

Background & Policy Issues

The effort to develop a long term facility strategy for the TDC has been an effort on-going for approximately 15 years as it is a long standing County policy to utilize government owned space in all long term facility strategy. As a point of reference, over the last 20 years TDC has spent \$9M dollars in lease payments with nothing to show for it and is now contemplating committing to another long term lease. During this period, the County has consistently presented owned options to the TDC beginning with; 1) constructing space within the Convention Center for this purpose, 2) the 1916 Courthouse, 3) Airport Center, and 4) Government Center. The TDC has consistently indicated rejected these offers for variety of reasons. What is most interesting is that the same spaces which were rejected 10 years ago are now considered "prime County-owned sites." Including the Airport Center where the CVB's viewpoint on the desirability of space has changed in less than two years.

It was not until funding was limited in 2010, that the County's and TDC desires united. On October 19, 2010, the Board considered an item which extended the TDC and related agencies' lease at Regions Financial Tower located at 1555 Palm Beach Lakes Blvd (1555 Lease) for a period of three (3) years until July 14, 2014 (Attachment 1). The extension of the 1555 Lease was to provide sufficient time to develop and implement a program to relocate TDC into County-owned space. When presented with the options of preparing an RFP for a long term leased option and an owned option and the Board both indicated that now was the time to plan for the move to owned space. Since that time, FDO Staff in conjunction with TDC has been pursuing a relocation of TDC into one of two County-owned buildings (Airport Center and Government Center) which were within the site selection area identified by the TDC. Attachment 2 is a chronology of communications, discussions and meetings within the TDC and its agencies regarding the relocation into County-owned space.

Space Planning Assumptions

In order to facilitate that relocation to either location, TDC estimated its staffing and space needs through 2020. Based on those staffing projections, a space program was developed which resulted in a range of space required between 15,000-21,000 square feet (sf) if the agencies continued with individual lobbies and common spaces. That high end reduces to 19,300 sf if the agencies shared lobbies, waiting, and common spaces. For planning purposes, the TDC decided to use 20,000 sf for the comparison of both buildings. This is the high end of the range but splits the difference on the sharing of common spaces. It was also indicated that any option needed the ability to grow into additional space or take less space as may be required in the future. While the space required for, or costs associated with, a Visitor's Center are not specifically included, the ability to develop and operate a Visitor's Center is critical to the decision making process. Both the Airport Center and the Government Center are able to meet these requirements with the Visitor's Center ultimately being located in the 1916 Historic Courthouse if the Government Center option is chosen.

Project Renovation Projects

Renovation Project - Airport Center. The project details of the Airport Center renovation are included as Attachment 3. The summary points of the Airport Center renovation project area are as follows.

- This is a 60,000 sf building of which 20,000 sf will be allocated to TDC agencies and the remainder of the 40,000 sf to General Government. While it is expected that there will be a future need for the space, Staff does not anticipate the space being required for a minimum of 5-7 years.
- The cost estimate to improve the entire building is \$13,706,000 including construction costs, soft costs, contingency, furniture and equipment. The project cost to TDC is \$5,071,875 and the cost to general government \$8,634,125. The construction costs are based on the actual costs incurred to renovate the Airport Center #1 building adjusted for inflation at the projected commencement date.
- All costs are equally split between TDC and General Government based on square footage or percentage of lump sum cost basis except for two specific lines items (interior finishes and furniture) which reflect a higher level of finishes or quality of furniture than the County standard.

Renovation Project - Government Center. The project details of the Government Center renovation are included as Attachment 4. The summary points of the Government Center renovation project are as follows.

- This is 20,000 sf in a 225,000 sf building that will be allocated to TDC. At this point, it is not known whether all the space will be on one floor (4th Floor) or split between two floors. That decision would not be made until further programming is completed. The existing ISS staff and functions currently occupying this space would be relocated to the Four Points Building.

Background & Policy Issues (Cont'd)

- The cost estimate to improve the 20,000 sf for TDC is \$3,915,000. The same assumptions as to premium finishes and modular furniture were applied. In this case, it was assumed that the existing telephone equipment is used with programming revisions and minor set replacement. The costs are based on two separate renovations projects completed in the Government Center on the 5th and 3rd floors.
- The Board Room is included in the overall square footage of 20,000sf and can be located in either the Government Center or the 1916 Courthouse at the same cost.

**Comparison of Relocation Options
Project Costs Only**

	Option #1 – Airport Center		Option #2 – Government Center	
	TDC	General Gov't	TDC	General Gov't
Project costs	\$5,071,875	\$11,318,300	\$3,915,000	\$2,827,000

When these project budgets were presented the following were the most frequently asked questions.

1. *Will these renovation projects be advertised and bid to potentially lower the prices?*
Yes, either project would likely be awarded to a competitively selected construction manager under annual contract who is required to publically bid all subcontracted work.
2. *Why is the cost to renovate higher at Airport Center than Government Center?*
The starting condition of the Airport Center building is significantly worse than the Government Center and therefore requires additional systems replacement and costs to get it to the identical condition.
3. *Is there 24/7 security at both buildings?*
Yes.
4. *Is there 24/7 access at both buildings?*
Yes.
5. *What are the parking arrangements at Government Center?*
Agency Heads will be provided space in the Government Center Parking Garage. Agency employees will be put on the list for assignment in the downtown lots identical to that for other County and State employees. There is no charge to any employee. A day pass scenario will be worked out for the Board members to provide parking at no cost. Visitors would have to pay.
6. *Do our visitors have to go through security at the Government Center?*
Yes, as long as the screening policy is in effect. If the board room is moved to the 1916 Courthouse, no screening for entering that building would be required.

Operating

The approach to operating and maintaining the space was also considered. The primary operating and maintenance tasks would be performed by FDO and ISS and include; building maintenance, grounds maintenance, custodial, pest control, fire prevention equipment and alarm, elevator maintenance, security, audio/visual equipment maintenance and services, security, parking, electricity, water/sewer, garbage, cable service, maintenance of telephone equipment and telephone services, and maintenance of the data infrastructure. The costs for these services are paid to the County three years in arrears through the indirect costs allocation plan.

Due to the indirect cost allocation plan being charged three years in arrears, the TDC would experience no operating costs their first two years in either facility. The numbers used in the later estimate of operating expenses are based on current costs to tenants of each of the buildings. It is likely that the costs will actually reduce as they are charged in arrears and over the last 4 the expenses have been reduced based on budget cuts. There is no way to lock these in as they are based on actual and have to be calculated annually, but for the purposes of this comparison it would decrease or increase the same at each facility.

Combined Cost Analysis and Comparison

The 17 year project and operating assumptions and costs associated with the two options (Option #1 – Airport Center and Option #2 – Government Center) are shown in Attachments 5A and 5B respectively.

In Option #1 the project costs on behalf of the TDC in the amount of \$5,071,875 are to be paid from the 1st Cent Reserves. The TDC and its agencies will replenish the 1st Cent Reserves from its operating budget in over a period of 15, 20 or 30 years pursuant to a schedule that would be recommended by the TDC at a later date. **It is critical to note that a decision to relocate the TDC to Airport Center at this time will require the issuance of \$11,318,300 in bonds that had not been budgeted or planned for expenditure in the upcoming years.**

In Option #2 the project costs on behalf of the TDC in the amount of \$3,915,000 are again to be paid from the 1st Cent Reserves with a replenishment plan approved by the TDC at a later date. The costs to General Government to implement Option #2 are \$2,827,000 are also from the Public Building Improvement Fund (ad valorem), but in this case are from an existing appropriation. So in addition to requiring significantly less ad valorem expenditures to implement, this Option uses already allocated funding, eliminating the need for additional budget.

Attachment 6 reflects cost comparison of 17 years of occupancy at the Airport Center (Option #1) and at the Government Center (Option #2).

**Comparison of TDC Relocation Options
Summary 2012-2028**

Costs	Option #1 – Airport Center		Option #2 – Government Center	
	TDC	General Gov't	TDC	General Gov't
Without Operating	\$5,071,875	\$11,318,300	\$3,915,000	\$2,827,000
With Operating	\$8,927,475	\$19,022,300	\$6,226,200	\$2,827,000

If you look at the more expensive option for TDC (Option #1), TDC will pay the same amount it paid for the same period in leased space, but then be done. In leased space the 15-20 years comes and goes and the entire costs paid again for the next 15-20 years.

Facilities Options Conclusion

- The Government Center space is a better facilities value than Airport Center for identical space.
- The Government Center has lower operating costs than Airport Center.
- Both options have opportunities for a Visitors Center in the future.
- Both options can include signage on the Airport Center building.
- The “neighborhood” and amenities including views, shopping and restaurants are by far better at the Government Center.
- The Government Center option requires no additional appropriation of ad valorem funding.
- The location of the TDC Board Room in the 1916 Courthouse will also serve to enhance use of the 1916 Courthouse by the public and the Film Commission and offer opportunities for revenue generation.

Impact of Savings to the County

The impact of the cost savings from rental payments being re-directed into marketing efforts also needs to be considered. For every dollar invested in marketing the return on investment is \$177 in visitor spending. In the first two years, savings of over \$300,000 annually is projected and approximately \$150,000 annually thereafter. If a conservative annual savings of \$150,000 is realized from the relocation, the following direct economic impact is projected.

Direct Economic Impact from Investment of Rent Savings in Marketing

Direct Economic Impact	Value
Annual Expenditures Generated from Marketing	\$26,550,000
Annual Increase in Visitors	200,000
New Tourism & Hospitality Jobs	2352

The threshold question is whether all the tangible benefits of an owned space, particularly the Government Center, are outweighed by the “independence factor.” Staff will argue that the location of the TDC and related offices do not directly correlate to the performance of the TDC and its agencies. The TDC and its agencies have been performing exceptionally from their current location which has arguably the same level of desired location characteristics as the Airport Center and less than the Government Center. The TDC and related agencies receive relatively few clients at its offices, and instead meet clients at the various tourism related venues, destinations and facilities that they are selling. The primary purpose of the space is for staff offices and for the agencies’ board and committee meetings – of which a greater number should be held at the tourism, sports and hospitality venues in the future regardless of the office space chosen.

The FTV is in support of the move to the Government Center (Attachment 7) and the CVB and the SC have both indicated that they would prefer that a Request For Proposals (RFP) for a long term lease of private space be issued (Attachments 8 and 9). Certainly, the Board has the option to issue a RFP. However, direction to pursue a RFP for a long term lease would be completely inconsistent with; 1) the Board’s existing policy regarding ownership vs. lease, 2) real estate practices of private sector businesses with numerous real estate assets, and 3) the opinion of formal and ad hoc citizen review bodies such as Real Estate Assets Task Force, Tax Watch, etc.

Further, Staff does not support the issuance of a RFP as a “test” since: 1) the likely financial results of the RFP are already known, 2) the time taken to “test” the market will result in the TDC requiring another extension at its current location, and 3) will result in space with the same location characteristics as the Airport Center and Government Center.

