

**CITY OF RIVIERA BEACH CITY COUNCIL
AGENDA ITEM SUMMARY**

MEETING DATE: August 4, 2010

AGENDA ITEM SUMMARY NO. H10-081-1

- AWARDS / PRESENTATIONS / PETITIONS
- CONSENT
- PUBLIC HEARING
- ORDINANCE ON SECOND READING
- ORDINANCE ON FIRST HEARING

- REGULAR
- RESOLUTION
- DISCUSSION & DELIBERATION
- BOARD APPOINTMENT
- WORKSHOP

TITLE/SUBJECT: AUTHORIZE THE CITY MANAGER TO EXERCISE A LEASE RENEWAL OPTION FOR ONE (1) TWO YEAR PERIOD AT THE CURRENT RATE WITH HEATHER CROFT, LLC FOR 2.658 SQUARE FEET OF COMMERCIAL RENTABLE OFFICE SPACE AT THE PORT CENTER, 2051 MARTIN LUTHER KING BOULEVARD ON THE 3RD FLOOR FOR THE HUMAN RESOURCES DEPARTMENT.

RECOMMENDATION / MOTION:

INTER-DEPARTMENTAL REVIEW & DATE

| | |
|--|---|
| ▪ Assistant City Manager | Library |
| ▪ City Attorney <i>RJ B. PHR 7-28-10</i> | Marina |
| ▪ City Clerk <i>[Signature]</i> | Police |
| Community Development | Public Works |
| ▪ Finance <i>7-27-10</i> | ▪ Purchasing <i>[Signature] 7/28/10</i> |
| Fire | Recreation & Parks |
| ▪ Human Resources | Utility District |
| Information Technology | |

APPROVED BY CITY MANAGER: *[Signature]*

DATE: *7-28-10*

| | | |
|---|--|---|
| Originating Dept.: <i>[Signature]</i> Purchasing | Costs: <u>\$64,903.20</u> Current FY: <u>2010/2011</u> Funding Source: <input type="checkbox"/> Capital Improvement <input checked="" type="checkbox"/> Operating <input type="checkbox"/> Other: | City Council Actions: <input type="checkbox"/> Approved <input type="checkbox"/> Approved w/conditions <input type="checkbox"/> Denied _____ <input type="checkbox"/> Tabled to _____ <input type="checkbox"/> Referred to Staff _____ |
| User Dept.: Human Resources | Budget Account Number: General Fund, Fund Balance 001-0203-519-0-4402 | Attachments: 1. Resolution 2. 1 st Amendment |
| Advertised: P.B. Post N/A www.rivierabch.com - N/A DemandStar N/A <input type="checkbox"/> Not Required | Affected Parties <input type="checkbox"/> Notified <input checked="" type="checkbox"/> Not Required | |

SUMMARY/BACKGROUND:

The Riviera Beach Human Resources department has been housed at The Port Center located at 2051 Martin Luther King Boulevard on the 3rd floor for the past three (3) years in an effort to provide well needed office space for this department, as well as, providing additional office space at the municipal complex for the Legislative Department.

The owner of the Port Center, Heather Croft LLC has offered a lease renewal option for one (1) two (2) year period with same terms. This is a negotiated rate which will save the City at least \$6,000 over the original lease terms which provided for a minimum 3% annual rent increase.

Staff recommends City Council authorize the City Manager to exercise a lease renewal option for one (1) two (2) year period with same terms with Heather Croft LLC.

Item No.02

EXHIBIT A-1

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

| Fiscal Years | 2011 | 2012 | 2013 | 2014 | 2015 |
|--|------------------------|------------------------|--------------------|--------------------|--------------------|
| Capital Expenditures | <u>\$00</u> | <u>\$00</u> | <u>\$00</u> | <u>\$00</u> | <u>\$00</u> |
| Operating Costs | <u>\$64,903</u> | <u>\$64,903</u> | <u>\$00</u> | <u>\$00</u> | <u>\$00</u> |
| External Revenues | <u>NA</u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Program Income (City) | <u>NA</u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| In-Kind Match (City) | <u>NA</u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| NET FISCAL IMPACT | <u>\$64,903</u> | <u>\$64,903</u> | <u>\$00</u> | <u>\$00</u> | <u>\$00</u> |
| NO. ADDITIONAL FTE POSITIONS (Cumulative) | <u>N/A</u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |

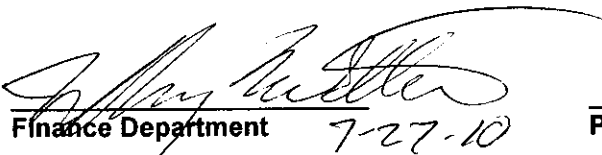
Is Item Included In Current Budget? Yes XX No.
 Budget Account No.: Fund Dept/Division Org. Object
 Budget Account No.: Fund Dept/Division Org. Object

B. Recommended Sources of Funds/Summary of Fiscal Impact:
Payment will be made from Operational Accounts currently budgeted.

