

PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS
AGENDA ITEM SUMMARY

Meeting Date: **March 12, 2013** **Consent** **Regular**
 Ordinance **Public Hearing**

Department: Facilities Development & Operations

I. EXECUTIVE BRIEF

Motion and Title: **Staff recommends motion to approve:** a Fourth Amendment to Lease Agreement (R2007-0395) with Tallman, LLC, for the County's continued use of 4,990 SF of indoor secured vehicle storage space for the Palm Beach County Sheriff's Office at an annual rate of \$84,000 (\$16.83 per SF).

Summary: Since March 29, 2007, the County has leased 4,990 SF of indoor storage and 6,000 SF of paved outdoor storage within the Murphy Towing Complex located at 6907 Southern Boulevard in unincorporated Palm Beach County for the operation of both indoor and outdoor secured vehicle storage for PBSO. Tallman, LLC, provides maintenance, repair and security of the site, and delivers, places and moves up to fifty (50) vehicles a month for PBSO at no additional cost, while complying with PBSO evidence handling requirements and the County's Access to Critical Facilities Procedures. This Fourth Amendment extends the term of the Lease Agreement for five (5) years to March 28, 2018; provides for two (2) extension options of one (1) year each; deletes the 6,000 SF outside storage area and reduces the Annual Rent from \$95,793.22 to a fixed rate of \$84,000 and updates the County's insurance liability coverage amounts pursuant to State Statutes. **(PREM) District 6 (HJF)**

Background and Justification: On March 13, 2007 (R2007-0395), the Board approved the Lease Agreement with Tallman, LLC, for a period of two (2) years with four (4) options to extend, each for a period of one (1) year. The Board has subsequently approved: the first extension option (R2009-0095); a First Amendment (R2010-0358) that exercised the second extension option and reduced the rental rate by \$13,883.08; a Second Amendment (R2011-0383) that exercised the third extension option and documented various standard form changes; and a Third Amendment (R2012-0322) that exercised the fourth extension option and suspended the rental increases. As the County does not have any County-owned space available to suit PBSO indoor storage requirements, the County will continue to lease the 4,990 SF of indoor storage space within the warehouse building. The County, does, however, have the ability to use an outside storage site located at the Stockade on Fairgrounds Road. Therefore, the 6,000 SF outside storage area will be deleted and the rent will be reduced by \$12,000/year effective March 29, 2013. It is difficult to quantify whether this is an appropriate reduction for the value of the outside storage space. Staff was unable to identify other directly comparable space with indoor rack vehicle storage and services provided by Tallman, LLC. Staff compared the cost of leasing other available warehouse space and is confident that the total cost of leasing space for vehicle storage would exceed the \$84,000 being charged by Tallman, LLC. 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. Tallman, LLC, a Florida limited liability company, provided the Disclosure of Beneficial Interests attached hereto as Attachment No. 4. This Disclosure identifies the ownership interests in Tallman, LLC, as Harold G. Murphy its Managing Member with 100% ownership interest.

Attachments:

1. Location Map
2. Fourth Amendment to Lease Agreement
3. Budget Availability Statement

Recommended By:		2/5/13 Date
	Department Director	
Approved By:		2/26/13 Date
	County Administrator	

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

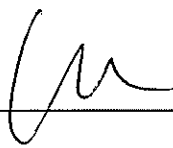
Fiscal Years	2013	2014	2015	2016	2017
Capital Expenditures					
Operating Costs	<u>\$42,690.42</u>	<u>\$84,000</u>	<u>\$84,000</u>	<u>\$84,000</u>	<u>\$84,000</u>
External Revenues	_____	_____	_____	_____	_____
Program Income (County)	_____	_____	_____	_____	_____
In-Kind Match (County)	_____	_____	_____	_____	_____
NET FISCAL IMPACT	<u>\$42,690.42</u>	<u>\$84,000</u>	<u>\$84,000</u>	<u>\$84,000</u>	<u>\$84,000</u>
# ADDITIONAL FTE POSITIONS (Cumulative)	_____	_____	_____	_____	_____

Is Item Included in Current Budget: Yes X No

Budget Account No: Fund 0001 Dept 164 Unit 1604 Object 4410
 Program n/a

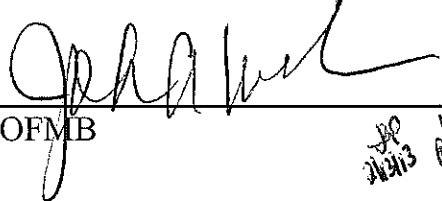
B. Recommended Sources of Funds/Summary of Fiscal Impact:


Operating Costs funded from the General Fund, PBSO Lease account.