In terms of the likely results of a RFP, it is PREM’s opinion that space at approximately \$20/sf could be obtained in a long term lease scenario. While that is \$3-\$4/sf less than the current rate at 1555 Lease, over the 17 year term results in costs equal to the Airport Center option, which are obviously greater than the Government Center option. So, while some savings will be realized at the end of the 15 year term, the TDC will start over again for the third time on its \$9M in payments with no asset to show for it.

In terms of time, it will take 3-4 months to prepare the RFP for issuance, most of which is time and decisions that Staff has been encouraging the TDC to make over the last year but with marginal success. Afterwards, the RFP will need to be on the street for 2-3 months to provide the respondents sufficient time to learn the requirements and price the required improvements. The selection and award of a long term lease in this economy is likely to take 3-4, in total the process will take almost a year. If the Board were to decide that it wanted to move into owned space after the RFP, the 1555 Lease would need to be extended for a year resulting in a loss of \$150,000 in savings and an equal amount of Staff time. These are the identical considerations that the TDC and the Board were faced with in October 2010 when the TDC and the Board made the decision to not pursue a long term lease solution for TDC’s facilities and instead work on a program for moving TDC into County owned space.

II. FISCAL IMPACT ANALYSIS

A. Five-Year Summary of Fiscal Impact:

Fiscal Years	2011	2012	2013	2014	2015
Capital Expenditures					
Operating Costs	<\$25,177.00>	\$486,078.00	\$486,078.00	\$405,065.00	---0---
External Revenues					
Program Income (County)					
In-Kind Match (County)					
NET FISCAL IMPACT	<\$25,177.00>	\$486,078.00	\$486,078.00	\$405,065.00	---0---
# ADDITIONAL FTE POSITIONS (Cumulative)					

Is Item Included in Current Budget: Yes No

Budget Account No: * Fund _____ Dept _____ Unit _____ Object _____
Program _____

*see attached BAS for account number breakout

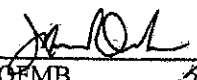
B. Recommended Sources of Funds/Summary of Fiscal Impact:

FY11 budget had already been approved by the Board for the current Lease which expires July 31, 2011. Approval of this Second Amendment reflects an annual savings from what was previously budgeted for FY11 resulting from the reduction in the leased premises and the reduction in rental rate as of August 1, 2011. See Attachment 5 for fiscal impact calculations.

C. Departmental Fiscal Review: _____


III. REVIEW COMMENTS

A. OFMB Fiscal and/or Contract Development Comments:


OFMB
ACT of 10/13/10
10/13/10
10/12/10


Contract Development and Control

B. Legal Sufficiency:


Assistant County Attorney
Amendment not signed by landlord at time of CAO review

This amendment complies with our review requirements.
At the time of our review the Amendment was not executed.

C. Other Department Review:

Department Director

This summary is not to be used as a basis for payment.

Background and Policy Issues, continued:

On December 4, 2001, the Board approved Amendment Number One (R2001-2109) which expanded the leased premises to a total of 23,585 square feet. In January 2005, as part of an entity restructuring, the office building was conveyed to Regions Financial Tower, LLLP. The term of the current Lease expires July 31, 2011. The gross rent increased to \$778,369/yr (\$32.80/sf) on October 1, 2010. Pursuant to this Amendment Number Two, the County will reduce its leased premises, effective immediately, by 3,885 square feet to a total of 19,700 rentable square feet. The Lease term will be extended for three (3) years to July 31, 2014. Rent will continue at the existing rate of \$32.80/sf through July 31, 2011. Effective August 1, 2011, the rental rate will be reduced to \$24.54/sf, resulting in a reduced rental of \$483,438 per year and is fixed for the extension term. TDC will be assigned a total of 65 parking spaces. The number of reserved covered parking spaces will be reduced from 14 to 11, and the monthly parking charge for reserved spaces shall be reduced from \$28.46/space/month to \$20.00/space/month. The number of unreserved covered spaces will remain at 34, and the number of rooftop spaces will be reduced from 34 to 20. The County does not pay for the unreserved parking spaces. The landlord has agreed to touch up the paint and repair the carpet in the leased premises.

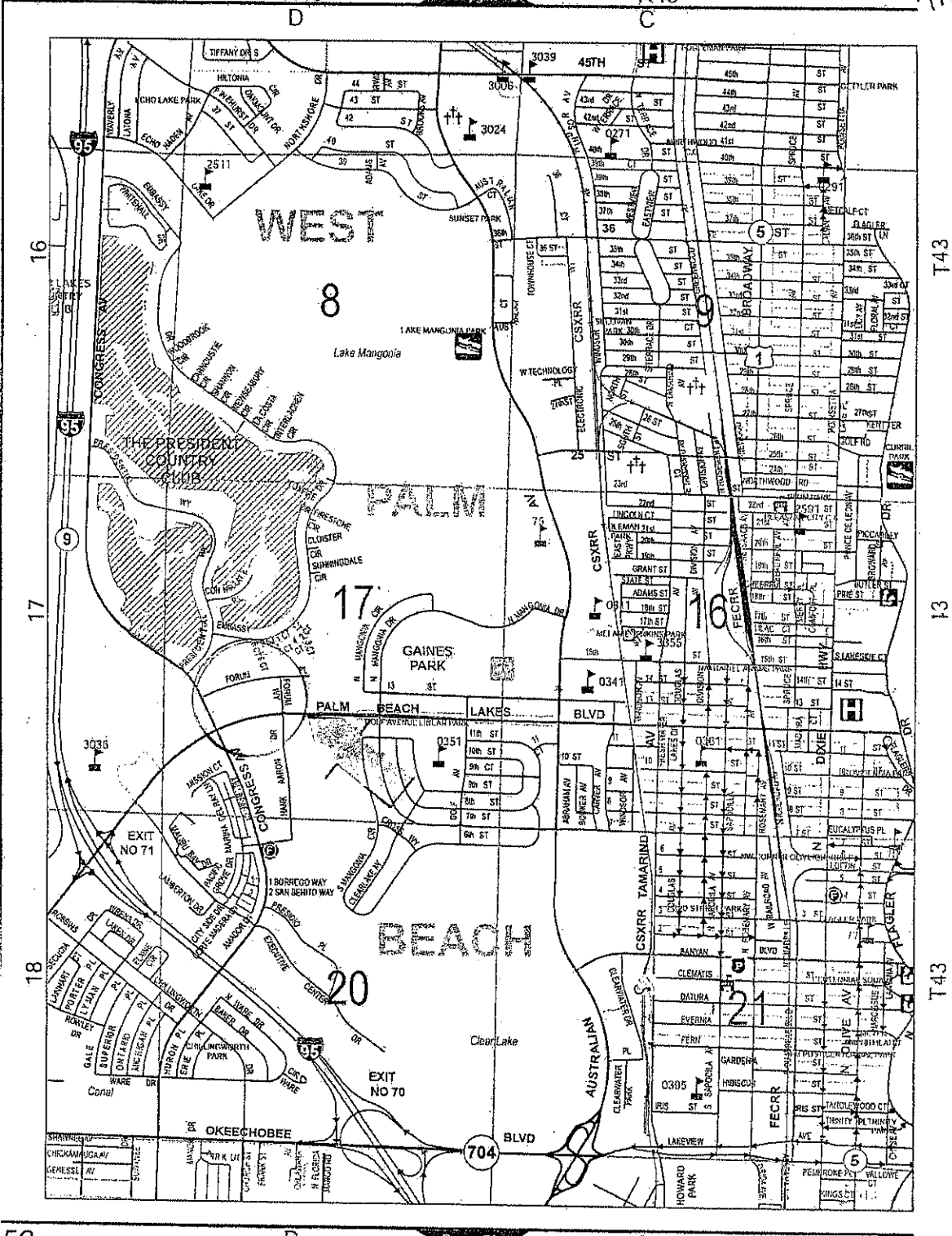
TDC and its related agencies, including the Convention and Visitors Bureau, Film and Television and the Sports Commission, have occupied space in the building since 1992. Over the years, Staff has explored several options to move the TDC agencies out of leased space and into an ownership position. Those included building office space into the Convention Center or a portion of the planned Convention Center parking garage, and most recently, renovating the County-owned Airport Center building. TDC previously elected not to pursue these options due to the costs and TDC's unwillingness to spend reserves on construction costs, preferring to accumulate and hold those reserves for expansion of the Convention Center and/or construction of a parking garage. However, the rental payments over this period of time would have more than covered the cost of building new office space.

TDC has accumulated roughly \$16 Million in 1st and 4th cent reserves; however, the projects for which reserves were being accumulated do not appear viable at this time. Staff strongly recommends that a program be developed for moving the TDC agencies into County-owned space to reduce costs over the long term. While there are options such as Airport Center, Staff believes it will take 3-4 years to further develop, select and implement one of those options. The TDC Board recently voted to approve the concept of relocating into County-owned space and extending the existing Lease in the interim.

Currently, the TDC agencies occupy 23,585 sf of space. Due to staffing cutbacks, CVB has roughly 3,400 sf of space assigned to it that it is not using. Sports Commission will move into this space by October 31st and the landlord will take back the 3,885 sf currently occupied by Sports Commission, resulting in a reduction in total square footage to 19,700. Upon preliminary review of the program and space requirements of the TDC agencies, Staff believes that there is potential to reduce the amount of space occupied by the TDC agencies. County space standards would suggest that TDC be allocated 12,000 sf. However, TDC operates more like a private business and is focused on promoting the image of Palm Beach County and the upscale Hotels within the County. TDC argues that application of County space standards is not appropriate for their operations. Staff acknowledges that the nature of TDC's business operations requires more flexibility as to space required, configuration and level of finish, but continues to believe that the TDC agencies should attempt to reduce the amount of space they occupy. TDC believes that it requires the full 19,700 sf provided by this Amendment. Staff did not push this issue with TDC at this time, but will do so in the future when options for relocating TDC into County-owned space are developed. The comparative cost analysis would have been substantially affected by a reduction in programmed space implemented in conjunction with a move.

Staff did not conduct a competitive process for selection of an interim solution to meet TDC's space needs. Staff did contact several brokers and owners of buildings within the central West Palm Beach business district to gain a feel for current market rental rates. Staff prepared the proforma analysis attached hereto as Attachment 4 using the best rate Staff was able to identify. Based upon the comparative market rental rates, the short-term of this extension and the costs and inconvenience of a double move, Staff is confident that extending the existing Lease is the most cost effective option. This opinion is expressly dependent upon the TDC agencies relocating into County-owned space within 3-4 years, as is likely that a competitive process conducted for a longer term lease would have yielded a lower rental rate. However, in any event, relocating into County-owned space will be the most cost effective solution over the long term.

Florida Statutes Section 286.23 requires that a Disclosure of Beneficial Interests be obtained when a property held in a representative capacity is leased to the County. Regions Financial Tower, LLLP, a Florida limited partnership, provided the Disclosure attached hereto as Attachment No. 3. This Disclosure identifies E. Llwyd Ecclestone, III, Lisa Erdmann, Wendy Mendelsohn and John Ecclestone each holding a 25% beneficial interest in Regions Financial Tower, LLLP. It should be also noted that E. Llwyd Ecclestone, Jr. controls the management of Regions Financial Tower, LLLP.



