

RESOLUTION NO. _____

A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, FOLLOWING A DULY ADVERTISED PUBLIC HEARING, ACCEPTING THE RECOMMENDATION OF THE FINANCE AND ECONOMIC RESILIENCY COMMITTEE, AND WAIVING, BY 5/7TH VOTE, THE FORMAL COMPETITIVE BIDDING REQUIREMENT IN SECTION 82-39(a) OF THE CITY CODE, FINDING THAT THE PUBLIC INTEREST WOULD BE BETTER SERVED BY WAIVING SUCH CONDITION, AND APPROVING AND AUTHORIZING THE CITY MANAGER AND CITY CLERK TO EXECUTE A LEASE AGREEMENT BETWEEN THE CITY (LANDLORD) AND MASSAGE OF SOUTH BEACH, INC. (TENANT) FOR THE USE OF APPROXIMATELY 1,803 SQUARE FEET OF GROUND FLOOR RETAIL SPACE, LOCATED AT 1701 MERIDIAN AVENUE, UNIT 2 (A/K/A 777 17TH STREET), FOR A TERM OF FIVE (5) YEARS, WITH TWO (2) SUCCESSIVE TWO-YEAR RENEWAL TERMS AT THE CITY'S OPTION.

WHEREAS, on September 15, 2010, the Mayor and City Commission adopted Resolution No. 2010-27488, approving a Lease Agreement between the City and Massage Partners, Inc. for the use of approximately 1,803 square feet of City-owned property, located at 1701 Meridian Avenue, Unit 2 (a/k/a 777 17th Street (Leased Premises); and

WHEREAS, said Lease having a term of nine (9) years and 364 days, commencing on December 2, 2010, and ending on November 30, 2020; and

WHEREAS, on November 16, 2018 the lease was assigned to Massage of South Beach, LLC ("Tenant"), the current operator; and

WHEREAS, the Tenant and the City entered into a month to month for a period not to exceed ten months, September 30, 2021; and

WHEREAS, prior to the expiration of the Lease Agreement, Massage of South Beach, LLC submitted a letter to the City requesting to enter into a new lease agreement; and

WHEREAS, the Tenant has proven to be a successful operator since the lease assignment in 2018; and

WHEREAS, the Tenant is ready to invest approximately \$100,000.00 by performing upgrades to the clinic to meet the new corporate franchise standards, which must be completed by August 2022; and

WHEREAS, on July 30, 2021, the Administration presented Tenant's proposal for a new lease to the Finance and Economic Resiliency Committee (FERC), and FERC recommended in favor of approving a new lease for Tenant based on the below proposed financial terms:

Demised Premises: Approximately 1,803 square feet of City-owned property, located at 1701 Meridian Avenue, Unit 2 (a/k/a 777 17th Street), Miami Beach, Florida;

Initial Term: Five (5) Years, commencing October 1, 2021;

Renewal Options: Two (2) renewal options for two (2) years each, at the City Manager's sole discretion; and

Rent: No increase on the first year due to investment (\$100,000.00) and following annual escalations increasing over time per the schedule below:

Base Rent				
Year	Escalation	Monthly	Annual	PSF
1	0%	\$ 5,410.80	\$ 64,929.60	\$ 36.01
2	3%	\$ 5,573.12	\$ 66,877.49	\$ 37.09
3	3%	\$ 5,740.32	\$ 68,883.81	\$ 38.21
4	3%	\$ 5,912.53	\$ 70,950.33	\$ 39.35
5	3%	\$ 6,089.90	\$ 73,078.84	\$ 40.53
6	4%	\$ 6,333.50	\$ 76,001.99	\$ 42.15
7	4%	\$ 6,586.84	\$ 79,042.07	\$ 43.84
8	4%	\$ 6,850.31	\$ 82,203.75	\$ 45.59
9	4%	\$ 7,124.33	\$ 85,491.90	\$ 47.42

WHEREAS, keeping a successful operator, instead of incurring additional costs to locate a new tenant, which may not be successful in the space, makes better business sense; and

WHEREAS, based upon the foregoing, the City Manager recommends accepting the recommendation of FERC, and waiving, by 5/7ths vote, the formal competitive bidding requirement, as permitted under Section 82-39(a) of the City Code, finding such waiver to be in the best interest of the City, and approving a new lease with Tenant, in the form attached to the City Commission Memorandum accompanying this Resolution.

NOW, THEREFORE, BE IT DULY RESOLVED BY THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, that the Mayor and City Commission, following a duly advertised public hearing, hereby accept the recommendation of the Finance and Economic Resiliency Committee, and waive, by 5/7th vote, the formal competitive bidding requirement in Section 82-39(a) of the City Code, finding that the public interest would be better served by waiving such condition, and approve and authorize the City Manager and City Clerk to execute a Lease Agreement between the City (Landlord) and Massage of South Beach, Inc. (Tenant) for the use of approximately 1,803 square feet of ground floor retail space, located at 1701 Meridian Avenue, Unit 2 (a/k/a 777 17th street), for an initial term of five (5) years, with two (2) successive two-year renewal terms at the City's option.

PASSED and ADOPTED THIS ____ day of _____ 2021.

ATTEST:

Dan Gelber, Mayor

Rafael E. Granado, City Clerk

APPROVED AS TO
FORM & LANGUAGE
& FOR EXECUTION

W. Kallergis 9/9/2021
for City Attorney Date