

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2013	2014	2015	2016	2017
Capital Expenditures	_____	_____	_____	_____	_____
Operating Costs	_____	_____	_____	_____	_____
External Revenues	<u>\$12,561.37</u>	<u>\$10,458.63</u>	_____	_____	_____
Program Income (County)	_____	_____	_____	_____	_____
In-Kind Match (County)	_____	_____	_____	_____	_____
NET FISCAL IMPACT	<u>\$12,561.37</u>	<u>\$10,458.63</u>	<u>\$-0-</u>	<u>\$-0-</u>	<u>\$-0-</u>
 # ADDITIONAL FTE POSITIONS (Cumulative)	_____	_____	_____	_____	_____
Is Item Included in Current Budget: Yes _____ No _____					
Budget Account No: Fund <u>0001</u> Dept <u>410</u> Unit <u>4240</u> Object <u>6225</u> Program _____					

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

The above fiscal impact figures are a comparison of the rental revenue for the 16-month period of 1/1/2012 to 4/30/2013, based on the Board approving this Third Amendment (1/2 rent will continue and the 4% adjustment on 9/1/2012 will be waived). See the attached Fiscal Impact Calculation Sheet for further details.

C. Departmental Fiscal Review: _____ *[Signature]* 11-29-12

III. REVIEW COMMENTS

A. OFMB Fiscal and/or Contract Development Comments:

<p>_____ <i>[Signature]</i> 12/5/2012 OFMB <i>[Handwritten notes: 12-11-12, JP, 1/4/12]</i></p>	<p>_____ <i>[Signature]</i> 12-11-12 Contract Development and Control <i>[Handwritten note: 12-11-12 BWhell]</i></p>
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B. Legal Sufficiency:

_____ *[Signature]* 12/12/12
Assistant County Attorney

C. Other Department Review:

Department Director

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

Background & Policy Issues (cont'd.): Staff views the provision of food service at this location as a benefit to the employees at and visitors to the Governmental Center. The amount of rent derived from this Lease is not significant. Staff's primary concern is with respect to the enforcement of the terms of the Lease. Staff has spent a considerable amount of time in following up on late payments and preparing Agenda Items on this issue. The recommendation of approval of this Third Amendment is consistent with previous Board direction. However, approval will likely result in a continuation of the existing situation where Tina's is consistently late/behind in payment of rent. A detailed discussion of the history behind this lease is set forth below.

In 2001, Staff issued an RFP to lease 1,504 SF within Suite 110 of the Governmental Center Parking Garage for operation of a restaurant. LJL Food Management, Inc. d/b/a Cher's Café was the only respondent. On May 21, 2002, the Board approved the initial Lease Agreement with LJL Food Management, Inc., for a period of five (5) years with one (1) five (5) year option. Initial rent was \$18,012/yr (\$11.98/SF). In September 2005, LJL Food Management, Inc., changed ownership through a private sale of the business, the trade name was changed to Tina's Café, and the Consent to Change of Ownership was approved by the Board on October 18, 2005 (R2005-2020). On January 13, 2009, the Board approved the First Amendment to Governmental Center Lease Agreement (R2009-0145 & -0146) allowing Tina's Café to increase the size of their restaurant by 1,050 SF from 1,504 SF to 2,554 SF by expanding into Suite 114, the space formerly occupied by Channel 20. In addition, the rent was reduced from \$15.76/SF to \$12.50/SF for a rate of \$31,925/yr, and the term was extended to January 31, 2019. On March 23, 2010, the Board approved the Second Amendment to Governmental Center Lease Agreement which deferred payment of the past due rent until December 2018 and retroactively reduced the rent by ½ from \$33,202.00/yr (\$13.00/SF) to \$16,601.00/yr (\$6.50/SF) for a period of two (2) years effective January 1, 2010. The past due rent deferment included rent from November 2009 to January 2010 and totaled \$6,917.08. The Second Amendment also provided that at the end of the two (2) year rent reduction, and every two (2) years thereafter, the parties would meet to review and evaluate the rental rate to determine if further rent modification was warranted. Rent was scheduled to return to the full amount (\$13.00/SF) in January 2012, unless the parties agreed to further modifications of the rental rate, and each September thereafter the rent was scheduled to increase by four percent (4%).

In November 2011, Staff met with Tina's Café to discuss the current rent delinquency. As Tina's Café did not request a rent reduction, the full rent provision became effective January 1, 2012. Tina's Café did state that they wished to continue to operate under the Lease. Staff requested that Tina's Café submit a plan for the payment of the delinquent rent; however, Tina's Café did not respond.

On April 3, 2012, Staff requested Board direction regarding whether to terminate the Agreement and issue a new RFP for a food service lease. At the Board meeting, Tina's Café represented that it would become current with rent by April 30, 2012. The Board chose not to terminate the Agreement, and directed that rent continue at the reduced (½) rate until April 30, 2013, with a further review at that time.

Tina's Café has consistently been running 2 months behind in payment of rent. As of November 19, 2012, when this agenda item was prepared, Tina's Café currently owes (using the ½ rent figures) for one (1) month totaling \$1,383.42 (not including sales tax or late payment interest). Approval of the Third Amendment will result in a reduction of previously projected revenue of \$12,561.37 for FY2012 and \$10,458.63 for FY2013.

While State Statutes do not require a Disclosure of Beneficial Interests to be obtained when the County leases property to a tenant, Staff requested a Disclosure from Tina's Café. The Disclosure, listed as Attachment #4, identifies Petro Bikos as Vice President of LJL Food Management, Inc., d/b/a Tina's Café, and Petro Bikos and Katina Bikos each own fifty percent (50%) of LJL Food Management, Inc.

