and Restoration Agreement
December 19, 2011		Settlement and Release Agreement
June 12, 2018	Resolution 2018-160	Agreement to redirect 50% of rent to Property Improvements

FINANCIAL INFORMATION: (If Applicable)

No.	Amount	Source of Funds
N/A		

ATTACHMENT(S):

1. Draft Proposed Resolution
2. Draft Rent Deferral Agreement