LOCATION MAP



AMENDMENT NUMBER TWO
TO LEASE AGREEMENT

THIS AMENDMENT NUMBER TWO TO LEASE AGREEMENT ("Amendment Number Two"), made and entered into on _____, by and between **REGIONS FINANCIAL TOWER, LLLP**, a Florida limited partnership, hereinafter referred to as "Lessor" and **PALM BEACH COUNTY**, a political subdivision of the State of Florida, on behalf of the Tourist Development Council and its related agencies, hereinafter referred to as "Lessee".

Whereas, Edwin Llwyd Ecclestone, Jr. Revocable Living Trust Dated January 21, 1981, as wholly restated on September 1, 1998, doing business as the Republic Security Bank Tower ("Trust"), the original lessor, and Lessee entered into that certain Lease Agreement dated April 3, 2001 (R2001-0483) (the "Lease") for the use and occupancy of the Premises as defined in the Lease, which included approximately 22,342 rentable square feet of office space of the Republic Security Bank Tower (the "Building") located at 1555 Palm Beach Lakes Blvd., West Palm Beach, Florida, and which Lease commenced on April 3, 2001, and expires on July 31, 2011; and

Whereas, the Trust and Lessee entered into Amendment Number One to Lease Agreement on December 4, 2001 (R2001-2109), which expanded the leased premises by 1,243 square feet to a total of 23,585 square feet for use by the Convention and Visitors Bureau; and

Whereas, the Trust conveyed the Building and the Premises, to Lessor; and

Whereas, the Building has been renamed as is now known as Regions Financial Tower; and

Whereas, the parties wish to reduce the Premises by 3,885 square feet, provide for a pro rata reduction in rent, provide for certain work to be performed by Lessor, extend the Term for three (3) years, and incorporate certain other language required by Lessee; and

Whereas, Lessor hereby acknowledges that Lessee is not delinquent in the payment of rent and is not in default of any of the terms and conditions of the Lease.

NOW, THEREFORE, in consideration of the premises and mutual covenants and conditions contained herein, Lessor and Lessee agree as follows:

1. The foregoing recitals are true and correct and incorporated herein by reference. Terms not defined herein shall have the same meaning as in the Lease.
2. Section 1.01, Premises, is hereby modified to delete the 3,885 square feet of space located on the 14th floor of the Building. Lessee shall vacate this space and return same to Lessor no later than October 31, 2010. Hereinafter, the Premises shall consist of 19,700 rentable

square feet of office space located on the 8th and 9th floors of the Building as depicted on Exhibit "A" attached hereto and made a part hereof.

3. Section 1.03, Parking and Common Areas, is modified to provide that effective August 1, 2011, the number of parking spaces provided to Lessee shall be reduced as follows: Lessor shall provide Lessee a total of sixty-five (65) parking spaces, consisting of eleven (11) covered reserved spaces, thirty-four (34) covered unreserved spaces, and twenty (20) rooftop spaces, for use by Lessee's employees, and free open visitor parking for use by Lessee's guests and invitees in common with other tenants within the Building. Effective August 1, 2011, the monthly charge for each covered reserved space shall be reduced to \$20.00 per space per month. All other parking spaces shall be provided by Lessor without charge therefor.
4. Section 1.04, Length of Term, Commencement Date, and Cancellation of Prior Lease, is hereby modified to provide that the Term shall be extended to July 31, 2014.
5. Section 2.01, Annual Gross Rent, is hereby modified to provide that commencing as of October 1, 2010, the Gross Rent shall be reduced to \$646,160 per year (\$53,846.67 per month) through July 31, 2011, using an annual gross rental rate of \$32.80 per rentable square foot. Commencing August 1, 2011, the Gross Rent shall be reduced to \$483,438 per year (\$40,286.50 per month) through July 31, 2014, using an annual gross rental rate of \$24.54 per rentable square foot.
6. Section 2.02, Increase in Gross Rent, is deleted in its entirety.
7. Section 2.03, Real Estate Taxes, is deleted in its entirety effective August 1, 2011.
8. Section 3.01, Lessor's Work, is modified to provide that Lessor shall perform the following work within 30 days after the Effective Date of Amendment Number Two:
 - a. Touch up paint where needed within the Premises.
 - b. Repair any worn or raised areas of carpet within the Premises.
9. Section 14.01, Notices and Consents, is modified to change the Lessor's and Lessee's addresses as follows:

Lessor: Regions Financial Tower, LLLP
 1555 Palm beach Lakes Boulevard, Suite 1100
 West Palm Beach, FL 33401

Lessee: Palm Beach County
Property & Real Estate Management Division
Attn: Director
2633 Vista Parkway
West Palm Beach, FL 33411

The addresses for the copies remain unchanged.

10. Section 14.04, Signs, is modified to provide that Lessor shall provide signage in the first floor directory. Lessee shall provide door signage, conforming to Lessor's building standards, at Lessor's expense.
11. Section 14.12, Non discrimination, is modified to include a prohibition against discrimination based on age, or gender identity or expression.
12. Palm Beach County has established the Office of the Inspector General, Ordinance R2009-049, as may be amended. The Inspector General's authority includes but is not limited to the power to review past, present and proposed County contracts, transactions, accounts and records, to require the production of records, and audit, investigate, monitor, and inspect the activities of the parties or entities with which the County enters into agreements, their officers, agents, employees, and lobbyists in order to ensure compliance with contract specifications and detect corruption and fraud. All parties or entities doing business with the County or receiving County funds shall fully cooperate with the Inspector General including granting the Inspector General access to records relating to the agreement and transaction.
13. Lessor represents that simultaneously with Lessor's execution of this Amendment Number Two, Lessor has executed and delivered to Lessee, the Landlord's Disclosure of Beneficial Interests attached hereto as Exhibit "B" and made a part hereof (the "Disclosure"), disclosing the name and address of every person or entity having a 5% or greater beneficial interest in the ownership of the Premises as required by Section 286.23 of the Florida Statutes unless Lessor is exempt under the statute. Lessor warrants that in the event there are any changes to the names and addresses of the persons or entities having a 5% or greater beneficial interest in the ownership of the Premises after the date of execution of the Disclosure until the Effective Date of this Amendment Number Two, Lessor shall immediately, and in every instance, provide written notification of such change to the Lessee pursuant to Section 14.01 of the Lease.
14. This Amendment Number Two shall become effective when signed by all parties and approved by the Palm Beach County Board of County Commissioners (the "Effective Date").
15. Except as modified by this Amendment Number Two and Amendment Number One, the Lease remains unmodified and in full force and effect and the parties hereby ratify, confirm, and adopt the Lease in accordance with the terms thereof.

IN WITNESS WHEREOF, the parties have caused this Amendment Number Two to be executed as of the day and year first written above.

LESSOR:

REGIONS FINANCIAL TOWER, LLLP
a Florida limited partnership

By: 1555 OPERATING COMPANY, a Florida
corporation, its General Partner

By: *E. Harold Eichelberger III*
Print Name: E. Harold Eichelberger III
Title: Vice President

(SEAL)

WITNESSES:

Susan P Waterbury
Witness Signature

Susan P Waterbury
Print Witness Name

Mary Pierce
Witness Signature

Mary Pierce
Print Witness Name

ATTEST:

SHARON R. BOCK
CLERK & COMPTROLLER

By: _____
Deputy Clerk

LESSEE:

PALM BEACH COUNTY, a
political subdivision of the State of Florida

By: _____
Burt Aaronson, Chair

WITNESSES:

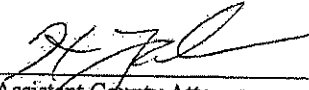
Witness Signature

Print Witness Name

Witness Signature

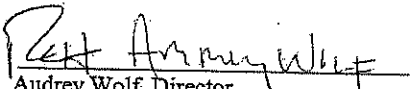
Print Witness Name

APPROVED AS TO FORM
AND LEGAL SUFFICIENCY



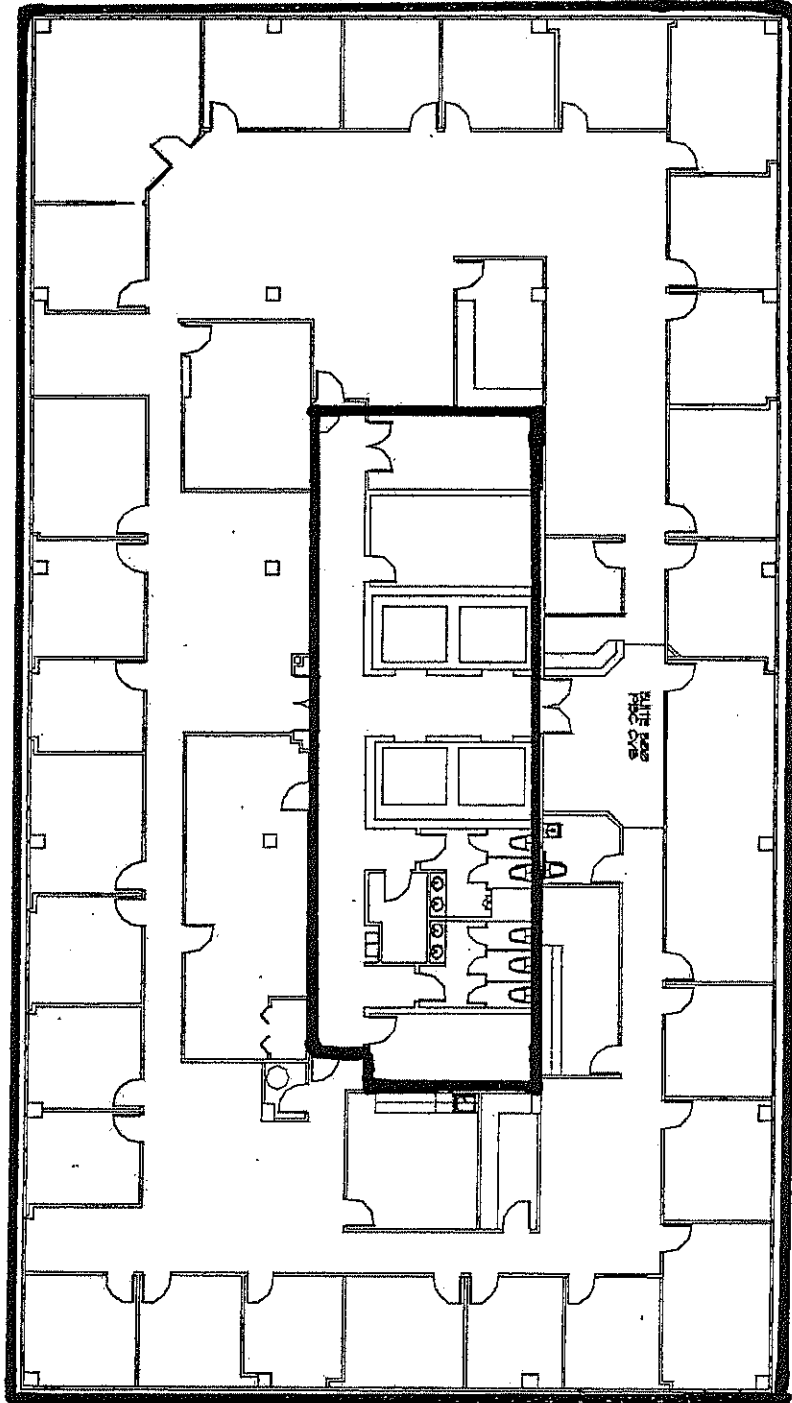
Assistant County Attorney

APPROVED AS TO TERMS
AND CONDITIONS



Audrey Wolf, Director
Facilities Development & Operations

EXHIBIT A1



REGIONS FINANCIAL TOWER
8TH FLOOR PLAN
NOT TO SCALE

EXHIBIT "B"