TWP 43

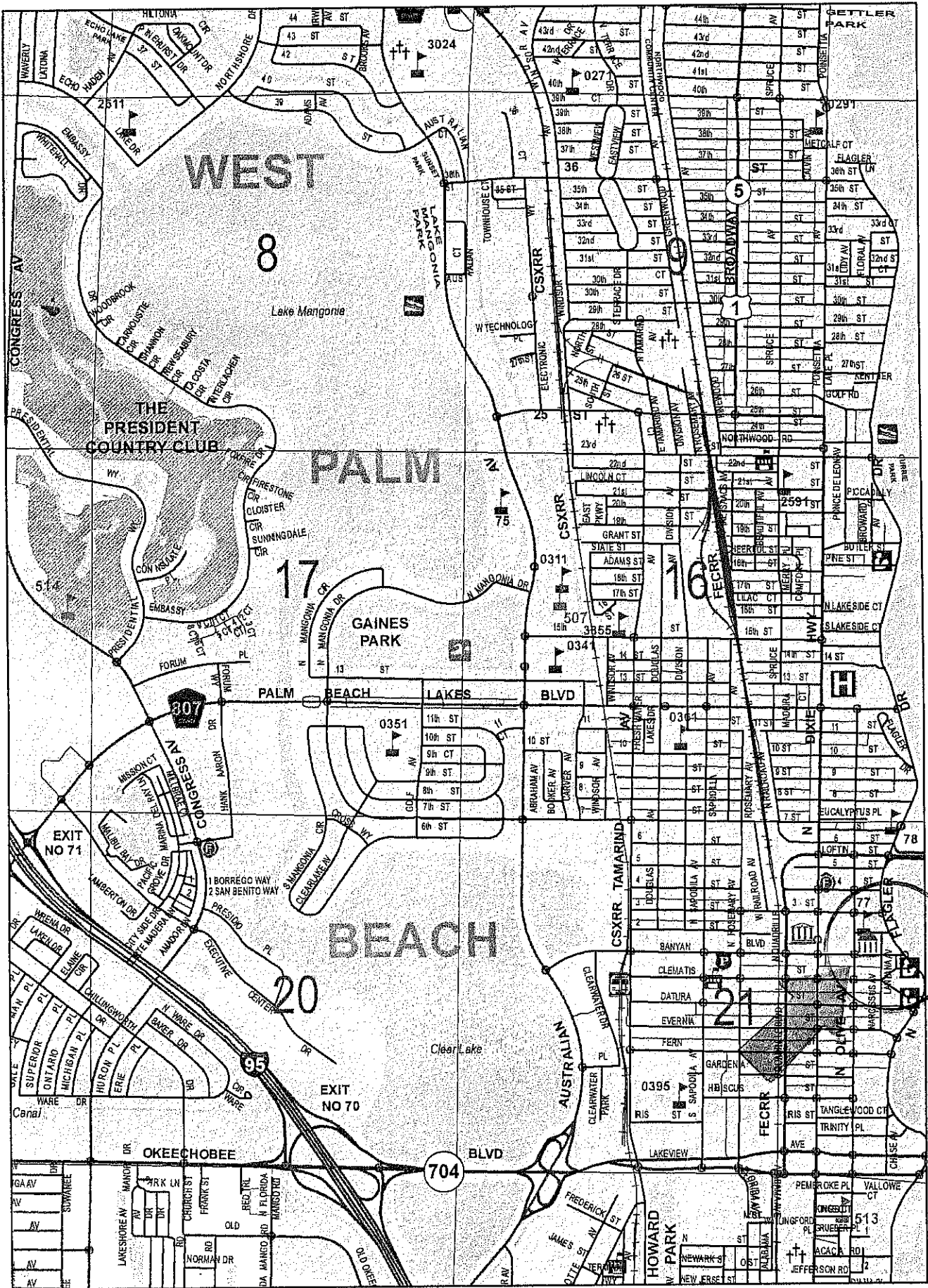
TWP 43

TWP 43

16

17

18



LOCATION MAP



RESOLUTION NO. 2012-_____

RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA, AUTHORIZING AN EXTENSION OF THE RENTAL REDUCTION PERIOD FOR RENT DUE PURSUANT TO COUNTY'S LEASE OF SPACE TO LJL FOOD MANAGEMENT, INC.; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, LJL Food Management, Inc., a Florida corporation, ("Tenant"), pursuant to a lease dated May 21, 2002 (R2002-0829), as amended, leases space from County for the operation of Tina's Café, a restaurant located on the first floor of the County-owned Governmental Center Parking Garage;

WHEREAS, Tenant has made application to the Board of County Commissioners of Palm Beach County requesting that Palm Beach County extend the rent relief currently being provided due to continuing adverse economic conditions;

WHEREAS, Tenant is largely dependent on County-derived business and has seen a continued reduction in its business due to a reduction in the customer base;

WHEREAS, Tina's Café provides a service to government employees and visitors to the surrounding government buildings by offering them convenient food service at a reasonable price and County wishes to retain Tenant's operations in the Governmental Center Parking Garage space;

WHEREAS, Tenant has requested rent relief due to the current adverse economic conditions, and County has agreed to extend the rental reduction period through April 30, 2013;

WHEREAS, the Board of County Commissioners of Palm Beach County hereby finds that Tenant provides a service to employees and visitors of the Governmental Center and Courthouse that County does not wish to lose, and extension of the rent reduction period is in the best interest of the County.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA, that:

Section 1. Recitals

The foregoing recitals are true and correct and incorporated herein by reference.

Section 2. Authorization to Adjust Rent

The Board of County Commissioners of Palm Beach County shall amend its lease agreement dated May 21, 2002 (R2002-0829) with LJL Food Management, Inc., a Florida corporation, by entering into the Third Amendment to Governmental Center Lease Agreement attached hereto and incorporated herein by reference, in order to continue to lease the building space identified in the Lease, as amended, for the use identified above, at a reduced annual rent rate of Sixteen Thousand Six Hundred One Dollars (\$16,601.00) through April 30, 2013.

