

RESOLUTION NO. _____

A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, AUTHORIZING THE CITY MANAGER TO NEGOTIATE A NEW LEASE AGREEMENT BETWEEN THE CITY (TENANT) AND ESTEFAN ENTERPRISES, INC (LANDLORD), FOR USE OF THE RETAIL SPACE LOCATED AT 555 JEFFERSON AVENUE BY LITTLE HAVANA ACTIVITIES AND NUTRITION CENTERS OF DADE COUNTY, INC (LHANC), FOR THE OPERATION OF LHANC'S RAINBOW INTERGENERATIONAL CHILDCARE CENTER, BASED UPON THE ESSENTIAL TERMS SET FORTH IN THIS RESOLUTION; SAID NEW LEASE AGREEMENT HAVING AN INITIAL TERM OF FIVE (5) YEARS, COMMENCING AS OF DECEMBER 1, 2021 AND ENDING ON NOVEMBER 30, 2026, WITH TWO (2) SUCCESSIVE FIVE (5) YEAR RENEWAL TERMS, AT THE OPTION OF THE CITY; AND AUTHORIZING THE CITY MANAGER AND CITY CLERK TO EXECUTE THE FINAL NEGOTIATED LEASE AGREEMENT, UPON FORM APPROVAL BY THE CITY ATTORNEY; AND AUTHORIZING THE CITY MANAGER TO NEGOTIATE A NEW SUBLEASE BETWEEN THE CITY (SUBLANDLORD) AND LHANC (SUBTENANT), BASED UPON THE ESSENTIAL TERMS SET FORTH IN THIS RESOLUTION; AND FURTHER AUTHORIZING THE CITY MANAGER AND CITY CLERK TO EXECUTE THE FINAL NEGOTIATED SUBLEASE BETWEEN THE CITY AND LHANC, UPON FORM APPROVAL BY THE CITY ATTORNEY.

WHEREAS, the South Shore Community Center (Center) is located at 833 6th Street and is owned by the City of Miami Beach. The Center provides leased space to not-for-profit, and community-based organizations that provide services and assistance to the Miami Beach community; and

WHEREAS, as authorized pursuant to Resolution No. 2009-27186, the City and Little Havana Activities and Nutrition Centers of Dade County, Inc. (LHANC) to enter into a Lease Agreement for use of space at the Center, commencing on October 2, 2009 and ending on September 30, 2014, with one additional five-year term; and

WHEREAS, on October 2014, pursuant to Resolution No. 2014-28812, the Lease Agreement with LHANC was amended (Amendment No.1) to exercise the sole renewal option commencing on October 30, 2014 and ending on September 30, 2019; and

WHEREAS, the Lease Agreement is currently on a month-to-month extension set to expire December 31, 2021; and

WHEREAS, simultaneously herewith, the City Administration has placed a City Commission agenda item for consideration during the December 8, 2021 meeting, recommending the extension of the month-to-month tenancy for LHANC at the Center; and

WHEREAS, the Center has been designated as the location for the construction of a new fire station as part of the Government Obligation Bond (GOB) improvements slated as a project in phase 3; and

WHEREAS, City staff has identified a space located at 555 Jefferson Avenue (the new "Premises"), owned by Estefan Enterprises, Inc. (Landlord), as a possible relocation site for the Rainbow Intergenerational Childcare Center; and

WHEREAS, the Landlord of the new Premises has agreed to lease the new Premises to the City of Miami Beach under the following basic lease terms:

- a. Term: 5 years commencing December 1, 2021, with 2 five-year options, at the City's option, provided, that if after the initial 5-year term, Landlord sells or redevelops the Property, then Landlord can terminate upon not less than 180 days' prior notice;
- b. Annual Rent: \$315,000 for first year;
- c. Increases: 2.5% per year during initial term;
- d. Security Deposit: \$50,000;
- e. Rent commencement: two months from Effective Date (Effective Date would be December 1, 2021, so rent commencement date will be February 1, 2022);
- f. Pass-Throughs (Insurance and Real Estate Taxes): City of Miami Beach intends to request an exemption from Real Estate Taxes based on non-profit use, but if any such taxes are not exempt, the City will be responsible for same. The Real Estate Taxes for 2021 are \$82,867.28. Real Estate Taxes pass-through payments commence on January 1, 2022. Insurance pass-through payments commence December 1, 2021;
- g. Maintenance: Tenant shall be responsible for maintenance of the Premises, including without limitation, all systems serving the Premises (mechanical, electrical, plumbing) as well as store front glass (doors, windows and related hardware) in good condition throughout the Term. Landlord shall have no maintenance obligation, except for roof, exterior walls and structure;
- h. Utilities: Tenant pays for all utilities;
- i. Signage: Tenant may install signage to the maximum extent permitted by municipal codes. All signage to be submitted to Landlord for approval prior to lease execution. Landlord's approval of signage shall not be unreasonably withheld or delayed;
- j. Tenant's Work: Tenant to provide construction drawings for Tenant's work and Tenant to retain a GC. Tenant's work will consist of adding of two bathrooms that satisfy requirements for daycare code; building a demising wall within the main space to divide younger children from older; installing a fence to enclose the exterior patio; adding a soft-play area; and capping electrical lines and addressing any other safety issues. Landlord to retain a GC to perform the Tenant's Work, and Tenant shall be solely responsible for the cost of same; and
- k. Other:
 - a. Landlord will remove the existing kitchen equipment;
 - b. The lease will contain other customary terms and conditions for a commercial lease, including insurance requirements, indemnity provisions, etc.; and

WHEREAS, simultaneously therewith, the City shall negotiate a sublease with LHANC for the use of the new Premises, based upon similar financial terms, as contained in the Lease between the City and LHANC for use of the space at the Center, as follows:

a. Rent: \$1.20 per year; and

b. Operating Expenses: \$2,692.78 per month for its proportionate share of "Operating Expenses" which are defined as costs and expenses incurred in operating, repairing, and maintaining the Common Facilities and shall include electrical service, water service, sewer service, stormwater costs and janitorial service to the Building (including the new Premises), which sum may increase or decrease on yearly basis; and

WHEREAS, the City Manager recommends that the Mayor and City Commission authorize the City Manager to negotiate a new Lease Agreement with Landlord, based upon the foregoing essential lease terms, and following successful negotiations, execute the Lease Agreement; and simultaneously therewith, negotiate and execute a sublease with LHANC, based upon the foregoing essential lease terms, in order to continue to provide the City's residents with childcare services at a convenient location.

NOW THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, that the Mayor and City Commission hereby authorize the City Manager to negotiate a new Lease Agreement between the City (Tenant) and Estefan Enterprises, Inc. (Landlord), for use of the retail space located at 555 Jefferson Avenue by Little Havana Activities and Nutrition Center of Dade County, Inc. (LHANC), for the operation of LHANC's Rainbow Intergenerational Childcare Center, based upon the essential terms set forth in this Resolution; said new Lease Agreement having an initial term of five (5) years, commencing as of December 1, 2021 and ending on November 30, 2026, with two (2) successive five (5) year renewal terms, at the option of the City; and authorize the City Manager and City Clerk to execute the final negotiated Lease Agreement, upon form approval by the City Attorney; and authorize the City Manager to negotiate a new sublease between the City (Sublandlord) and LHANC (Subtenant), subject to the essential terms set forth in this Resolution; and further authorize the City Manager and City Clerk to execute the final negotiated sublease between the City and LHANC, upon form approval by the City Attorney.

PASSED and **ADOPTED** this _____ day of _____ 2021.

Dan Gelber, Mayor

ATTEST:

Rafael E. Granado, City Clerk

APPROVED AS TO
FORM & LANGUAGE
& FOR EXECUTION

City Attorney

11-30-21

Date