**LANDLORD'S DISCLOSURE OF BENEFICIAL INTERESTS
(REQUIRED BY FLORIDA STATUTES 286.23)**

TO: PALM BEACH COUNTY CHIEF OFFICER, OR HIS OR HER OFFICIALLY
DESIGNATED REPRESENTATIVE

STATE OF FLORIDA
COUNTY OF PALM BEACH

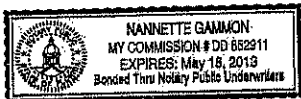
BEFORE ME, the undersigned authority, this day personally appeared, E. Llwyd Ecclestone, III, hereinafter referred to as "Affiant", who being by me first duly-sworn, under oath, deposes and states as follows:

1. Affiant is the Vice President of 1555 Operating Company, a Florida corporation, the general partner of Regions Financial Tower, LLLP, a Florida limited liability limited partnership, (the "Landlord") which entity is the owner of the real property legally described on the attached Exhibit "A" (the "Property").
2. Affiant's address is: 1555 Palm Beach Lakes Boulevard, Suite 1002, West Palm Beach, Florida 33401.
3. Attached hereto, and made a part hereof, as Exhibit "B" is a complete listing of the names and addresses of every person or entity having a five percent (5%) or greater beneficial interest in the Landlord and the percentage interest of each such person or entity.
4. Affiant acknowledges that this Affidavit is given to comply with Florida Statutes 286.23, and will be relied upon by Palm Beach County in its lease of the Property.
5. Affiant further states that Affiant is familiar with the nature of an oath and with the penalties provided by the laws of the State of Florida for falsely swearing to statements under oath.
6. Under penalty of perjury, Affiant declares that Affiant has examined this Affidavit and to the best of Affiant's knowledge and belief it is true, correct, and complete.

FURTHER AFFIANT SAYETH NAUGHT.

E. Llwyd Ecclestone, III, Affiant
E. Llwyd Ecclestone, III

The foregoing instrument was sworn to, subscribed and acknowledged before me this 23rd day of September, 2010, by E. Llwyd Ecclestone, III who is personally known to me or who has produced _____ as identification and who did take an oath.



Nannette Gammon
Notary Public
Nannette Gammon
(Print Notary Name)

NOTARY PUBLIC
State of Florida at Large

My Commission Expires: May 18, 2013

Attachment 1
14/20

EXHIBIT "A"
TO DISCLOSURE OF BENEFICIAL INTERESTS

PROPERTY

LOT 1, BLOCK 2, PALM BEACH LAKES COMMERCIAL, according to the Plat recorded in Plat Book 29, page 63 as recorded in the Public Records of PALM BEACH County, Florida; said land situate, lying and being in PALM BEACH County, Florida.

EXHIBIT "B"
TO DISCLOSURE OF BENEFICIAL INTERESTS

SCHEDULE TO BENEFICIAL
INTERESTS IN PROPERTY

Landlord is only required to identify five percent (5%) or greater beneficial interest holders. If none, so state. Landlord must identify individual owners. If, by way of example, Landlord is wholly or partially owned by another entity, such as a corporation, Landlord must identify such other entity, its address and percentage interest, as well as such information for the individual owners of such other entity.

NAME	ADDRESS	PERCENTAGE OF INTEREST
<u>E. Llwvd Ecclestone, III</u>	<u>1555 Palm Beach Lakes Blvd. #1002</u>	<u>25%</u>
	<u>West Palm Beach, FL 33401</u>	
<u>Lisa Erdmann</u>	<u>1555 Palm Beach Lakes Blvd. #750</u>	<u>25%</u>
	<u>West Palm Beach, FL 33401</u>	
<u>Wendy Mendelsohn</u>	<u>1555 Palm Beach Lakes Blvd. #1100</u>	<u>25%</u>
	<u>West Palm Beach, FL 33401</u>	
<u>John Ecclestone</u>	<u>1555 Palm Beach Lakes Blvd. #1100</u>	<u>25%</u>
	<u>West Palm Beach, FL 33401</u>	

EXHIBIT "B"

LANDLORD'S DISCLOSURE OF BENEFICIAL INTERESTS
(REQUIRED BY FLORIDA STATUTES 286.23)

Attachment 1
10/20

TO: PALM BEACH COUNTY CHIEF OFFICER, OR HIS OR HER OFFICIALLY
DESIGNATED REPRESENTATIVE

STATE OF FLORIDA
COUNTY OF PALM BEACH

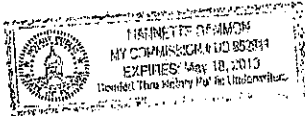
BEFORE ME, the undersigned authority, this day personally appeared, E. Llwyd Ecclestone, III, hereinafter referred to as "Affiant"; who being by me first duly sworn, under oath, deposes and states as follows:

1. Affiant is the Vice President of 1555 Operating Company, a Florida corporation, the general partner of Regions Financial Tower, LLLP, a Florida limited liability limited partnership, (the "Landlord") which entity is the owner of the real property legally described on the attached Exhibit "A" (the "Property").
2. Affiant's address is: 1555 Palm Beach Lakes Boulevard, Suite 1002, West Palm Beach, Florida 33401.
3. Attached hereto, and made a part hereof, as Exhibit "B" is a complete listing of the names and addresses of every person or entity having a five percent (5%) or greater beneficial interest in the Landlord and the percentage interest of each such person or entity.
4. Affiant acknowledges that this Affidavit is given to comply with Florida Statutes 286.23, and will be relied upon by Palm Beach County in its lease of the Property.
5. Affiant further states that Affiant is familiar with the nature of an oath and with the penalties provided by the laws of the State of Florida for falsely swearing to statements under oath.
6. Under penalty of perjury, Affiant declares that Affiant has examined this Affidavit and to the best of Affiant's knowledge and belief it is true, correct, and complete.

FURTHER AFFIANT SAYETH NAUGHT.

E. Llwyd Ecclestone, III, Affiant
E. Llwyd Ecclestone, III

The foregoing instrument was sworn to, subscribed and acknowledged before me this 23rd day of September, 2010, by E. Llwyd Ecclestone, III [] who is personally known to me or [] who has produced _____ as identification and who did take an oath.



Stannette Gammon
Notary Public
Stannette Gammon
(Print Notary Name)

NOTARY PUBLIC
State of Florida at Large

My Commission Expires: May 18, 2013

ATTACHMENT 3

EXHIBIT "A"
TO DISCLOSURE OF BENEFICIAL INTERESTS

PROPERTY

Attachment 1

17/20

LOT 1, BLOCK 2, PALM BEACH LAKES COMMERCIAL, according to the Plat recorded in Plat Book 29, page 63 as recorded in the Public Records of PALM BEACH County, Florida; said land situate, lying and being in PALM BEACH County, Florida.

Attachment 1
18/20

EXHIBIT "B"
TO DISCLOSURE OF BENEFICIAL INTERESTS

SCHEDULE TO BENEFICIAL
INTERESTS IN PROPERTY

Landlord is only required to identify five percent (5%) or greater beneficial interest holders. If none, so state. Landlord must identify individual owners. If, by way of example, Landlord is wholly or partially owned by another entity, such as a corporation, Landlord must identify such other entity, its address and percentage interest, as well as such information for the individual owners of such other entity.

NAME	ADDRESS	PERCENTAGE OF INTEREST
<u>E. Llwyd Ecclestone, III</u>	<u>1555 Palm Beach Lakes Blvd. #1002</u>	<u>25%</u>
	<u>West Palm Beach, FL 33401</u>	
<u>Lisa Erdmann</u>	<u>1555 Palm Beach Lakes Blvd. #750</u>	<u>25%</u>
	<u>West Palm Beach, FL 33401</u>	
<u>Wendy Mendelsohn</u>	<u>1555 Palm Beach Lakes Blvd. #1100</u>	<u>25%</u>
	<u>West Palm Beach, FL 33401</u>	
<u>John Ecclestone</u>	<u>1555 Palm Beach Lakes Blvd. #1100</u>	<u>25%</u>
	<u>West Palm Beach, FL 33401</u>	

REVISED

Attachment 1
19/20

Basic terms

- 4-year term
- current lease 23,585 s.f. @ \$32.80 = \$773,588/yr
- proposed amendment 19,700 s.f. @ \$24.54 = \$483,438/yr
 - sports moves to CVB's vacant space and landlord waives rent on vacated space. Balance of space continues at existing rental rate for remaining 1 year on lease. Then, lease term extended for 3 years and rental rate reduced by 30% to \$24.30/s.f. Results in a reduction of \$128,000 in rental costs for next year
- new location 19,000 s.f. @ \$18.00 = \$342,000/yr
 - stay in existing space for balance of lease at existing rental rate. Then move to new space for a 3-year term.

Comparative lease costs

<u>Year</u>	<u>Current Lease</u>	<u>Amendment</u>	<u>New Location</u>
October 1, 2010 – 2011	\$773,588	\$646,160	\$773,588
2011 – 2012		\$483,438	\$342,000
			(.04)
2012 – 2013		\$483,438	\$355,680
2013 – 2014		\$483,438	\$369,907
		\$2,096,474	\$1,841,175
			<\$255,299>
Rent differential			
Relocation Costs			
- T.I. \$10/s.f.			\$190,000
- move \$2.50/s.f.			\$47,500
- data/comm.			\$100,000
			\$337,500
Total over 4 years		\$2,096,474	\$2,178,675
Difference in total cost		<\$82,201>	

Intangibles:

- TDC would have to move twice. Additional \$300,000 in costs associated with 2nd move not shown.
- Would likely have to change phone numbers twice.