Section 3. Conflict with Federal or State Law or County Charter

Any statutory or Charter provisions in conflict with this Resolution shall prevail.

Section 4. Effective Date

The provisions of this Resolution shall be effective immediately upon adoption hereof.

The foregoing resolution was offered by Commissioner _____ who moved its adoption. The Motion was seconded by Commissioner _____, and upon being put to a vote, the vote was as follows:

- District 1:
- District 2: Paulette Burdick
- District 3:
- District 4: Steven L. Abrams
- District 5:
- District 6: Jess R. Santamaria
- District 7: Priscilla A. Taylor

The Chair thereupon declared the resolution duly passed and adopted this _____ day of _____, 2012.

PALM BEACH COUNTY, a
political subdivision of the State of Florida
BOARD OF COUNTY COMMISSIONERS

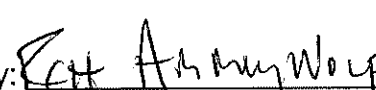
SHARON R. BOCK
CLERK & COMPTROLLER

By: _____
Deputy Clerk

APPROVED AS TO FORM AND
LEGAL SUFFICIENCY

APPROVED AS TO TERMS
AND CONDITIONS

By: 
Assistant County Attorney

By: 
Department Director

**THIRD AMENDMENT
TO
GOVERNMENTAL CENTER LEASE AGREEMENT**

THIS THIRD AMENDMENT TO GOVERNMENTAL CENTER LEASE AGREEMENT (the "Third Amendment") is made and entered into _____ by and between Palm Beach County, a political subdivision of the State of Florida ("County"), and LJL Food Management, Inc., a Florida corporation ("Tenant"). County and Tenant are sometimes referred to herein collectively as the "parties".

WITNESSETH:

WHEREAS, County and Tenant entered into that certain Governmental Center Lease Agreement dated May 21, 2002 (R2002-0829) (the "Lease"), which Lease has been amended to extend the Term, increase the leased area, modify the rent provisions, allow outside seating, and modify certain other provisions; and

WHEREAS, Tenant has requested further rent relief due to continuing adverse economic conditions; and

WHEREAS, the parties have agreed to extend the rental reduction period and incorporate certain language required by County.

NOW, THEREFORE, in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby 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 ascribed to them in the Lease.
2. The rental reduction period that was scheduled to end effective January 1, 2012, shall be retroactively extended through April 30, 2013, and Annual Rent for the Premises shall continue to be Sixteen Thousand Six Hundred One Dollars (\$16,601.00), plus applicable sales tax, and shall not be subject to escalation during such extended rental reduction period. Tenant shall inform County by the end of February 2013 whether Tenant is able to return to the full annual rental rate of Thirty-Three Thousand Two Hundred Two Dollars (\$33,202.00), plus applicable sales tax, or whether Tenant requires an extension of the rental reduction period. County shall evaluate the annual rental rate by the end of April 2013 and shall establish then the rental rate to be in effect commencing May 1, 2013.
3. Section 20.12, Non-Discrimination, is hereby modified to include a prohibition against discrimination based on gender identity or expression, or familial status.
4. No provision of the Lease is intended to, or shall be construed to, create any third party beneficiary or to provide any rights to any person or entity not a party to this Lease, including but not limited to any citizen or employees of the County and/or Tenant.
5. Palm Beach County has established the Office of the Inspector General. 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.
6. Tenant represents that simultaneously with Tenant's execution of this Third Amendment, Tenant has executed and delivered to County, the Disclosure of Beneficial Interests attached hereto as Exhibit "A" 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 Tenant. Tenant 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 Tenant after the date of execution of the Disclosure until the effective date of the Third Amendment, Tenant shall immediately, and in every instance, provide written notification of such change to the Tenant pursuant to Section 14.02 of the Lease.

- 7. This Third Amendment is expressly contingent upon the approval of the Palm Beach County Board of County Commissioners and shall become effective only when signed by all parties and approved by the Palm Beach County Board of County Commissioners.
- 8. Except as modified by this Third Amendment and the prior amendments, the Lease remains unmodified and in full force and effect and the parties hereby ratify, confirm, and adopt the Lease, as amended, in accordance with the terms thereof.

IN WITNESS WHEREOF, the parties have duly executed this Third Amendment as of the day and year first written above.

ATTEST:

COUNTY:

SHARON R. BOCK
CLERK & COMPTROLLER

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

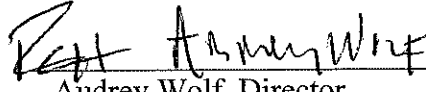
By: _____
Deputy Clerk

By: _____
, Chair

APPROVED AS TO FORM
AND LEGAL SUFFICIENCY

APPROVED AS TO TERMS
AND CONDITIONS


Assistant County Attorney

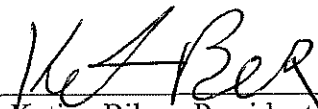

Audrey Wolf, Director
Facilities Development & Operations

WITNESSES AS TO BOTH:

TENANT:

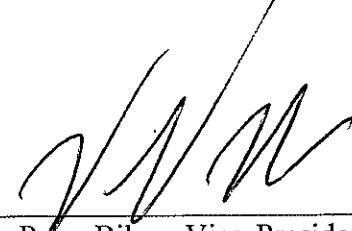
LJL FOOD MANAGEMENT, INC.,
a Florida corporation


Witness Signature

By: 
Katina Bikos, President

Michael Altschuler
Print Witness Name


Witness Signature

By: 
Petro Bikos, Vice-President

Steven K. Falkenberg
Print Witness Name

(SEAL)

Exhibit "A"
To the Third Amendment
TENANT'S DISCLOSURE OF BENEFICIAL INTERESTS

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 Petro Bikos, hereinafter referred to as "Affiant", who being by me first duly sworn, under oath, deposes and states as follows:

1. Affiant is the V.P. (position - i.e. president, partner, trustee) of LJE Food management Inc (name and type of entity - i.e. ABC Corporation, XYZ Limited Partnership), (the "Tenant") which entity is the lessee of the real property legally described on the attached Exhibit "A" (the "Property").