C. Departmental Fiscal Review:  2-8-13


III. REVIEW COMMENTS

A. OFMB Fiscal and/or Contract Development Comments:


 OFMB 2/15/13
2/12

 2/15/13
 Contract Development and Control
 2-15-13 B. Wheel

B. Legal Sufficiency:

 2/19/13
 Assistant County Attorney

C. Other Department Review:

 Department Director

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

TWP 43

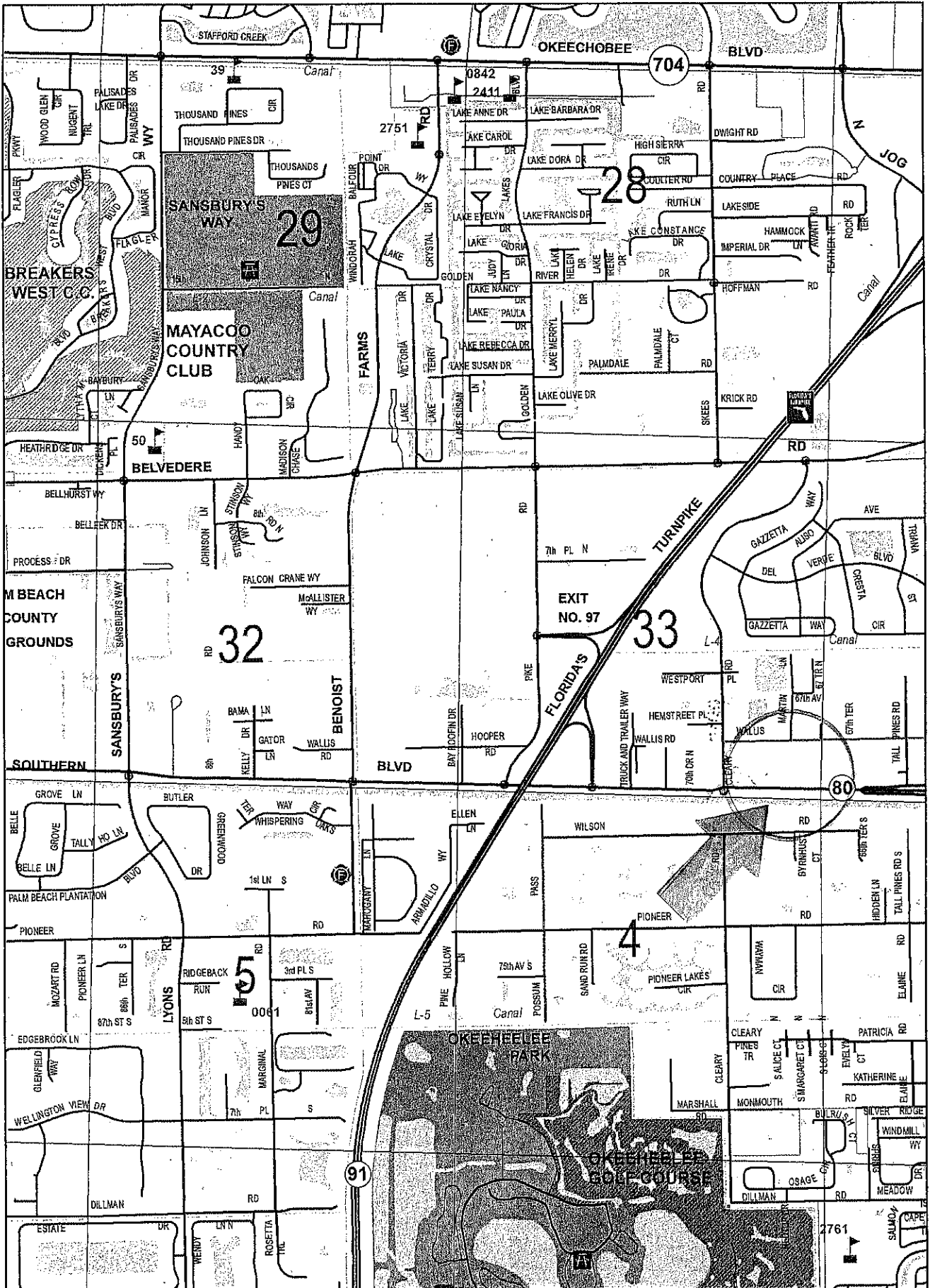
TWP 43

TWP 44

19

20

21



RNG 42

See pg 78

RNG 42

Page 68

LOCATION MAP



FOURTH AMENDMENT TO LEASE AGREEMENT

between

TALLMAN, LLC

A FLORIDA LIMITED LIABILITY COMPANY

(Landlord)

and

PALM BEACH COUNTY,

A POLITICAL SUBDIVISION OF THE

STATE OF FLORIDA

(County)

FOURTH AMENDMENT TO LEASE AGREEMENT

THIS FOURTH AMENDMENT TO LEASE AGREEMENT (the "Fourth Amendment"), made and entered into _____, by and between **TALLMAN, LLC**, a Florida limited liability company, hereinafter referred to as "Landlord" and **PALM BEACH COUNTY**, a political subdivision of the State of Florida, hereinafter referred to as "County", on behalf of the Palm Beach County Sheriff's Office (the "PBSO").