TDC Amendment 2 – Fiscal Impact

FY11

- **Currently budgeted: \$648,641.10** (10 payments [10/1/10 – 7/31/11 = 10 months] of \$64,864.11/month)
 - Office: 23,585 SF @ \$32.80 per = \$773,588.00/yr ÷ 12 = \$64,465.67/month
 - Parking: 14 spaces @ \$28.46 per space per month = \$ 398.44/month
 - \$64,864.11/month
- **Per Amendment 2 for 10/1/10 – 7/31/11 (10 months):**
 - Office: 19,700 SF @ \$32.80 per = \$646,160.00/yr ÷ 12 = \$53,846.67/month
 - Parking: 14 spaces @ \$28.46 per space per month = \$ 398.44/month
 - \$54,245.11/month
- \$54,245.11/month x 10 months = **\$542,451.10**
- **Per Amendment 2 for term extension of 8/1/11 – 9/30/11 (2 months):**
 - Office: 19,700 SF @ \$24.54 per = \$483,438.00/yr ÷ 12 = \$40,286.50/month
 - Parking: 11 spaces @ \$20.00 per space per month = \$ 220.00/month
 - \$40,506.50/month
- \$40,506.50/month x 2 months = **\$81,013.00**
- \$648,641.10 - \$542,451.10 - \$81,013.00 = <u>\$25,177.00</u>**

FY12

- Office: 19,700 SF @ \$24.54 per = \$483,438.00/yr ÷ 12 = \$40,286.50/month
- Parking: 11 spaces @ \$20.00 per space per month = \$ 220.00/month
- \$40,506.50/month
- \$40,506.50/month x 12 months = **\$486,078.00**

FY13

- Office: 19,700 SF @ \$24.54 per = \$483,438.00/yr ÷ 12 = \$40,286.50/month
- Parking: 11 spaces @ \$20.00 per space per month = \$ 220.00/month
- \$40,506.50/month
- \$40,506.50/month x 12 months = **\$486,078.00**

FY14

- Office: 19,700 SF @ \$24.54 per = \$483,438.00/yr ÷ 12 = \$40,286.50/month
- Parking: 11 spaces @ \$20.00 per space per month = \$ 220.00/month
- \$40,506.50/month
- As term ends 7/31/14, 10/1/13 – 7/31/14 = 10 months,
- \$40,506.50/month x 10 months = **\$405,065.00**

FY15 = \$-0-

Time Line RecapTDC Relocation

- March, 2000 During planning and discussion of the convention center there was a committee established that involved John Temple, George Elmore, Llwyd Ecclestone, Charles Lehmann, Mac McLaughlin, and county staff. During some of these committee meetings it was discussed about putting the CVB/TDC agency offices in the new convention center.
- Oct. 12, 2000 TDC Meeting Jim Bronstien questions what happened to the concept of moving to the convention center. John Temple explains that went through a lot of consideration and it was decided it wouldn't be the most cost effective. The area was turned into meeting rooms and storage space. Also doesn't believe it would make since to buy either. The base rental is about \$16.00 with a \$7.00 cam for the other expenses. The other side of owning your own building is you have a maintenance cost, building manager and other expenses. ***Motion to approve county staff to proceed to ask the BCC for a waiver from going out for formal bid process to negotiate on a lease for the TDC agencies is made by John Temple and seconded by Jim Bronstien. Motion passes unanimously 6-0.***
- Feb. 8, 2001 TDC Mtg. the current lease is for a total of 16,166 rentable square feet. The Sports Commission will be adding an additional 993 square feet to their present location at \$22.15 per square foot. There may be a possible reduction of 80 square feet to the 993 to meet requirements for ADA (American Disabilities Act). The CVB, TDC and Film Commission will add an additional 6,532 square feet also at \$22.15 per square feet. This will give a combined total of 22,698 square feet for an annual gross rent of \$502,761. The current gross rent is \$358,076. The annual gross rent will be increased by four percent (4%) per year commencing October 1, 2001, and on each succeeding October 1 thereafter. The lease is for a period of 10 years. The lease does allow for an option to lease additional space with a years notice during the term of the lease to expand the premises to include an additional 3,000 square feet of space on the 9th floor. ***Motion to approve the new lease with Llwyd Ecclestone for 10 years as presented in outline with the condition the final rent amount is not to exceed 10% of the quoted figure of \$502,761 without coming back before the TDC Board is made by David Burke and seconded by Maria Zucaro. Motion passes unanimously 7-0. For the record Diana Ecclestone left the room at the beginning of this discussion and remains out of the room for the vote.***
- Sept. 3, 2008 Memo from Gerry Baron to Verdenia Baker which states current space is satisfactory with regard to square footage. However for class "A" space it is comparatively outdated. From a cursory survey of office space prices on the internet, it appears as though we are paying a premium rate compared to what is

currently available. The location is adequate, however the layout is not. It is cumbersome for staff and clients to have to obtain a key and exit the office to utilize restroom facilities. It is additionally burdensome for basic refreshment needs for staff as well as clients with the absence of running water and a sink. I would think space downtown would be more cost prohibitive not to mention the parking difficulties for staff and clients. However if it were space sub leased from the Cultural Council at a saving from current lease and addressed all other issues, that would be an acceptable option. As far as the County owned building at the Airport Center is concerned my questions would be, didn't the county move out of that building because it was a class "C" space. If so is that the image the TDC agencies want to put forward for our clients and the public?

May 28, 2009

Memo from Jorge Pesquera to Roger Amidon stating: Further to conversations today with Gerry, Chuck and Mike the following is a summary of the progress we've made regarding an alternate location for our office space. Over the past few weeks we've met with the Downtown Development Authority who has provided guidance and assistance regarding possible locations in downtown West Palm Beach.

Office Selection Criteria:

- Significant cost savings vs. current situation and comparable or more attractive than the Southern Boulevard alternative
- Proximity to key entities that work closely with the Bureau on business development opportunities, special events and policy formulation. These include: County Administration, The BCC, the Chamber of the Palm Beaches, the Business Development Board, the Convention Center and key attractions such as the Norton Museum, City Place, Flagler Museum, Worth Avenue Association, and downtown hotels.
- Possible incorporation of an Official Visitor Information Center in a visible and high traffic area that fulfills a function that is typical of accredited destination marketing organizations and enhances the visibility of the CVB's role in the community. The visitor information center would be considered an integral element in overall cost comparison and a possible revenue generator for the CVB.
- The primary goal must be to maximize funds toward marketing and media over the long term.

Much to our surprise, there are multiple possibilities for office locations that can house the CVB and/or the CVB and other TDC entities under one roof in highly desirable locations. Even more surprising are the rental rates we've been presented initially with a good possibility of further negotiation. Those possibilities are enumerated in the attached document.

Finally, and this is a most encouraging and favorable development, the City of WPB has indicated a willingness to provide space for a Visitor Information Center adjacent to the newly developed Commons area that will replace the existing public library. This facility of over 3,000 square feet would be ideal for

a Visitor Information Center due to the high traffic of visitors and the multiple events that take place at the waterfront area throughout the year. With the development of the Commons, the incidence of events drawing out of county visitors will be greatly enhanced.

- June 26, 2009 Memo from Roger to Ross – Met with Verdenia yesterday and she explained that the office space will be going out to RFP. In the short term could you please renegotiate/amend the lease for 2010? We currently are being charged rent for half of the 9th floor that is unoccupied (originally occ by CVB). We are currently paying \$110,579.24 for this unused space. Sports is occupying the 14th floor at approximately the same cost. If Sports were to move to the 9th floor it may be more marketable space for the owner of the building vs. trying to rent half a floor.
- May 25, 2010 Consolidation discussions regarding current lease at 1555 Palm Beach Lakes with TDC Agencies, Verdenia and Roger
- Aug. 12, 2010 TDC Meeting with Ross Hering regarding move options. ***Motion to recommend to the Board of County Commissioners to move the TDC and agencies to the Airport Center because of cost savings is made by Mr. Bronstien and seconded by Commissioner Eliopoulos. Motion passes 7-1-0 with Mr. Paige opposing the motion. Mr. Turney is absent.***
- Sept. 8, 2010 Weisman Memo to Gannon to reconsider Airport Center
- Sept. 13, 2010 Ross memo to Jorge on summary of costs for occupying County owned space such as within Airport Center
- Sept. 15, 2010 ***Motion to direct Ross to move forward with current landlord to extend lease at proposed figures for additional 3 years after remainder of this lease. Motion passes unanimously 7-0***
- Oct. 4, 2010 Memo to Roger from Jorge with cc to Jim Mostad and Vicki Chouris regarding new developments on lease – This new development as it pertains to the lease at PB Lakes Blvd was a surprise as it was our impression that this matter had been put to bed. Regarding the alternate facilities at the airport or in South Dixie, as mentioned, we will be happy to work with TDC and the other agencies to achieve savings that would translate into additional marketing dollars. The situation that we might be facing now, could defeat the main purpose – which was to avoid 2 moves. As you know, achieving long term savings in a reasonably good location has been our focus all along. At any rate, if the lease terms that are finally secured at the current building differ from what we had reported, it would be appropriate to share this information with our Board as they understood this had come to a conclusion as of last board meeting. Let me know if we can help in any way.
- Oct. 19, 2010 Agenda Item to BCC to extend current lease to July 31, 2014. **5. C.2. R-2010-1746 APPROVED:** Amendment Number Two to Lease Agreement (R2001-0483) with Regions Financial Tower, LLLP, extending the term of the lease of office space for the Tourist Development Council (TDC) for three (3) years;

B) **APPROVED:** a Waiver of the prohibited contractual relationship with E. Llwyd Ecclestone, Jr., who controls the management of Regions Financial Tower and is a member of the County's Aviation and Airports Advisory Board; and,

C) **APPROVED:** a Waiver of the prohibited contractual relationship with E. Llwyd Ecclestone, III, who holds a 25% interest in Regions Financial Tower and is an advisory board member of the County's Impact Fee Review Committee.

SUMMARY: Since 1992, the County has leased office space on behalf of TDC in the Regions Financial Tower on Palm Beach Lakes Boulevard in West Palm Beach. The current Lease expires July 31, 2011. This Amendment Number Two: reduces the leased premises by 3,885 square feet effective as of October 1; extends the term for three (3) years until July 31, 2014; reduces the rent payable during the extension from \$32.80/sf to \$24.54/sf; eliminates annual rental increases and reduces the per space charge for reserved parking spaces during the extension from \$28.46 to \$20. The extension of this Lease will provide additional time to develop and implement a program to relocate TDC into County-owned space. Section 2-443(c) of the Code of Ethics prohibits contractual relationships between the County and an advisory board member or the advisory board member's outside employer or business. Section 2-443(d) provides that the prohibited relationship may be waived upon the affirmative vote of five (5) members of the Board. Staff recommends the waiver as this is an extension of a pre-existing lease and these advisory boards have no input on general County real estate transactions. (PREM) District 7 (HJF) **MOTION to approve the amendment and the waivers carried 6-0.**

May 26, 2011	OFMB sends info to Ernie during budget process regarding Capital Improvement costs for relocation of TDC to Governmental Center.
June 1, 2011	Memo to Verdenia from Carol notifying her Roger will be meeting with Audrey on June 3 rd to clarify Capital Improvement Program & Budget FY12-FY16 and relocation to Gov. Ctr.
June 3, 2011	Roger meets with Audrey and Nancy to clarify OFMB notification
June 24, 2011	Memo from Roger to Audrey and Liz Bloeser asking to explore options for relocation and financing opportunities by August 9 meeting.
July 27, 2011	Roger meets with Jorge and Jim Mostad
Aug. 1, 2011	CVB and TDC meet with ISS Voice Communications regarding CVB's new phone system.
Aug. 9, 2011	Agency directors brought up to date on current relocation discussions
August 16, 2011	Agencies submit revised Facilities Requirement Survey on space current and future needs
Aug. 18, 2011	TDC Mtg. that included an "update on TDC, CVB, Sports & FTC future move"

with discussion specific to Gov. Ctr. All agencies present including Hotel & Lodging Assoc. \$300,000 saving identified on 16,000 sq. ft. by moving into county owned space.