2. Affiant's address is: 215 N Olive Avenue
W.P.B FL 33401
Suite 110

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 Tenant and the percentage interest of each such person or entity.

4. 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.

5. 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, and will be relied upon by Palm Beach County relating to its lease of the Property.

FURTHER AFFIANT SAYETH NAUGHT.

Petro Bikos, Affiant

Print Affiant Name: Petro Bikos

The foregoing instrument was sworn to, subscribed and acknowledged before me this 24 day of October, 2012, by Petro Bikos [] who is personally known to me or [] who has produced _____ as identification and who did take an oath.



Adam L. Pearson
State of Florida
My Commission Expires 01/24/2016
Commission No. EE 183131

Adam L Pearson
Notary Public

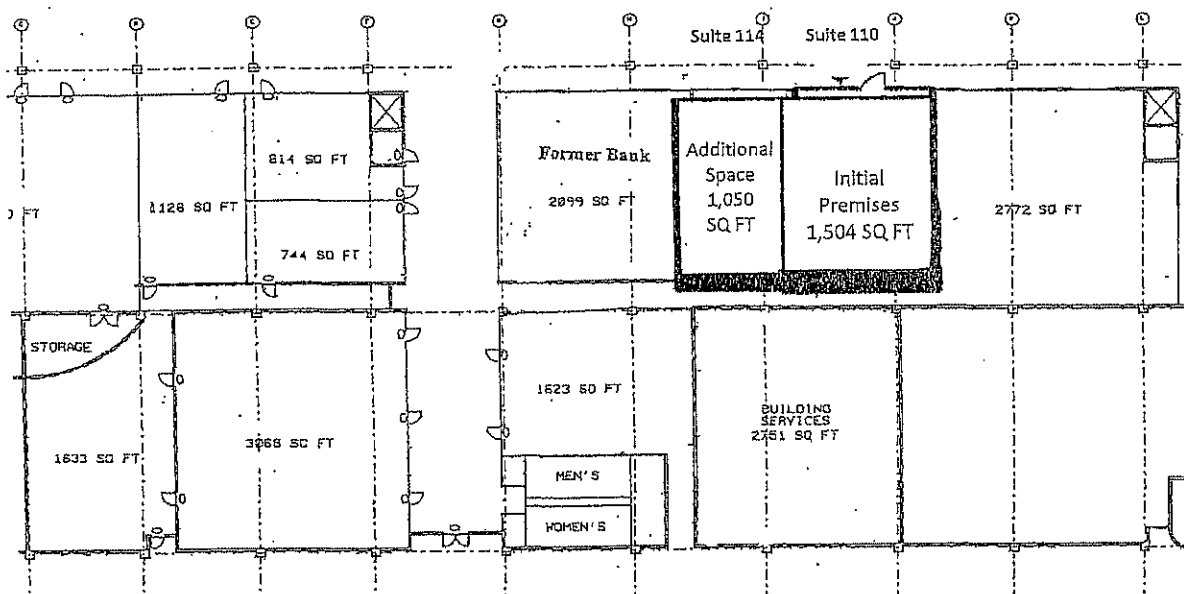
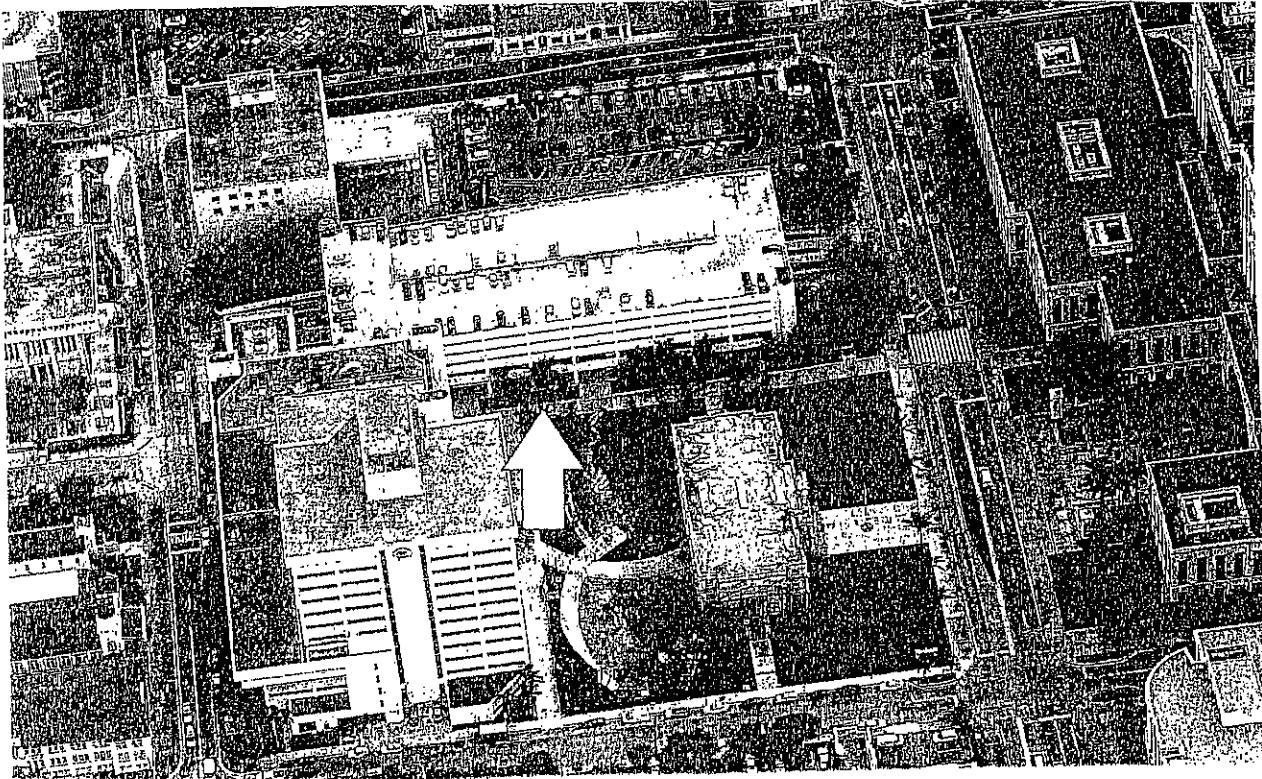
Adam L Pearson
(Print Notary Name)

