

One Day Late on Lincoln Road Rent, and You're Outta There

by **Samantha Joseph**
sjoseph@alm.com

In fashion, they say one day you're in and the next you're out.

It seems the same applies to Miami Beach retail after a tenant lost a coveted spot on Lincoln Road to make room for Steve Madden Ltd., an international shoe retailer willing to pay twice as much.

The landlord, 433 Lincoln Road LLC, gave Mini Mall Gallery Inc. the boot last month, clearing the way for Madden and its promise of nearly \$590,000 in annual rent revenue.

Out the door is an electronics, lighting fixture and eyewear retailer that leased the space for 10 years at about \$16,449 per month plus operating costs and sales tax. It paid a monthly total of about \$23,206—for a rate of just over \$278,000 per year—on the 2,100-square-foot storefront, court records show.

When its lease expired Jan. 31, Mini Mall Gallery stayed on as a month-to-month tenant.

But the landlord's attorneys, Greenberg Traurig shareholders William Clayton and Craig Barnett, say the rent was significantly below market value.

It seemed Steve Madden agreed because court records show it signed for base rent of \$43,750, which climbs to \$49,148 after operating costs and taxes, for an annual rate of about \$589,880.

"The client had the concept of redeveloping the building, but as a result of landing an international tenant, it has chosen to defer those plans," Clayton said.

The Greenberg Traurig attorneys say the landlord attempted to give

Mini Mall Gallery 60 days' notice to vacate the premises, but the tenant refused.

Mini Mall Gallery continued to pay rent, arguing it exercised via email a five-year renewal option, but the landlord denied extending the agreement until 2020.

Tenant attorneys Louis Zaretsky and Vivian Jaime of Ritter Zaretsky Lieber & Jaime in Miami did not respond to requests for comment by deadline.

"The lease was very specific on how it had to have been exercised," Clayton said. "You cannot renew on the cell phone."

With Mini Mall holding onto the space, the landlord issued a termination letter May 6, giving the tenant until the end of that month to vacate the store.

Barnett argued Mini Mall rented on a month-to-month basis, which meant its tenancy was terminable at will if 433 Lincoln Road LLC provided notice by the 15th of the final month. When Mini Mall remained in the store, the landlord filed suit in Miami-Dade County Court and stopped accepting rent payments.

The case was scheduled for an October trial, and Judge Donald Cannava entered a July order requiring Mini Mall to deposit its rent in the court registry by the first day of each month.



GINA FONTANA

Greenberg Traurig's William Clayton and Craig Barnett, who represented the landlord, said the rent was significantly below market value.

The tenant made its August deposit on time but was a day late with September's payment, prompting Greenberg Traurig to move for immediate judgment of possession.

The case was over by Sept. 9.

"While the deposit of the rent ... into the court registry one day after its due date may appear satisfactorily compliant, this court is bound by the statute without the existence of any equitable exception," Cannava wrote in the final judgment of possession.

Mini Mall packed up its inventory and was out of the store by Sept. 20. Five days later, the landlord turned the keys over to Steve Madden Ltd., which started buildout to open by December.