- Sept. 15, 2011 Roger meets with Steve Bordelon, Mike Valdes, Mike Butler, Ernie, and Steve Parsons regarding compatibility of CVB's new phone system with County.
- Oct. 26, 2011 Roger meets with Nancy Albert
- Nov. 15, 2011 Agencies meet with Nancy Albert
- Dec. 16, 2011 Follow-up meeting with agencies and Anil Patel at Vista and tour of build-out options i.e. modular, cubical, hard wall etc. (Jorge does not attend but sends Mike and Jorge Vazquez)
- Jan. 3, 2012 Agency Head Mtg
- Jan. 4, 2012 Roger meets with Nancy & Anil as follow-up from 12/16 mtg w/agencies
- Jan. 6, 2012 Roger meets with Jorge, Jim Mostad, and Judy Oppel
- Jan. 10, 2012 CVB BOD (check for discussion)
- Jan. 12, 2012 TDC Finance Committee
- Jan. 12, 2012 TDC Meeting and direction to send letter for 90-Days to BCC
Nancy and Anil return to TDC office to completely re-measure all current space
- Jan. 17, 2012 Meeting with Verdenia, Roger, Audrey and agencies to discuss locations and costs
- Jan. 18, 2012 Letter to BCC asking for 90-Days
- Jan. 23, 2012 Agenda Review in prep for BCC meeting on 2/24 where Audrey's ISS agenda item will be presented mentioning TDC relocation.
- Jan. 24, 2012 BCC Meeting – (3H-1) **Motion** to hold a workshop on February 28, 2012 for a Tourist Development Council discussion, and to delay the ISS relocation to the Four Points Office. Motion by Commissioner Aaronson, and seconded by Commissioner Marcus. **Amended Motion** to postpone the item until a suitable meeting date was determined by County Administrator Robert Weisman. The maker and secondary agree. Motion passes 7-0
- Jan. 26, 2012 Roger meets with Margie Walden (Sports Commissioner BOD) to discuss potential other office locations
- Jan. 27, 2012 Staff meeting – Pro's Con's of all locations
- Jan. 30, 2012 Meeting with Commission Aaronson, Verdenia, Roger and all agencies prior to Feb. TDC meeting with regard to all TDC issues and TDC Relocation
- Jan. 31, 2012 TDC Agency Head – recap of previous meetings, upcoming TDC meeting and what to prepare for relocation workshop

Feb. 1, 2012 FTC BOD

Feb. 6, 2012 Sports BOD

Feb. 8, 2012 Relocation Meeting with Verdenia, Roger, Audrey and all agencies with Board Chairs

Feb. 9, 2012 TDC Mtg. Feb. - *Motion is made by Mr. Paige to move to the Airport Center based on generating long terms saving from the current situation and is seconded by Mr. Turney. Motion passes unanimously, 8-0-0. Commissioner Moss is absent.*

Feb. 14, 2012 TDC Finance Committee includes Relocation discussion
CVB Ex. Committee Mtg.

Feb. 21, 2012 Sports Ex. Committee Mtg.

Feb. 22, 2012 Verdenia and Roger meeting on relocation
Verdenia & Roger meet with Dean Turney
Verdenia & Roger meet with Cheryl Reed
Verdenia & Roger conference call with Joel Paige
Verdenia & Roger meet with Jim Bronstien

Feb. 23, 2012 Sports Finance Committee

Feb. 24, 2012 Verdenia & Roger meet with Dave Burke
Verdenia and Roger meet with Commissioner Frankel

Feb. 28, 2012 Agency Head Meeting – Direction given as to when to have info in for March TDC meeting and BCC Workshop w/discussion

Feb. 29, 2012 Audrey, Ross, Roger and Ernie meet to finalize financial backup for BCC Workshop and TDC Meeting

March 1, 2012 Roger meets with Glen Jorgensen (CVB)

March 5, 2012 Verdenia & Roger meeting with Commissioner Aaronson

March 7, 2012 FTC BOD
Hotel & Lodging BOD Meeting – Roger and Jorge make presentations

March 8, 2012 TDC Finance Meeting - Lengthy discussion on relocation – Agrees Airport Center is too costly

TDC BOD – Realizes the Airport Center financial numbers are coming in too high. Considers all proposals and wants all three proposals presented to BCC at workshop. George can mention his BOD would like an RFP to see what's out there. TDC will accept final direction from BCC from workshop presentation.

- March 12, 2012 Verdenia, Roger & Audrey meet with Commissioner Abrams
Verdenia, Roger & Audrey meet with Commissioner Vana
Verdenia, Roger & Audrey meet with Commissioner Taylor
- March 13, 2012 CVB BOD – Both Verdenia and Roger attend
- March 14, 2012 George presents copy of letter from BOD to Commissioner Vana requesting
county includes an RFP in process for not only building but if in county owned
space for build out.

Tdc/roger/TDCLeaseMove2014/TimeLineRecap

PROJECT BUDGET				
PROJECT NAME: AIRPORT CENTER 2 - RENOVATIONS				
PROJECT NO. TBD		ISSUE DATE: February 10, 2012		
		ESTIMATED COST		
		TDC	PBC	TOTAL
CONSTRUCTION COSTS		20,000sf	41,000sf	61,000sf
	LINE ITEM	\$185/sf	\$160/sf	
1	BUILDING STRUCTURE See Note 1	\$3,700,000	\$6,560,000	\$10,260,000
2	PRE-CONSTRUCTION	\$24,750	\$50,250	\$75,000
3	ART IN PUBLIC PLACES	\$45,000	\$80,000	\$125,000
TOTAL CONSTRUCTION COST		\$3,769,750	\$6,690,250	\$10,460,000
SOFT COSTS				
4	DESIGN FEES	\$165,000	\$335,000	\$500,000
5	GEOTECHNICAL FEES	\$0	\$0	\$0
6	SURVEY FEES	\$1,650	\$3,350	\$5,000
7	SPECIAL INSPECTION	\$0	\$0	\$0
8	CONSTRUCTION MATERIALS TESTING	\$1,650	\$3,350	\$5,000
9	PERMIT FEES	\$32,400	\$57,600	\$90,000
10	UTILITY FEES	\$9,900	\$20,100	\$30,000
11	TELEPHONE SYSTEM	\$165,000	\$335,000	\$500,000
12	BID ADVERTISING/PRINTING/MISC.	\$1,650	\$3,350	\$5,000
13	FF&E - MODULAR PARTITIONS/MOVE EXPENSES	\$400,000	\$225,000	\$625,000
14	BUILDER'S RISK INSURANCE	\$32,400	\$57,600	\$90,000
15	ASBESTOS/MOLD ABATEMENT	\$16,500	\$33,500	\$50,000
16	STAFF CHARGES			
16a	CID	\$82,500	\$167,500	\$250,000
16b	ISS	\$6,600	\$13,400	\$20,000
16c	SPACE & INTERIOR PLANNER	\$6,600	\$13,400	\$20,000
16d	ART IN PUBLIC PLACES	\$3,300	\$6,700	\$10,000
17	PROJECT CONTINGENCY - 10%	\$376,975	\$669,025	\$1,046,000
TOTAL CONSTRUCTION, SOFT COSTS & CONTINGENCY		\$5,071,875	\$8,634,125	\$13,706,000

Assumptions:

- Note 1 - Buildout of 20,000 sf gross for TDC with premium finishes of \$25/sf.
Removing premium finishes results in TDC costs of \$4,512,350 and total of \$13,156,000
Building maintains single occupancy classification.
- Line 11 - Estimate is based on standard County system with subscriber units.
- Line 13 - Estimate is based on TDC requested modular furniture, deduct \$250,000 for PBC std furniture.
- All TDC/PBC specific costs are a proportional share based on square footage except lines 3, 9, 14, and 17 which are a proportional share based on cost.

PROJECT BUDGET			
PROJECT NAME: TDC at Governmental Center			
PROJECT NO.		ISSUE DATE: February 8, 2012	
CONSTRUCTION COSTS			
LINE ITEM	UNIT COST	QUANTITY	ESTIMATED COST
BUILDING STRUCTURE	\$135/sf (see Note 1)	20,000 sf gross	\$2,700,000
SITE DEVELOPMENT			\$0
ART IN PUBLIC PLACES (2%)			\$0
TOTAL CONSTRUCTION COST			\$2,700,000
SOFT COSTS			
1	DESIGN FEES		\$175,000
2	GEOTECHNICAL FEES		\$0
3	SURVEY FEES		\$0
4	SPECIAL INSPECTION		\$0
5	CONSTRUCTION MATERIALS TESTING		\$0
6	PERMIT FEES		\$40,000
7	UTILITY FEES		\$0
8	TELEPHONE SYSTEM		\$50,000
9	BID ADVERTISING/PRINTING/MISC.		\$0
10	FF&E / moving expenses		\$450,000
11	BUILDER'S RISK INSURANCE		\$0
12	STAFF CHARGES		
12a	CID		\$75,000
12b	ISS		\$10,000
12c	SPACE & INTERIOR PLANNER		\$10,000
12d	ART IN PUBLIC PLACES		\$0
13	TOTAL SOFT COSTS		\$810,000
14	PROJECT CONTINGENCY (15%)		\$405,000
TOTAL CONSTRUCTION, SOFT COSTS & CONTINGENCY			\$3,915,000

Assumptions:

Note 1 - Premium finishes of \$25/sf included

Line 8 - Assumes use of existing handsets with minor revisions

Line 10 - Assumes use of TDC requested modular furniture

Deduct \$225,000 for PBC standard furniture

**OPTION 1
AIRPORT CENTER BUILDING 2**

Assumptions

1. TDC funds Capital Outlay thru Bed Tax 1st Cent Reserve with TDC agencies reimbursing the Reserve annually . TDC pays operating costs directly from annual operating budget.
2. General Government funds it debt service and operating/CAM expenses through ad valorem sources.
3. The amount to be financed by General Government is \$8,386,125 for total payments of \$10,575,300 over the life of the bond
4. The total project costs are \$13,706,000 with \$5,071,875 allocated to TDC for 20,000sf and \$8,634,125 allocated to General Government for the remaining 40,000sf.
5. The hard construction costs are based on \$185/sf for TDC stated requirements or \$3,769,750 of the total \$5,071,875.
6. TDC/s hard construction costs can be reduced to \$160/sf or \$3,200,000 by accepting County standard build-out.
7. Building operating/CAM costs are based on 2012 allocation at Airport Center #1 using methodology of non-general fund departments.
8. Building operating/CAM costs include all building and grounds maintenance, custodial, pest, elevators, security, electronic services, all utilities, telephone and data service.
9. Assumes a decision in spring in 2012 followed by design and permitting. Renovation to begin in April of 2013.
10. FMD temporary space assumes \$6.50 sf for 12,500 at SkyChef for an annual cost of \$82,000 until 2017 and including \$10,000 for relocation costs.