NOTARY PUBLIC
State of Florida at Large

My Commission Expires: 1/24/2016

EXHIBIT "A"
To the Disclosure of Beneficial Interests
PROPERTY

TOTAL OF 2,554 SQ. FT. LEASED PREMISES ON FIRST FLOOR OF PARKING GARAGE
 (portion of PCN 74-43-43-21-01-053-0000)



ATTACHMENT #4

TENANT'S DISCLOSURE OF BENEFICIAL INTERESTS

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 Petro Bikos, hereinafter referred to as "Affiant", who being by me first duly sworn, under oath, deposes and states as follows:

1. Affiant is the V.P. (position - i.e. president, partner, trustee) of LJL Food Management Inc (name and type of entity - i.e. ABC Corporation, XYZ Limited Partnership), (the "Tenant") which entity is the lessee of the real property legally described on the attached Exhibit "A" (the "Property").

2. Affiant's address is: 215 N. Olive Avenue
W.P.B FL 33401
Suite 110

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 Tenant and the percentage interest of each such person or entity.

4. 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.


5. 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, and will be relied upon by Palm Beach County relating to its lease of the Property.

FURTHER AFFIANT SAYETH NAUGHT.
[Signature], Affiant

Print Affiant Name: Petro Bikos

The foregoing instrument was sworn to, subscribed and acknowledged before me this 24 day of October, 2012, by Petro Bikos [] who is personally known to me or [] who has produced _____ as identification and who did take an oath.

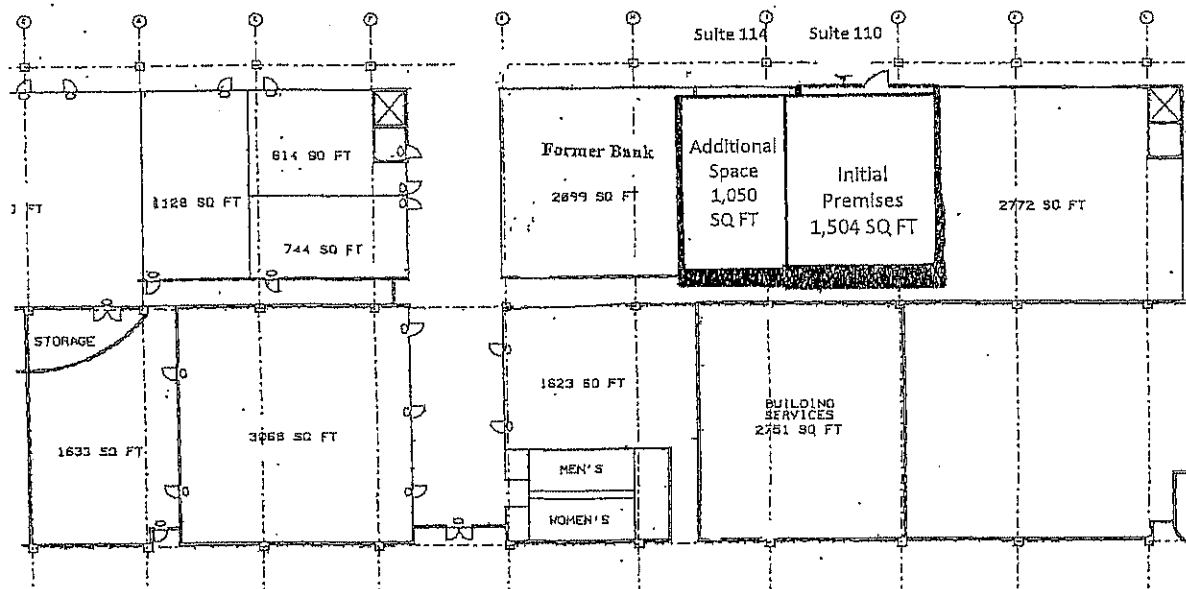
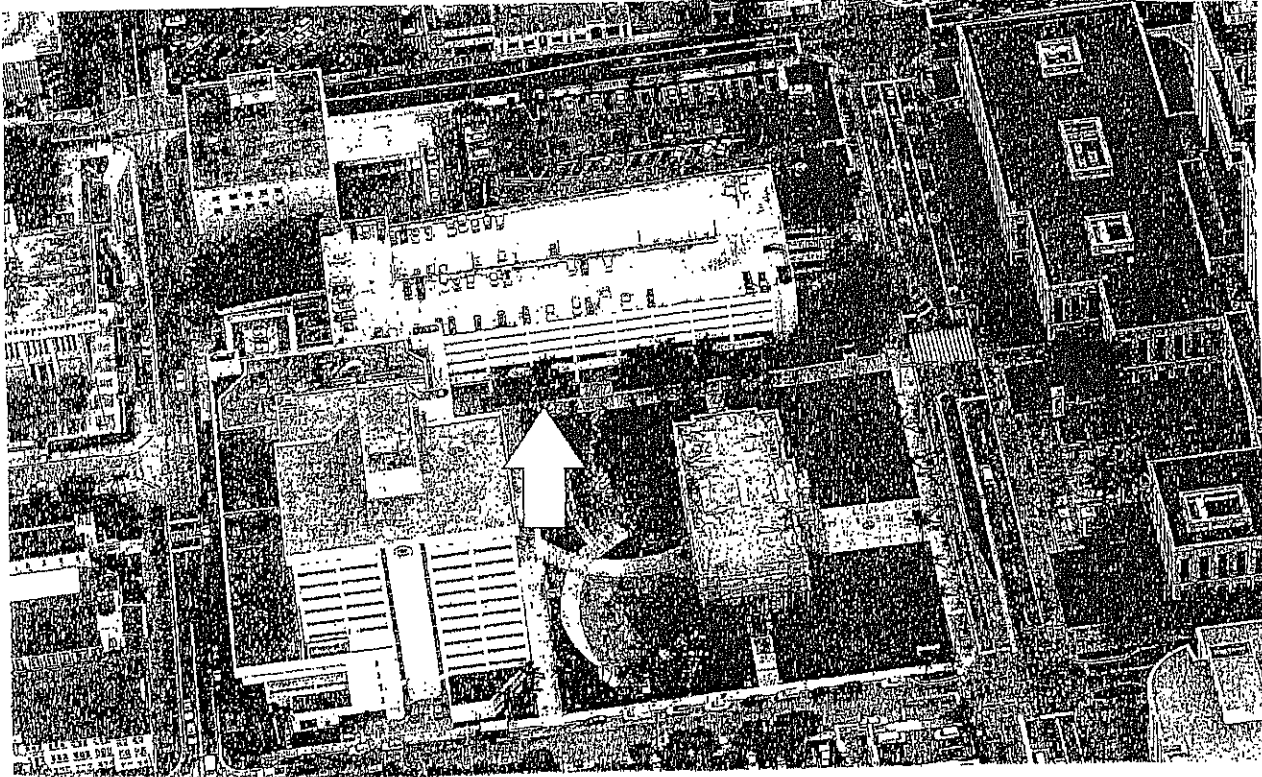
[Signature]
Notary Public
Adam L Pearson
(Print Notary Name)

