



City of Miami Beach, 1700 Convention Center Drive, Miami Beach, Florida 33139, www.miamibeachfl.gov

COMMITTEE MEMORANDUM

TO: Honorable Chair and Members of the Finance and Economic Resiliency Committee

FROM: Raul J. Aguila, Interim City Manager

DATE: February 19, 2021

SUBJECT: **DISCUSS A PROPOSED AMENDMENT TO THE LEASE AGREEMENT BETWEEN THE CITY OF MIAMI BEACH, FLORIDA, A FLORIDA MUNICIPAL CORPORATION (CITY) AND MIAMI BEACH REDEVELOPMENT AGENCY, A PUBLIC BODY CORPORATE AND POLITIC (THE "RDA") (HEREINAFTER COLLECTIVELY REFERRED TO AS "LANDLORD"), AND THE MOONLIGHTER FABLAB, INC., A FLORIDA NOT-FOR-PROFIT CORPORATION (HEREINAFTER REFERRED TO AS "TENANT"); SAID AMENDMENT EXPANDING THE SIZE OF THE DEMISED PREMISES TO ENCOMPASS ALL OF THE GROUND FLOOR RETAIL SPACE AT THE PENNSYLVANIA GARAGE, LOCATED AT 1661 PENNSYLVANIA AVENUE.**

BACKGROUND

The City owns the Pennsylvania Avenue Garage Condominium, located at 1661 Pennsylvania Avenue, Miami Beach, Florida 33139, which includes Unit 1, a municipal garage (the "Penn Garage"), having approximately 560 parking spaces, and Unit 2, which includes Suites A-G, and has a total of approximately 7,655 square feet of ground floor retail space (the "Retail Space"). In September 2011, the City executed a lease agreement for the retail space with Penn 17, LLC ("Penn 17") for a period of ten (10) years. When Penn 17 failed to make the required rent payments under the lease, the City terminated the lease in March 2015, and Penn 17 vacated the space in July 2015.

Since that time, the City has utilized the space for various purposes such as EnerGov training; temporary offices for Code Compliance and Housing & Community Services; and as a temporary location for the Miami Beach Chamber of Commerce (MBCC) Visitor's Center. The MBCC Visitor Center currently occupies the northeasterly 935 square feet area of the Retail Space.

On March 13, 2019, pursuant to Resolution No. 2019-30761, the City Commission and RDA approved a lease with Moonlighter Fablab, Inc. d/b/a Moonlighter Makerspace (Moonlighter) for use of the remaining 6,720 square feet of the Retail Space (Moonlighter Demised Premises), for the purpose of providing an innovative public space combining a Science, Technology, Engineering, Arts & Math (STEAM) education center, co-working space, and digital fabrication lab. Moonlighter executed a lease for a term of three (3) years, for 6,720 square feet of the retail space. The term would commence on the date the City tenders possession of the entire Premises. However, Moonlighter has not been able to move into the area because in order to use the Demised Premises, the City would have to install a devising wall to separate the spaces from the

adjacent premises (Miami Beach Chamber of Commerce). In addition, construction work related to the existing kitchen equipment and related systems would also need to be completed. The improvements total approximately \$80,000 in costs. In the alternative, Moonlighter would have to secure a change of use (i.e., Light Industrial) in order to share the use of the Retail Space with MBCC Visitor Center.

The City is in the process of securing the approval for the MBCC Visitor Center to be relocated to the 721 square foot ground floor retail space at the Anchor Shops, located at 100 16th Street, Suite No. 6, Miami Beach, Florida. This would avail the space (935 square feet) once occupied by MBCC in Pennsylvania Garage and allow Moonlighter to use the entire Retail Space without the need to construct a devising wall or going through the expense of applying for a change of use for the Moonlighter Demised Premises.

ANALYSIS

Accordingly, the Moonlighter and the Administration have negotiated the following essential terms for an Amendment to the Lease Agreement with Moonlighter to include the remaining 935 square foot area of Pennsylvania Garage.

The proposed basic terms and conditions of the Amendment are as follows:

Premises:	1661 Pennsylvania Avenue Miami Beach, Florida 33139
Size:	Approximately 7,655 square feet
Term:	Three (3) years and two (2) one (1) year terms, commencing on the date in which the City delivers possession of the Premises (Commencement Date).
Rental Rate:	One Dollar (\$1.00) annually
Additional Rent:	In addition to the Base Rent, Tenant shall also pay the Property Tax Payment, sales and uses taxes
Maintenance:	Tenant shall be solely responsible for the operation, maintenance and repair of the Demised Premises; Tenant shall maintain all fixtures and appurtenances, interior walls, windows and doors; the City maintain the exterior structure, including roof, exterior plumbing, exterior painting and A/C units shared by more than one tenant;
Utilities/Insurance:	The City pays for the utilities (electricity and water and sewer expenses) at an approximate value of \$763.86; The City pays for insurance costs; the Tenant unconditionally agrees to reimburse the City for any increase in the costs associated with Tenant's occupancy;
Termination Option:	The City reserves the right, through its City Manager, to terminate the Lease Agreement, at any time, without cause and without liability to the City, upon providing Tenant with ninety (180) days prior written notice.

CONCLUSION

The Administration recommends in favor of approving an amendment to the Lease Agreement with Moonlighter Fablab, Inc. d/b/a Moonlighter Makerspace (Moonlighter), in accordance with the above essential terms and conditions.