Year	Tourist Development Council			General Government				
	Capital Outlay	Operating/CAM	Total TDC	Capital Outlay	Debt Service	Operating/CAM	FMD Temp	Total GG
2012	\$ 167,000.00	\$ -	\$ 167,000.00	\$ 323,000.00	\$ -	\$ -	\$ -	\$ 323,000.00
2013	\$ 4,904,875.00	\$ -	\$ 4,904,875.00	\$ -	\$ -	\$ -	\$ 92,000.00	\$ 92,000.00
2014		\$ -	\$ -	\$ -	\$ 705,020.00	\$ -	\$ 82,000.00	\$ 787,020.00
2015	\$ -	\$ -	\$ -	\$ -	\$ 705,020.00	\$ -	\$ 82,000.00	\$ 787,020.00
2016	\$ -	\$ -	\$ -	\$ -	\$ 705,020.00	\$ -	\$ 82,000.00	\$ 787,020.00
2017	\$ -	\$ 321,300.00	\$ 321,300.00	\$ -	\$ 705,020.00	\$ 642,000.00	\$ 82,000.00	\$ 1,429,020.00
2018	\$ -	\$ 321,300.00	\$ 321,300.00	\$ -	\$ 705,020.00	\$ 642,000.00	\$ -	\$ 1,347,020.00
2019	\$ -	\$ 321,300.00	\$ 321,300.00	\$ -	\$ 705,020.00	\$ 642,000.00	\$ -	\$ 1,347,020.00
2020	\$ -	\$ 321,300.00	\$ 321,300.00	\$ -	\$ 705,020.00	\$ 642,000.00	\$ -	\$ 1,347,020.00
2021	\$ -	\$ 321,300.00	\$ 321,300.00	\$ -	\$ 705,020.00	\$ 642,000.00	\$ -	\$ 1,347,020.00
2022	\$ -	\$ 321,300.00	\$ 321,300.00	\$ -	\$ 705,020.00	\$ 642,000.00	\$ -	\$ 1,347,020.00
2023	\$ -	\$ 321,300.00	\$ 321,300.00	\$ -	\$ 705,020.00	\$ 642,000.00	\$ -	\$ 1,347,020.00
2024	\$ -	\$ 321,300.00	\$ 321,300.00	\$ -	\$ 705,020.00	\$ 642,000.00	\$ -	\$ 1,347,020.00
2025	\$ -	\$ 321,300.00	\$ 321,300.00	\$ -	\$ 705,020.00	\$ 642,000.00	\$ -	\$ 1,347,020.00
2026	\$ -	\$ 321,300.00	\$ 321,300.00	\$ -	\$ 705,020.00	\$ 642,000.00	\$ -	\$ 1,347,020.00
2027	\$ -	\$ 321,300.00	\$ 321,300.00	\$ -	\$ 705,020.00	\$ 642,000.00	\$ -	\$ 1,347,020.00
2028		\$ 321,300.00	\$ 321,300.00	\$ -	\$ 705,020.00	\$ 642,000.00	\$ -	\$ 1,347,020.00
	\$ 5,071,875.00	\$ 3,855,600.00	\$ 8,927,475.00	\$ 323,000.00	\$ 10,575,300.00	\$ 7,704,000.00	\$ 420,000.00	\$ 19,022,300.00

**OPTION 2
GOVERNMENT CENTER**

Assumptions

1. Costs identified for TDC will be funded from Bed Tax and those associated with General Government from ad valorem sources.
2. The total project costs for TDC at Government Center is \$3,915,000 for 20,000 sf.
3. Assumes a decision in spring in 2012 followed by design and permitting. Renovation to begin April of 2013.
4. Building operating costs include all building/grounds maintenance, custodial, pest, elevators, security, electronic services, all utilities, telephone and data service/equip.
5. Indirect costs based on 2012 allocation and 2017 will be based on actual costs using methodology for non-general fund departments.
6. ISS' relocation (renovation of Four Points Space) project budget is \$2,978,000 and funded from the Public Building Improvement Fund, \$151,000 of which has been spent to date.

Year	Tourist Development Council			General Government on behalf of ISS		
	Capital Outlay	Operating/CAM	Total TDC	Capital Outlay	Operat	Total TDC
2012	\$ 175,000.00	\$ -	\$ 175,000.00	\$ 2,827,000.00	\$ -	\$ 2,827,000.00
2013	\$ 3,740,000.00	\$ -	\$ 3,740,000.00	\$ -	\$ -	\$ -
2014	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2015	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2016	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2017	\$ -	\$ 192,600.00	\$ 192,600.00	\$ -	\$ -	\$ -
2018	\$ -	\$ 192,600.00	\$ 192,600.00	\$ -	\$ -	\$ -
2019	\$ -	\$ 192,600.00	\$ 192,600.00	\$ -	\$ -	\$ -
2020	\$ -	\$ 192,600.00	\$ 192,600.00	\$ -	\$ -	\$ -
2021	\$ -	\$ 192,600.00	\$ 192,600.00	\$ -	\$ -	\$ -
2022	\$ -	\$ 192,600.00	\$ 192,600.00	\$ -	\$ -	\$ -
2023	\$ -	\$ 192,600.00	\$ 192,600.00	\$ -	\$ -	\$ -
2024	\$ -	\$ 192,600.00	\$ 192,600.00	\$ -	\$ -	\$ -
2025	\$ -	\$ 192,600.00	\$ 192,600.00	\$ -	\$ -	\$ -
2026	\$ -	\$ 192,600.00	\$ 192,600.00	\$ -	\$ -	\$ -
2027	\$ -	\$ 192,600.00	\$ 192,600.00	\$ -	\$ -	\$ -
2028	\$ -	\$ 192,600.00	\$ 192,600.00	\$ -	\$ -	\$ -
	\$ 3,915,000.00	\$ 2,311,200.00	\$ <u>6,226,200.00</u>	\$ 2,827,000.00	\$ -	\$ <u>2,827,000.00</u>

Comparison of TDC Relocation Options Summary 2012-2028

Assumptions

1. Option 1 is relocating TDC to Airport Center. TDC funds its share as capital outlay, GG finances its share.
2. Option 2 is relocating TDC to Government Center. Both TDC and GG fund its share though capital outlay.
3. Neither option includes space for a Visitor Center. Sufficient space exists at both for same in the future.

	Option 1		Option 2	
	TDC	GG	TDC	GG
Project Costs	\$ 5,071,875.00	\$ 11,318,300.00	\$ 3,915,000.00	\$ 2,827,000.00
Project & Operating	\$ 8,927,475.00	\$ 19,022,300.00	\$ 6,226,200.00	\$ 2,827,000.00

TDC is Tourist Development Council and funds its share of expenses from 1st Cent Bed Tax

GG is General Government and funds its share of expenses from ad valorem sources.

From: Roger Amidon [mailto:ramidon@palmbeachfl.com]
Sent: Monday, March 19, 2012 1:54 PM
To: Audrey Wolf
Subject: Memo to Verdenia Baker regarding relocation of TDC and Agency Offices

From: Chuck Elderd
Sent: Monday, March 19, 2012 1:02 PM
To: Verdenia Baker; Roger Amidon
Cc: 'Kenneth Spillias'
Subject: FW: DRAFT: Memo to Verdenia Baker regarding relocation of TDC and Agency Offices

The Film & Television Commission (FTC) Staff is recommending the FTC and TDC Agency offices be relocated to the Governmental Center as recommended by County Staff.

With the increase of total office space from 12,000 square feet to 20,000 square feet, adding the use of the Historic Courthouse for FTC Board of Directors (BOD) meetings plus more access for Film and TV requests, clarification of CAM fees, and the plan to accommodate parking, Ken Spillias as FTC Chair agrees the recommendation to support the move to the Governmental Center should go before the FTC BOD for final approval in April.

Furthermore FTC Staff does not support going out to a RFP for purposes of exploring any other options for the relocation of FTC and TDC Agencies. With a recommendation from the TDC, the BCC approved a relocation into County owned buildings years ago negating the need for an RFP.

FTC Staff is grateful to County Staff for the extra time and effort put into addressing the FTC's questions regarding the relocation to the Governmental Center.

Thank you,

Chuck

Chuck Elderd
Film Commissioner
Palm Beach County Film & Television Commission
1555 Palm Beach Lakes Blvd., Suite 900
West Palm Beach, FL 33401
pbfilm.com



PALM BEACH COUNTY
FILM & TELEVISION COMMISSION
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THE BEST OF EVERYTHING.®
PALM BEACH COUNTY CONVENTION AND VISITORS BUREAU

March 19, 2012

Board Chair & Commissioner Shelly Vana
Board of County Commissioners
Palm Beach County
301 North Olive Ave. Suite 1201
West Palm Beach, FL 33401

Dear Commissioner Vana,

The subject of office relocation for the TDC Agencies, planned for July 2014, was discussed at the March 13th Board of Directors Meeting of the Convention & Visitors Bureau (CVB), with TDC Executive Director Roger Amidon and Deputy County Administrator Verdenia Baker. Discussions centered on a range of options explored by the CVB Staff including the Airport Center and Government Center locations. During the discussions, CVB staff acknowledged the information received from the County's Property Management staff relative to the cost of renovation at both - the Airport Center and the Government Center - as well as the significant budgetary constraints affecting Palm Beach County government.

The costs associated with the renovation of the Airport Center, under the current economic environment, do not indicate this is a viable option. It was acknowledged that this location remains a truly unique opportunity to create a world class Visitor Information Center once the financial condition of the county improves. We still express a keen interest in keeping this option open for a future relocation.

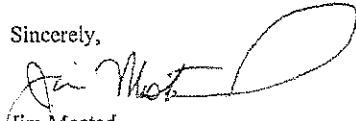
The Board provided input and expressed a strong desire to find a location that maintains the independent private non-profit image of the CVB which is central to its ability to engage the hospitality and business community. This engagement process takes the form of numerous committee and individual meetings, partner coop marketing meetings, and voluntary board participation. This engagement is fundamental to the private revenue development goals the board has established in order to enhance marketing efforts and destination competitiveness.

After various building options were discussed including preliminary CVB staff findings relative to private commercial and nonprofit owned locations, the Board of Directors of the CVB unanimously passed a motion to develop a resolution recommending a Request for Proposal (RFP) process be used for the selection of an appropriate office facility in a private or public building. This resolution reflects the strong desire of the Board to play an active role in the selection process in an effort to protect bed tax reserve funds.

At the Board of County Commissioners workshop scheduled for March 27 we will reaffirm that this critical decision, which has profound implications for the operations and competitiveness of the CVB, be deferred until the RFP process is concluded. This will allow the Boards of the effected entities to have proportionate representation in the selection committee.

