

RESOLUTION NO. _____

A RESOLUTION OF THE CHAIRPERSON AND MEMBERS OF THE MIAMI BEACH REDEVELOPMENT AGENCY (RDA), APPROVING AND AUTHORIZING THE EXECUTIVE DIRECTOR AND SECRETARY TO EXECUTE AMENDMENT NO 1 TO THE LEASE, DATED OCTOBER 2, 2012, BETWEEN THE RDA (LANDLORD) AND MR. R SPORTS, INC. (TENANT) FOR USE OF APPROXIMATELY 2,884 SQUARE FEET OF RETAIL SPACE AT THE ANCHOR SHOPS, LOCATED AT 100 16TH STREET, SUITES 1-4; SAID AMENDMENT REDUCING THE MINIMUM RENT PAYMENT FOR THE FINAL LEASE YEAR, TO ADDRESS THE IMPACT OF THE COVID-19 PANDEMIC UPON TENANT'S OPERATIONS; AND FURTHER APPROVING AND AUTHORIZING THE EXECUTIVE DIRECTOR AND SECRETARY TO EXECUTE A CONDITIONAL LEASE TERMINATION AGREEMENT.

WHEREAS, pursuant to Resolution No. 584-2012, on or about October 2, 2012, the Miami Beach Redevelopment Agency (RDA) (Landlord) and Mr. R Sports, Inc. (Tenant) executed a Lease for use approximately 2,884 square feet of retail space at the Anchor Shops, having a street address of 100 16th Street (Premises) for the operation of an athletic footwear and apparel store; and

WHEREAS, the Lease's Initial Term was for three (3) years commencing October 1, 2012 and ending September 30, 2015 with two (2) options of three (3) years and three (3) years and 364 days, respectively; and

WHEREAS, on October 1, 2015 the first renewal option was exercised, commencing on October 1, 2015 and ending on September 30, 2018; and

WHEREAS, on April 30, 2018, the second renewal option was exercised, commencing on October 2, 2018 and ending on October 31, 2022, the current term; and

WHEREAS the Tenant has been in distress for over two years due to loss of brand name merchandise, increased internet sales competition and over saturation of sports stores in the immediate market area; and

WHEREAS, due to the COVID-19 Pandemic, the Tenant suffered further significant loss of revenue due to store closures, in response to City and County curfews, and mainly the loss of tourism, which is the store's main customer base; and

WHEREAS, since reopening the store in June 2020, the Tenant has not reached a sustained level in sales and is not able to meet current rent obligations; and

WHEREAS, the Tenant has expressed a desire to continue operating the store until the Lease expires on October 31, 2022, but has requested that, the rent structure be amended from a Minimum Rent payment to a percentage of Gross Sales, equal to seven (7%) percent of Gross Sales for the period from October 1, 2020 through October 31, 2022 (Partial Rent Abatement Period); and

WHEREAS, during the Partial Rent Abatement Period, Tenant shall continue to be obligated to pay the monthly Operating Expenses for the Premises; and

WHEREAS, the Administration is recommending that the City enter into a Conditional Termination Agreement with the Tenant, allowing the Landlord to market the space while the Tenant continues to occupy and operate under an amended Lease; and

WHEREAS, at the September 24, 2021 Finance and Economic Resiliency Committee (FERC) meeting, the City Administration presented the proposed modification to the rental structure and the proposed Conditional Termination Agreement, and FERC recommended moving forward with the amendment to the Lease and executing the Conditional Termination Agreement; and

WHEREAS, based upon the foregoing, the Executive Director hereby recommends executing the Conditional Termination Agreement, in the form attached to the City Commission Memorandum accompanying as Exhibit "A", and Amendment No. 1 to the Lease, in the form attached the City Commission Memorandum accompanying this Resolution as Exhibit "B".

NOW, THEREFORE, BE IT DULY RESOLVED BY THE CHAIRPERSON AND MEMBERS OF THE MIAMI BEACH REDEVELOPMENT AGENCY (RDA), that the Chairperson and Members of the RDA hereby approve and authorize the Executive Director and Secretary to execute Amendment No.1 to the Lease, dated October 2, 2012, between the RDA (landlord) and Mr. R Sports, Inc. (Tenant) for use of approximately 2,884 square feet of retail space at the Anchor Shops, located at 100 16th street, Suites 1-4; said Amendment reducing the Minimum Rent payment for the final Lease Year, to address the impact of the COVID-19 pandemic upon Tenant's operations; and further approve and authorize the Executive Director and Secretary to execute a Conditional Lease Termination Agreement.

PASSED and ADOPTED this _____ day of _____ 2021.

Dan Gelber, Chairperson

ATTEST:

Rafael E. Granado, Secretary

APPROVED AS TO
FORM & LANGUAGE
& FOR EXECUTION

City Attorney

9-30-21
Date