C. Departmental Fiscal Review: _____

III. REVIEW COMMENTS

A. Finance Department and/or Purchasing/Intergovernmental Relations/Grants Comments:


 Finance Department 7-27-10 Purchasing and Grants

B. Other Department Review:

Department Director

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RIVIERA BEACH, PALM BEACH COUNTY, FLORIDA, APPROVING THE 1ST AMENDMENT TO THE PORT CENTER LEASE AGREEMENT WITH HEATHER CROFT, LLC EXTENDING THE TERM OF LEASE FOR ONE (1), TWO- YEAR PERIOD COMMENCING AUGUST 1, 2010 AT THE CURRENT RATE OF \$24.41 PER SQUARE FOOT (\$64,903.20 ANNUALLY) FOR 2,658 SQUARE FEET OF COMMERCIAL RENTABLE SPACE CURRENTLY OCCUPIED BY THE HUMAN RESOURCES DEPARTMENT LOCATED ON THE 3RD FLOOR OF THE PORT CENTER, 2051 MARTIN LUTHER KING, JR BOULEVARD; AUTHORIZING THE MAYOR AND CITY CLERK TO EXECUTE SAID LEASE EXTENSION; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the owner of the Port Center, Heather Croft LLC has offered a lease renewal option for one (1), two-year period at the current rate; and

WHEREAS, there remains a need to continue to provide 2,658 square feet of commercial office space for the Human Resources Department at the Port Center located at 2051 Martin Luther King, Jr. Boulevard on the 3rd floor; and

WHEREAS, the terms of the amended lease will save the City approximately \$6,000 over the two year term compared with the original lease which included a minimum 3% annual rent increase.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF RIVIERA BEACH, PALM BEACH COUNTY, FLORIDA, THAT:

SECTION 1. That the Mayor and City Clerk are hereby authorized to execute the lease renewal option for one (1), two-year period at the current rate with Heather Croft LLC for 2,658 sq. ft of rentable commercial office space at an annual cost of \$64,903.20.

SECTION 2. That the Finance Director is hereby authorized to make monthly payments in the amount of \$5,406.81 from Account No. 001-0203-519-0-4402 for fiscal years 2010 – 2011 and 2011 - 2012.

SECTION 3. This Resolution shall take effect upon its passage and approval by the City Council.

RESOLUTION NO. _____
PAGE 2

APPROVED:

THOMAS A. MASTERS
MAYOR

DAWN S. PARDO
CHAIRPERSON

ATTEST:

CARRIE E. WARD
MASTER MUNICIPAL CLERK
CITY CLERK

JUDY L. DAVIS
CHAIR PRO TEM

BILLIE E. BROOKS
COUNCILPERSON

CEDRICK A. THOMAS
COUNCILPERSON

SHELBY L. LOWE
COUNCILPERSON

MOTIONED BY: _____

SECONDED BY: _____

D. PARDO _____

J. DAVIS _____

B. BROOKS _____

C. THOMAS _____

S. LOWE _____

REVIEWED AS TO LEGAL SUFFICIENCY

Rachael Johnson for

PAMALA HANNA FRYAN, CITY ATTORNEY

DATE: 7/28/2010

FIRST AMENDMENT TO LEASE

This **FIRST AMENDMENT TO LEASE**, made the ____ day of _____ 2010 and between **Heather Croft, LLC** (hereinafter called "Landlord") and **City of Riviera Beach, Florida, a municipal government**, existing under the laws of the State of Florida (hereinafter called "Tenant").

WHEREAS, by Lease dated August 1, 2007 between the parties hereto, (the "Lease") Landlord Heather Croft, LLC and Mount Holly, LLC, leased to Tenant and Tenant leased from Landlord, for a term and upon the terms and conditions therein set forth, a certain portion of a building located at 2051 Martin Luther King Boulevard, a portion of the third floor, Riviera Beach, Florida. Here and after defined as ("the Premises");

WHEREAS, Landlord and Tenant have agreed to extend Tenant's Lease for a period of two (2) years, with an additional one (1) year option at then market rate.

