

# MIAMI BEACH

## COMMISSION MEMORANDUM

TO: Honorable Mayor and Members of the City Commission

FROM: Eric Carpenter, Executive Director

DATE: June 25, 2025

TITLE: A RESOLUTION OF THE CHAIRPERSON AND MEMBERS OF THE MIAMI BEACH REDEVELOPMENT AGENCY (RDA), APPROVING, IN SUBSTANTIAL FORM, AMENDMENT NO. 2 TO THE LEASE AGREEMENT BETWEEN THE RDA (LANDLORD) AND COLLINS 1560, LLC D/B/A LIME TREE CAFÉ (TENANT), FOR USE OF APPROXIMATELY 2,697 SQUARE FEET OF GROUND FLOOR RETAIL SPACE LOCATED AT 1560 COLLINS AVENUE, SUITES 1-2, TO EXTEND THE RENT ABATEMENT PERIOD TO THE EARLIER OF: (I) THE OPENING OF THE PREMISES OR (II) AN ADDITIONAL EIGHT (8) MONTH PERIOD, FROM JUNE 6, 2025 THROUGH FEBRUARY 5, 2026, DUE TO PERMITTING AND CONSTRUCTION DELAYS; AND FURTHER AUTHORIZING THE EXECUTIVE DIRECTOR TO FINALIZE AND EXECUTE AMENDMENT NO. 2.

### **RECOMMENDATION**

The Administration recommends that the Chairperson and Members of the Miami Beach Redevelopment Agency approve Amendment No. 2 to the Lease Agreement with Collins 1560 LLC d/b/a Lime Tree Café, extending the Rent Abatement Period.

### **BACKGROUND/HISTORY**

On December 14, 2022, the Miami Beach Redevelopment Agency (“Landlord”) entered into a Lease Agreement with Collins 1560 LLC d/b/a Lime Tree Café (“Tenant”) for the lease of approximately 2,697 square feet of ground floor retail space located at 1560 Collins Avenue, Suites 1-2, for the operation of a fine dining restaurant known as Lime Tree Café under a term of nine (9) years and 272 days.

The Tenant is also developing a separate restaurant concept, Open Vision (Cave 305), in adjacent Suites 3-4. Due to shared infrastructure and overlapping permitting timelines, both projects have experienced delays related to the complex construction process, including the installation of a shared grease trap.

The original Lease granted the Tenant an eleven (11) month abatement of Minimum Rent. In April 2024, via Amendment No. 1, the RDA approved an eight-month extension of the Rent Abatement Period through June 5, 2025, to accommodate ongoing construction and permitting delays.

On April 1, 2025, the Tenant requested an additional eight-month extension of the abatement period, citing continued challenges in the construction and permitting process. The requested extension would run from June 6, 2025, through February 5, 2026, and includes a proposal to continue paying Operating Expenses while deferring Minimum Rent, the Concession Fee, and any applicable Percentage Rent.

## **ANALYSIS**

The Tenant is currently obligated to pay Minimum Rent of \$17,361.94 per month upon conclusion of the rent abatement period, along with a Concession Fee and Percentage Rent. However, due to unresolved permitting issues, particularly with the DERM review process for the shared grease trap, the Tenant has not been able to complete construction and commence operations.

In response, the Tenant has requested an additional eight-month extension of the Rent Abatement Period or upon opening, which occurs first. During this proposed extension, the Tenant will continue to pay Operating Expenses, estimated at approximately \$3,146.50 per month, while remaining temporarily exempt from Minimum Rent and other rent obligations.

The requested extension would not affect the expiration date of the Lease or modify its overall term. It is a time-limited adjustment aimed at supporting completion of the buildout and ensuring the successful launch of the Lime Tree Cafe.

## **FISCAL IMPACT STATEMENT**

The fiscal impact of the proposed Amendment No. 2 includes the deferral of the Tenant's Minimum Rent, Concession Fee, and Percentage Rent obligations during the requested eight-month extension. Based on the Lease's current rent schedule, this equates to a deferral of approximately \$138,895.52 in Minimum Rent revenue in addition to the forgone collection of associated Concession Fees and any Percentage Rent that would have been due if operations had commenced.

Despite the temporary deferral of this revenue, the Tenant will continue to pay monthly Operating Expenses of approximately \$3,146.50, totaling \$25,172.00 over the eight-month extension. These payments ensure that the Landlord continues to recover essential costs tied to maintaining the premises during the abatement period.

The proposed amendment does not increase the total lease term or provide additional economic incentives. Rather, it aligns the rent commencement timeline with realistic construction milestones, thereby preserving the Lease's long-term financial structure and enhancing the likelihood of full tenant occupancy and revenue generation in future lease years.

## **Does this Ordinance require a Business Impact Estimate?**

(FOR ORDINANCES ONLY)

If applicable, the Business Impact Estimate (BIE) was published on:

See BIE at: <https://www.miamibeachfl.gov/city-hall/city-clerk/meeting-notices/>

## **FINANCIAL INFORMATION**

## **CONCLUSION**

The Administration recommends that the Chairperson and Members of the Miami Beach Redevelopment Agency approve Amendment No. 2 to the Lease Agreement with Collins 1560 LLC d/b/a Lime Tree Café, extending the Rent Abatement Period to the earlier of: (i) the opening of the Premises or (ii) an additional eight (8) month period, from June 6, 2025 through February

6, 2026, due to construction and permitting delays; and further authorize the Executive Director to finalize and execute Amendment No. 2.

**Applicable Area**

South Beach

**Is this a "Residents Right to Know" item, pursuant to City Code Section 2-17?**

No

**Is this item related to a G.O. Bond Project?**

No

**Was this Agenda Item initially requested by a lobbyist which, as defined in Code Sec. 2-481, includes a principal engaged in lobbying?** No

If so, specify the name of lobbyist(s) and principal(s):

**Department**

Facilities and Fleet Management

**Sponsor(s)**

**Co-sponsor(s)**

**Condensed Title**

Amendment 2 to Lease, Lime Tree Café - 1560 Collins Ave Add'l (8) Months Rent Abatement.  
FF

**Previous Action (For City Clerk Use Only)**