We respectfully hope you will support our request and take this under serious consideration.

Sincerely,



Jim Mostad
Chairman of the Board

Cc:
Board of County Commissioners
CVB Board of Directors
TDC Executive Director, Roger Amidon
Deputy County Administrator, Verdenia Baker

1555 Palm Beach Lakes Boulevard, Suite 800, West Palm Beach, Florida 33401
D-(561) 233-3012 D-FACSIMILE (561) 233-3044 WEB SITE <http://www.palmbeachfl.com>

RESOLUTION OF THE BOARD OF DIRECTORS OF THE DISCOVER PALM BEACH COUNTY INC. dba PALM BEACH COUNTY CONVENTION AND VISITORS BUREAU ("CVB") RESPECTFULLY ASKS THE REQUEST FOR PROPOSAL (RFP) PROCESS BE USED TO DETERMINE THE FUTURE OFFICE LOCATION FOR ALL THE TDC ENTITIES OR ALLOW EACH CORPORATION TO STAND ALONE SHOULD THE SITE SELECTION COMMITTEE DETERMINE EACH CAN MAXIMIZE THEIR MISSION BY BEING SEPARATE FROM THE OTHERS.

WHEREAS, the CVB Board of Directors adopted a resolution on June 8, 2010 in an effort to reduce costs and establish the need for CVB Board and staff to participate in the selection of alternate office space for the corporation's future needs;

WHEREAS, any investment or long term commitment through a lease of facilities should be associated with an office or building that conveys an inviting tourism image that engages the hospitality and business community while projecting the importance the tourism sector represents for the economy and quality of life in Palm Beach County.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF DISCOVER PALM BEACH COUNTY INC., that in the exercise of its prescribed governance mandate relative to the CVB's mission, vision and strategic goals it hereby request an open and transparent RFP process be used in determining the next office location to support the corporation brand, operational effectiveness and its long term success;

BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF DISCOVER PALM BEACH COUNTY INC., that bed tax reserve funds be minimized in the relocation process to maximize their use for marketing or special stimulus initiatives based upon market conditions;

BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF DISCOVER PALM BEACH COUNTY INC., that a nine (9) member selection committee include board representatives in proportion to the impacted entity employee census with four (4) CVB members, two (2) from the Sports Commission Board, one (1) from the Film Commission Board and the TDC Executive Director and County Administration; and

BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF DISCOVER PALM BEACH COUNTY INC. that a certified copy of this Resolution shall be sent to the Board of County Commissioners, County Administrator, and the Tourist Development Council.

The foregoing Resolution as recommended in a motion adopted by the Board of Directors of Discover Palm Beach County Inc., at its Meeting on the 13th day of March, 2012.

Attest:

By: Victoria Chouris
Victoria Chouris, Secretary/Treasurer

DISCOVER PALM BEACH COUNTY, INC.
By: Jim Mostad
Jim Mostad, Chair

**TDC Related Organizations
Options in Central Palm Beach County
20,000 Sq Ft**

	Regions		Option 1		Option 2		Option 3	
	Tower	Annual Cost	Airport Center	Annual Cost	Airport Center	Annual Cost	4th Floor Gov Ctr	Annual Cost
Lease Options	Current Location		Bonds Used for Capital Pay Share of Debt Service		Use Bed Tax 1st Cent Reserve Agencies Reimburse Reserve		Use Bed Tax 1st Cent Reserve Agencies Reimburse Reserve	
Gross Square Feet		19604		20000		20000		20000
Total Lease Cost per Sq. Ft.	\$ 15.50	\$ 303,862	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating & CAM Costs	\$ 9.00	\$ 176,436	\$ 16.07	\$ 321,300	\$ 16.07	\$ 321,300	\$ 9.63	\$ 192,600
Parking Assignment Costs		\$ 3,140	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
15Yr Share of Debt Service/ 20K Sq Ft	\$ -	\$ -	\$ 18.58	\$ 371,636				
15Yr Repayment to 1Cent Reserve	\$ -	\$ -			\$ 16.35	\$ 326,992	\$ 12.46	\$ 249,200
Annual Cost of Ownership		\$ 483,438		\$ 692,936		\$ 648,292		\$ 441,800
Cost of Ownership/SF		\$ 24.66		\$ 34.65		\$ 32.41		\$ 22.09
Annual Savings over Regions (Higher Cost)				\$ (209,498)		\$ (164,854)		\$ 41,638
Occupancy Timing	Leave Prior July 2014		Schedule for July 2014		Schedule for July 2014		Schedule for July 2014	
1st Year- One Time Costs								
Hard Cost Tenant Improvements /SF	\$ -	\$ -	\$ 188.49	\$ 3,769,750	\$ 188.49	\$ 3,769,750	\$ 135.00	\$ 2,700,000
Other Soft Costs	\$ -	\$ -	\$ 18.01	\$ 360,150	\$ 18.01	\$ 360,150	\$ 15.50	\$ 310,000
FF&E & Moving Expense		\$ -		\$ 400,000		\$ 400,000		\$ 450,000
Telephone		\$ -		\$ 165,000		\$ 165,000		\$ 50,000
Project Contingency		\$ -		\$ 376,975		\$ 376,975		\$ 405,000
1st Year Costs One-Time		\$ -		\$ 5,071,875		\$ 5,071,875		\$ 3,915,000
One Time/SF		\$ -		\$ 253.59		\$ 253.59		\$ 195.75
Total Cost/CAM 2014 to 2028				\$ 9,597,155		\$ 8,927,475		\$ 6,226,200

Attachment 8
3/4

**TDC Related Organizations
Options in Central Palm Beach County
20,000 Sq Ft**

	Option From CVB		Option Fr CVB		Option Fr CVB	
	CSC Gateway	Annual Cost	Florida Public Utilities	Annual Cost	1601 Meyer Building	Annual Cost
Lease Options						
Gross Square Feet		20000		20000		20000
Total Lease Cost per Sq. Ft.	\$ 7.00	\$ 140,000	\$ 11.00	\$ 220,000	\$ 17.00	\$ 340,000
Operating & CAM Costs	\$ 8.00	\$ 160,000	\$ 7.00	\$ 140,000	\$ 10.86	\$ 217,200
Parking Assignment Costs	\$ -	\$ -	30 Rented \$ 18,000		\$ -	\$ -
15Yr Share of Debt Service/ 20K Sq Ft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
15Yr Repayment to 1Cent Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Annual Cost of Ownership		\$ 300,000		\$ 378,000		\$ 557,200
Cost of Ownership/SF		\$ 15.00		\$ 18.90		\$ 27.86
 Annual Savings over Regions (Higher Cost)		\$ 183,438		\$ 105,438		\$ (73,762)
Occupancy Timing						
	Schedule for July 2014		Refurb Oct 2012, Immed		Refurb 2012, 2013 Occ	
1st Year- One Time Costs						
Hard Cost Tenant Improvements /SF	\$ -	\$ -	\$ 75.00	\$ 1,500,000	\$ 75.00	\$ 1,500,000
Other Soft Costs	\$ -	\$ -	\$ (45.00)	\$ (900,000)	\$ (45.00)	\$ (900,000)
FF&E & Moving Expense		\$ 150,000		\$ 350,000		\$ 350,000
Telephone		\$ 50,000		\$ 50,000		\$ 50,000
Project Contingency		\$ -		\$ 50,000		\$ 50,000
1st Year Costs One-Time		\$ 200,000		\$ 1,050,000		\$ 1,050,000
One Time/SF		\$ 10.00		\$ 52.50		\$ 52.50
Total Cost/CAM 2014 to 2028		\$ 4,700,000				

Attachment 8
414

PALM BEACH COUNTY SPORTS COMMISSION

March 12, 2012

The Honorable Shelly Vana, Chair
Palm Beach County Board of County Commissioners
301 N. Olive Avenue
West Palm Beach, FL 33401

Dear Commissioner Vana,

On March 5, 2012 the Palm Beach County Sports Commission's (PBCSC) Board of Directors unanimously passed a motion to appeal to the Board of County Commissioners to reconsider its decision to place the Tourist Development Council (TDC) and its bed tax agencies in office space in a Palm Beach County owned building and, instead, issue a Request For Proposal to seek the most advantageous office space, in terms of both cost savings and location. Our ultimate goal is to identify an office location that achieves the greatest cost savings while offering a setting that is favorable to promote sports tourism and economic development as is consistent with our mission.

Prior to issuing its motion, the PBCSC's Board of Directors reviewed the cost analysis comparing the relocation options for the Tourist Development Council (TDC) agencies, which included a potential move to the Palm Beach County Government Center or the Airport Center. The relocation costs for both options are significant, potentially requiring a substantial investment from bed tax collections (1st cent reserves). Although we are aware that a new office environment is forthcoming, once the lease at our current office space expires, the PBCSC board wants to express its desire to obtain the most cost effective plan for office relocation.

After reviewing the cost analysis that was presented on March 5th, the PBCSC board articulated its concern regarding the project expense that was illustrated for the Government Center and Airport Center, which ranges from \$3.9 million to \$11.4 million. Our board understands that the Board of County Commissioners (BCC) provided direction for the TDC agencies to move into a County-owned property in an effort to save money; however, our Board is not certain this is the most cost effective approach. We are aware that the TDC has been contacted by realtors, representing property owners, seeking an opportunity to bid on this project. We believe that it would be

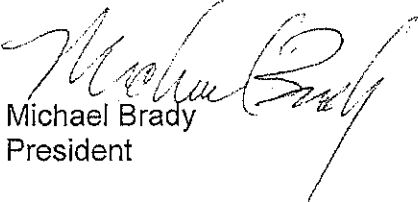
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beneficial to issue a Request for Proposal (RFP) for competitive bidding, which would ensure that the relocation options have been fully explored to realize maximum savings.

Should the BCC ultimately select a County-owned building as the next location for the TDC agencies, it could be beneficial to consider issuing a RFP for the refurbishment of the selected structure (Government Center or Airport Center). Considering the disbursement of bed tax dollars, we should have the confidence that the renovation costs presented are the most competitive. Allowing the entire construction market the opportunity to bid on this project, would assure all stakeholders that an optimum investment has been made. The PBCSC board has a fiduciary duty to express its objective for the County to pursue all possible relocation and construction options to guarantee the most beneficial location and savings.

Our organization looks forward to continuing our strong partnership with the County. Together, we have transformed Palm Beach County into a premier destination for sports events. The PBCSC will continue to generate prevalent results in developing bed tax revenues, economic impact, and tourism through sports for Palm Beach County.

Sincerely,



Michael Brady
President

MB/mg

CC: Commissioner Steven Abrams, Vice Chairman
Commissioner Burt Aaronson, Chair TDC
Commissioner Karen T. Marcus
Commissioner Paulette Burdick
Commissioner Jess R. Santamaria
Commissioner Priscilla A. Taylor
Verdenia C. Baker, Deputy County Administrator
Roger Amidon, Ex. Director, TDC