NOW, THEREFORE, in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration paid by each party to the other, the receipt and sufficiency whereof are hereby acknowledged by both parties, Landlord and Tenant do hereby covenant and agree as follows:

1. The original Referenced Data Sheet shall be removed and is hereby replaced in its entirety with a new Referenced Data Sheet herein referred to as Exhibit H and attached to this First Amendment.
2. Deletion and Replacement of Paragraph 2. Term.
The provisions of Paragraph 2 (Term) shall be deleted in its entirety and replaced with new language as follows:
 2. Terms and Rent
 - A. The term of the lease shall commence on August 1, 2010 and terminate at 12:00 midnight on July 31, 2012, unless sooner terminated as herein provided.
 - B. Landlord will grant Tenant a one year option at then current market rate.
 - C. The rent for the term of the lease will remain unchanged at \$ 24.41 per square foot.

Except as expressly modified in this first amendment, the Lease Agreement and all rights and covenants set forth therein shall remain unchanged and in full force and effect and are hereby ratified and confirmed by the parties hereto.

IN WITNESS WHEREOF, the parties hereto have caused this **FIRST AMENDMENT TO LEASE** to be executed the day and year first above written.

WITNESS:

HEATHERCROFT, LLC and MOUNT HOLLY, LLC, (Landlord)

As to Landlord

By: _____
DAVID BRAKA

Vice President

As to Landlord

WITNESS:

CITY OF RIVIERA BEACH ("Tenant")

As to Tenant
Carrie E. Ward
Master Municipal Clerk
City Clerk

By: _____
THOMAS A. MASTERS

Mayor

APPROVED AS TO TERMS AND CONDITIONS

BY: _____
BENJAMIN GUY
PURCHASING DIRECTOR

APPROVED AS TO FORM AND LEGAL SUFFICIENCY

BY: Rachael Johnson for
PAMALA H. RYAN
CITY ATTORNEY

EXHIBIT "H"

REFERENCED DATA

Any reference in this Lease to the following subjects shall incorporate therein the data stated for the subject(s) in this Section:

DATE OF LEASE: August 1, 2010

LANDLORD: Heather Croft, LLC & Mount Holly, LLC

LANDLORD'S ADDRESS: 450 Seventh Avenue. 45th Floor
New York, New York 10123

TENANT: City of Riviera Beach, Florida

TENANT'S ADDRESS: 600 West Blue Heron Boulevard
Riviera Beach, FL 33404

DEMISED PREMISES: Approximately
Two thousand Six hundred Fifty Eight square ft. (2,658 sq. ft) rentable square feet on the 3rd floor of the Building. More particularly described as BIG H & SONS SALES & STORAGE FACILITY ALL OF PLAT (LESS ELY 80 FT & TRGLR COR CONGRESS AVE R/W). For all purposes hereof the Building shall be deemed to contain Sixty-One Thousand Four Hundred Sixty-Eight square ft. (61,468 sq. ft) rentable square feet.

LEASE TERM: Two (2) years.

ESTIMATED DATE OF SUBSTANTIAL COMPLETION: August 1, 2010

RENTAL COMMENCEMENT DATE: August 1, 2010

EXPIRATION DATE OF LEASE TERM: July 31, 2012

RENEWAL OPTION: One (1) option to renew year for one (1) additional year at then current market rates.

ANNUAL RENT: **Sixty-four Thousand Nine Hundred Three and 20/100 (\$64,903.20).**

TENANT'S INITIAL SHARE OF TAXES AND OPERATING EXPENSES: N/A

TENANT'S PROPORTIONATE SHARE: N/A

BASE INDEX: N/A

PERMITTED USES: Those office uses permitted by Code.

PREPAID RENT: None.

SECURITY DEPOSIT: In lieu of a security deposit, Tenant previously paid the 1st, 2nd and 3rd months of the first lease year.

WITNESSES

WITNESSES

As to Tenant
Carrie E. Ward
Master Municipal Clerk
City Clerk

LANDLORD:

Heather Croft, LLC & Mount Holly, LLC

By: _____

TENANT:

City of Riviera Beach, Florida

By: _____

THOMAS A. MASTERS

Mayor