 Adam L. Pearson
State of Florida
My Commission Expires 01/24/2016
Commission No. EE 163131

NOTARY PUBLIC
State of Florida at Large
My Commission Expires: 1/24/2016

EXHIBIT "A"
To the Disclosure of Beneficial Interests
PROPERTY

TOTAL OF 2,554 SQ.FT. LEASED PREMISES ON FIRST FLOOR OF PARKING GARAGE
 (portion of PCN 74-43-43-21-01-053-0000)



ATTACHMENT #5

REVISED

4C-1

Agenda Item #: MI 6-0
S abs
Return in one year
to re-examine the
lease agreement

PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS
AGENDA ITEM SUMMARY

Meeting Date: April 3, 2012 [] Consent [X] Regular
[] Ordinance [] Public Hearing

Department: Facilities Development & Operations

I. EXECUTIVE BRIEF

Motion and Title: Staff request Board direction: regarding whether to terminate the Governmental Center Lease Agreement with LJL Food Management, Inc. (R2002-0829), for the lease of restaurant space within the Governmental Center Parking Garage.

Summary: LJL Food Management, Inc. d/b/a Tina's Café has been the food service provider operating in Suite 110 of the Governmental Center Parking Garage since 2005. In 2009, the Board approved the First Amendment (R2009-0146) that permitted Tina's Café to increase the leased premises by expanding into the adjacent Suite 114, reduced the rent for a period of two (2) years, and extended the term of the Lease until January 31, 2019. After business declined due to economic conditions, Tina's Café did not pay rent for several months and requested further rent relief. In 2010, the Board approved the Second Amendment (R2010-0436) which deferred payment of the past due rent until December 2018 and retroactively reduced the rent by 1/2 from \$33,202.00/yr (\$13.00/SF) to \$16,601.00/yr (\$6.50/SF) for a period of two (2) years effective January 1, 2010. Tina's Café currently owes three (3) months of rent (totaling \$8,300.49, not including sales tax, late payment interest or the past due rent totaling \$6,917.08 that was deferred until December 2018). The Second Amendment's 1/2 rent provision expired December 31, 2011, and full rent became effective January 1, 2012. Tina's Café currently has two (2) outstanding tax liens against it for nonpayment of taxes: 1) \$10,362 owed to the Florida Department of Revenue, and 2) \$23,764 to the IRS. Staff recommends that the Board direct Staff to take all action necessary to terminate the lease and issue a new RFP for a food service lease with direction as to whether Tina's Café should be allowed to respond to the RFP. (PREM) Countywide (HJF)

Background & Policy Issues: In 2001, Staff issued an RFP to lease 1,504 SF within Suite 110 of the Governmental Center Parking Garage for operation of a restaurant. LJL Food Management, Inc. d/b/a Cher's Café was the only respondent. On May 21, 2002, the Board approved the initial Lease Agreement with LJL Food Management, Inc., for a period of five (5) years with one (1) five (5) year option. Initial rent was \$18,012/yr (\$11.98/SF). In September 2005, LJL Food Management, Inc., changed ownership through a private sale of the business, the trade name was changed to Tina's Café, and the Consent to Change of Ownership was approved by the Board on October 18, 2005 (R2005-2020). On January 13, 2009, the Board approved the First Amendment to Governmental Center Lease

(continued on page 3)

RECEIVED

Attachments:

- 1. Location Map
- 2. January 13, 2009, Agenda Item 6E-1 (R2009-0145 & -0146)
- 3. March 23, 2010, Agenda Item 6H-3 (R2010-0435 & -0436)
- 4. Outstanding Liens
- 5. Fiscal Impact Rent Calculation Sheet

