



COMMISSION MEMORANDUM

TO: Honorable Chair and Members of the Board of Directors

FROM: Rickelle Williams, Interim Executive Director

DATE: June 26, 2024

TITLE: A RESOLUTION OF THE CHAIRPERSON AND MEMBERS OF THE MIAMI BEACH REDEVELOPMENT AGENCY (RDA), APPROVING, IN SUBSTANTIAL FORM, AMENDMENT NO. 1 TO THE LEASE AGREEMENT BETWEEN THE RDA (LANDLORD) AND COLLINS 1560, LLC D/B/A LIME TREE CAFE (TENANT), FOR USE OF APPROXIMATELY 2,697 SQUARE FEET OF GROUND FLOOR RETAIL SPACE AT THE ANCHOR SHOPS AND GARAGE, LOCATED AT 1560 COLLINS AVE, SUITE NOS. 1-2 (PREMISES), AS AN UPSCALE FRENCH-ITALIAN FUSION CAFE, SAID AMENDMENT EXTENDING THE RENT ABATEMENT PERIOD BY AN ADDITIONAL EIGHT (8) MONTHS, OCTOBER 6, 2024 THROUGH JUNE 5, 2025, DUE TO DELAYS RELATED TO THE PERMITTING PROCESS FOR THE GREASE TRAP.

RECOMMENDATION

It is recommended that the Chairperson and Members of the Miami Beach Redevelopment Agency adopt the Resolution.

BACKGROUND/HISTORY

Pursuant to Resolution No. 680-2022, the Miami Beach Redevelopment Agency (RDA), (Landlord) and Collins 1560, LLC (Tenant) are parties to a lease agreement dated March 23, 2023, for use of approximately 2,697 square feet of ground retail floor space at Anchor Shops and Garage, located at 1560 Collins Avenue, Suites Nos. 1-2 (Premises), for the operation of a French Italian fusion café (Lease). The Lease term is for nine (9) years and 272 days from the Commencement Date of April 6, 2023, the date Tenant received possession of the Premises.

Upon obtaining possession of the Premises, the Tenant began renovations to convert the former retail space to a new café venue at the Tenant's sole cost and expense. The Premises was expected to remain closed during the renovation process until the summer of 2024.

Due to unexpected delays in connection with the permitting process associated with the approval of a new grease trap at the Premises by the Department of Regulatory and Economic Resources (DERM), Tenant's construction schedule has been delayed. Consequently, the previously anticipated opening date has also been delayed.

ANALYSIS

Under the Lease, Tenant received abatement for the Minimum Rent and Operating Expenses for months 2-7 from the Rent Commencement Date (May 6, 2023-November 5, 2023). Additionally, for months 8-18 from the Rent Commencement Date (November 6, 2023-October 5, 2024), the monthly the Minimum Rent payment is being abated (Rent Abatement Period), which is currently \$17,361.68, in order to allow Tenant to complete the buildout of the restaurant. Notwithstanding, during the Rent Abatement Period, Tenant is still required to pay the monthly payment for estimated Operating Expenses, which is currently in the amount of \$3,146.50.

Due to the aforementioned unexpected delays, the Tenant has requested an extension for further abatement of the monthly Minimum Rent for a period eight (8) months, from October 6, 2024, through June 5, 2025, to complete the build-out of the restaurant at the Premises. Accordingly, Amendment No. 1 in substantial form, attached hereto as Attachment A, memorializes the extended Rent Abatement Period requested by the Tenant.

FISCAL IMPACT STATEMENT

N/A

Does this Ordinance require a Business Impact Estimate? (FOR ORDINANCES ONLY)

The Business Impact Estimate (BIE) was published on . See BIE at:
<https://www.miamibeachfl.gov/city-hall/city-clerk/meeting-notice/>

FINANCIAL INFORMATION

CONCLUSION

Based on the foregoing, the Interim Executive Director recommends approving, in substantial form, Amendment No. 1 to the Lease, a draft copy of which is attached hereto as Attachment A, memorializing the extended Rent Abatement Period by an additional eight (8) months, from October 6, 2024, through June 5, 2025, due to delays related to the permitting process of the grease trap.

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)