APR 10 2012

Recommended By: [Signature] Department Director Date: 3/16/12
Approved By: [Signature] County Administrator Date: 3/20/12

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2012	2013	2014	2015	2016
Capital Expenditures	_____	_____	_____	_____	_____
Operating Costs	_____	_____	_____	_____	_____
External Revenues	<u>\$20,012.15</u>	<u>\$34,645.22</u>	<u>\$36,031.02</u>	<u>\$37,472.21</u>	<u>\$38,971.08</u>
Program Income (County)	_____	_____	_____	_____	_____
In-Kind Match (County)	_____	_____	_____	_____	_____
NET FISCAL IMPACT	<u>\$20,012.15</u>	<u>\$34,645.22</u>	<u>\$36,031.02</u>	<u>\$37,472.21</u>	<u>\$38,971.08</u>

ADDITIONAL FTE POSITIONS (Cumulative) _____

Is Item Included in Current Budget: Yes _____ No _____

Budget Account No: Fund 0001 Dept 410 Unit 4240 Object 6225
 Program _____

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

* The above fiscal impact is based upon the Board terminating the Lease effective 4/30/2012, Tina's Café not remitting any further payments after 3/30/12 and the \$5,000.00 cash security deposit on file being applied toward FY12 delinquencies; see the attached calculation sheet for further details.

Once a new lease is entered into, this impact will be offset by the revenue from the new lease.

C. Departmental Fiscal Review: _____ *m* 3.19.12

III. REVIEW COMMENTS

A. OFMB Fiscal and/or Contract Development Comments:

OFMB *[Signature]* 3/20/12
 Contract Development and Control *[Signature]* 3/26/12
3-26-12 D. [Signature]

B. Legal Sufficiency:

[Signature] 3/27/12
 Assistant County Attorney

C. Other Department Review:

 Department Director

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

Background & Policy Issues (Cont'd): Agreement (R2009-0145 & -0146) allowing Tina's Café to increase the size of their restaurant by 1,050 SF from 1,504 SF to 2,554 SF by expanding into Suite 114, the space formerly occupied by Channel 20. In addition, the rent was reduced from \$15.76/SF to \$12.50/SF for a rate of \$31,925/yr, and the term was extended to January 31, 2019.

Due to economic conditions, business declined and Tina's Café fell behind in the payment of rent. In response to requests by Staff for payment of rent, Tina's Café requested that the past due rent be deferred until business conditions improved. The County also had construction pending around the leased premises that was expected to impact business. It was Staff's opinion that business conditions were unlikely to improve for a year or so, and that in order to avoid further defaults, the rent should be reduced for two (2) years, with a review of conditions at that time. On March 23, 2010, the Board approved the Second Amendment which deferred payment of the past due rent until December 2018 and retroactively reduced the rent by ½ from \$33,202.00/yr (\$13.00/SF) to \$16,601.00/yr (\$6.50/SF) for a period of two (2) years effective January 1, 2010. The past due rent deferral included rent from November 2009 to January 2010 and totaled \$6,917.08. The amendment also provided that at the end of the two (2) year rent reduction, and every two (2) years thereafter, the parties would meet to review and evaluate the rental rate to determine if further rent modification was warranted. Rent was scheduled to return to the full amount (\$13.00/SF) in January 2012, unless the parties agreed to further modifications of the rental rate, and each September thereafter the rent is scheduled to increase by four percent (4%).

In November 2011, Staff met with Tina's Café to discuss the current rent delinquency. Tina's Café has not requested a rent reduction. The full rent provision became effective January 1, 2012. Tina's Café did state that they wish to continue to operate under the Lease. Staff requested that Tina's Café submit a plan for the payment of the delinquent rent; however, Tina's Café has not responded.

It has been twenty-three (23) months since the Board approved the Second Amendment and reduced the rental rate by ½. During that time period, Tina's Café has paid rent on time only twice (April 2010 and January 2011). Eighteen (18) months of payments were paid an average of 2 months late. Tina's Café currently owes three (3) months of past due rent (\$8,300.49). In addition, a Federal Tax Lien in the amount of \$23,764 was filed by the IRS in March and a Florida Tax Lien in the amount of \$10,362 was filed in February.

Although it appears Tina's Café has attempted to provide a variety of food specials to entice customers, Staff feels that since they could not make timely payments of the reduced rent, that it will be an overwhelming burden for Tina's Café to make up the past due rent and satisfy the outstanding tax liens.

Accordingly, Staff recommends terminating the Lease with Tina's Café and advertising the restaurant space through a new RFP. Should the Board accept Staff's recommendation, Staff further requests that the Board not permit the principals of Tina's Café to submit a proposal in response to the new RFP unless all monies owed to the County, the State and the IRS have been paid and all Lease requirements are met. Allowing Tina's Café to respond to the RFP would create an awkward situation in that it will ultimately require the selection committee to make a determination that Tina's Café is a responsible bidder, notwithstanding Tina's Café's history of late and non payment of rent. Typically, RFP's would not allow a bidder who has previously defaulted on contracts with the County to submit a proposal and/or be found responsive/responsible. While there are extenuating circumstances with respect to this Lease, Tina's Café has not been proactive in addressing those circumstances.

The County is holding a \$5,000 cash security deposit that can be applied to any default of the tenant under the Lease. Appropriation of the security deposit by the County will not relieve Tina's Café of any of its obligations that exceed the amount of the security deposit.

ATTACHMENT #6

Fiscal Impact Calculation Sheet For Tina's Café Third Amendment

- The below calculations only involve the time period of 1/1/2012 – 4/30/2013 (16 months).
- Sales tax is not included.
- The Lease stipulates that each 9/1 the rent is to be increased by 4% but that adjustment is waived while the ½ rent occurs.

The fiscal impact referenced below and on the agenda summary is the loss of revenue pursuant to the ½ rent continuing from 1/1/2012 – 4/30/2013 (the difference of what full rent would be [including the 4% adjustment on 9/1/2012] compared to ½ rent [not including the 4% adjustment on 9/1/2012 as that is waived]).

Revenue at full rent

FY2012:

- 1/1/2012 – 8/31/2012 = 8 months.
 - Full rent is \$33,202.00 per year ÷ 12 = \$2,766.83 per month.
 - \$2,766.83 x 8 months = \$22,134.64.
 - Effective 9/1/2012, rent is increased by 4%.
 - \$33,202.00 + 4% = \$34,530.08 per year ÷ 12 = \$2,877.51 per month.
 - September 2012 = \$2,877.51
- FY2012 TOTAL = \$22,134.64 + \$2,877.51 = \$25,012.15

FY2013:

- 10/1/2012 – 4/30/2013 = 7 months.
 - Full rent is \$34,530.08 per year ÷ 12 = \$2,877.51 per month.
 - \$2,877.51 x 7 months = \$20,142.57.
- FY2013 TOTAL = \$20,142.57

Revenue at ½ rent

FY2012:

- 1/1/2012 – 9/30/2012 = 9 months.
 - ½ rent is \$16,601.00 per year ÷ 12 = \$1,383.42 per month.
 - \$1,383.42 x 9 months = \$12,450.78.
- FY2012 TOTAL = \$12,450.78

FY2013:

- 10/1/2012 – 4/30/2013 = 7 months.
 - ½ rent is \$16,601.00 per year ÷ 12 = \$1,383.42 per month.
 - \$1,383.42 x 7 months = \$9,683.94.
- FY2013 TOTAL = \$9,683.94

Difference of above figures is the fiscal impact

FY2012: \$25,012.15 – \$12,450.78 = \$12,561.37 loss of revenue

FY2013: \$20,142.57 – \$ 9,683.94 = \$10,458.63 loss of revenue

TOTAL: \$23,020.00 loss of revenue



CERTIFICATE OF LIABILITY INSURANCE

OP ID: IM

DATE (MM/DD/YYYY)

11/26/2012

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

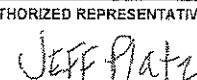
PRODUCER First Florida Insurance, LLC 825 Parkway Plaza Suite 31 Jupiter, FL 33477	Phone: 561-743-5688 Fax: 561-743-5735	CONTACT NAME: Elani PHONE (A/C, No, Ext): 561-615-1013 FAX (A/C, No): E-MAIL ADDRESS: PRODUCER CUSTOMER ID#: TINAS-1
	INSURER(S) AFFORDING COVERAGE	
INSURED Tina's Cafe LJL Food Mgmt, Inc. d/b/a 215 N Olive Avenue West Palm Beach, FL 33401	INSURER A: Lloyds of London	
	INSURER B: Century Surety Company	
	INSURER C:	
	INSURER D:	
	INSURER E:	
	INSURER F:	

COVERAGES **CERTIFICATE NUMBER:** **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDD/SUBR INSR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
B	<input checked="" type="checkbox"/> GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR	X	CCP798708	11/11/2012	11/11/2013	EACH OCCURRENCE	\$ 1,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC						DAMAGE TO RENTED PREMISES (Ea occurrence)
	<input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS					MED EXP (Any one person)	\$ 5,000
	<input type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> DEDUCTIBLE <input type="checkbox"/> RETENTION \$					PERSONAL & ADV INJURY	\$ 1,000,000
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N N/A				GENERAL AGGREGATE	\$ 2,000,000
A	Property Section		BOFTL1648	11/11/2012	11/11/2013	PRODUCTS - COMP/OP AGG	\$ 1,000,000
						COMBINED SINGLE LIMIT (Ea accident)	\$
						BODILY INJURY (Per person)	\$
						BODILY INJURY (Per accident)	\$
						PROPERTY DAMAGE (Per accident)	\$
							\$
							\$
						EACH OCCURRENCE	\$
						AGGREGATE	\$
							\$
							\$
						WC STATU-TORY LIMITS	
						OTH-ER	
						E.L. EACH ACCIDENT	\$
						E.L. DISEASE - EA EMPLOYEE	\$
						E.L. DISEASE - POLICY LIMIT	\$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)
 Additional Insured: Palm Beach County Board of County Commissioners.
 Glass Coverage (X-Wind) \$3,000 limit, \$1,000 deductible

CERTIFICATE HOLDER PBC PRO Palm Beach County, Board of County Commissioners Property & Real Estate Mgt Div 2633 Vista Parkway West Palm Beach, FL 33411	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE 
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STATEMENT OF EXEMPTION FROM WORKER'S COMPENSATION REQUIREMENT

RECEIVED

TO: Palm Beach County Board of County Commissioners
Property and Real Estate Management
Attn: Director
2633 Vista Parkway
West Palm Beach, FL 33411

OCT 24 2012

This will affirm that:

1. We are not engaged in the "construction industry" as defined in FL Chapter 440 and do not employ more than three persons (including Corporate Officers, if any).
2. We do not carry Florida Workers Compensation insurance.
3. Any persons that we may engage to work will have legal status as independent contractors, and not employees.
4. All such independent contractors have been advised that they are not covered for Workers Compensation insurance, and would be responsible for carrying their own such coverage if they desire.
5. If we should fall under Florida's requirement for carrying Workers Compensation insurance, we shall immediately obtain such coverage and provide evidence of it to you.

Accordingly, we hereby apply for exemption from Palm Beach County's requirement for carrying Workers Compensation insurance.

Petro Bixos
(Please Print Name)

V.P.
Signature Title

10/24/12
Date

Times Cafe (LJL Ford Management)
Company Name

215 N. Olive Avenue W.P.B FL 33401
Company Street Address/City/State/Zip Code