WITNESSETH:

WHEREAS, Landlord and County entered into that certain Lease Agreement dated March 13, 2007 (R2007-0395) (the "Lease") for the use of the Premises as defined in the Lease, which Lease commenced on March 29, 2007, for a term of two (2) years with four (4) successive one (1) year extension options; and

WHEREAS, the parties wish to (i) revise the Premises and Annual Rent, and (ii) extend the Term of the Lease and provide County with extension options; and

WHEREAS, Landlord hereby acknowledges that County 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 rents, mutual covenants, and agreements hereinafter set forth, and various other good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged, the parties hereto 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. **Section 1.01 Premises** is modified to delete Lease Area #2 consisting of approximately 6,000 total gross square feet of outside paved parking effective March 29, 2013.

3. **Section 1.03 Length of Term and Effective Date** is modified to extend the Term for five (5) years commencing March 29, 2013, and expiring on March 28, 2018.

4. **Section 1.04 Option to Extend** is modified to provide the County with two (2) additional successive one (1) year option period(s).

5. **Section 2.01 Annual Rent** is modified to reflect that the Annual Rent effective March 29, 2013, shall be Eighty-Four Thousand and no/100 dollars (\$84,000.00) payable in equal monthly installments of Seven Thousand and no/100 dollars (\$7,000.00).

6. **Section 2.02 Increases in Annual Rent** is hereby deleted.

7. **Section 7.01 Liability Insurance** is modified to reflect that the County's general liability limits have been increased to Two Hundred Thousand Dollars (\$200,000) per person and Three Hundred Thousand Dollars (\$300,000) per incident.

8. Landlord represents that simultaneously with Landlord's execution of this Fourth Amendment, Landlord has executed and delivered to County, the Landlord's 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 Property as required by Section 286.23 of the Florida Statutes unless Landlord is exempt under the statute. Landlord 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 Property after the date of execution of the Disclosure until the Effective Date of the Fourth Amendment, Landlord shall immediately, and in every instance, provide written notification of such change to the County pursuant to this section.

9. This Fourth 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 (the "Effective Date").

10. Except as set forth herein, the Lease, as amended, 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, Landlord and County have executed this Fourth Amendment, or have caused the same to be executed, as of the day and year first above written.

WITNESS:

[Signature]
Witness

Steven K. Schlamp
Print Name

[Signature]
Witness

Cathy K Choban
Print Name

LANDLORD:

TALLMAN, LLC, a Florida limited liability company

By: *[Signature]*
Harold G. Murphy

Title: Managing Member

ATTEST:

SHARON R. BOCK
CLERK & COMPTROLLER

By: _____
Deputy Clerk

COUNTY:

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

By: _____
Steven L. Abrams, Mayor

WITNESS:

Witness

Print Name

Witness

Print Name

APPROVED AS TO FORM AND LEGAL SUFFICIENCY

By: *[Signature]*
Assistant County Attorney

APPROVED AS TO TERMS AND CONDITIONS

By: *[Signature]*
Department Director



CERTIFICATE OF LIABILITY INSURANCE

OP ID: WN

DATE (MM/DD/YYYY)

01/30/2013

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 Chase Insurance Agency Inc P O Box 17497 Plantation, FL 33318-7497 MIKE CHASE	Phone: 954-792-4300 Fax: 954-791-9344	CONTACT NAME: PHONE (A/C, No, Ext): E-MAIL ADDRESS: PRODUCER CUSTOMER ID #: MURPH-1	FAX (A/C, No):
	INSURED Murphy's Paint & Body Shop LLC & Tallman LLC 6907 Southern Blvd West Palm Beach, FL 33413	INSURER(S) AFFORDING COVERAGE	
		INSURER A : The Charter Oak Fire Ins Co	NAIC # 25615
		INSURER B : Travelers Indemnity Co Of Amer	25658
		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	ADDC INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY	X		6601A309198	06/16/2012	06/16/2013	EACH OCCURRENCE \$ 1,000,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR 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) \$ 100,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000
B	AUTOMOBILE LIABILITY			BA-1A30952A	06/17/2012	06/17/2013	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000
	<input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input checked="" type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS <input checked="" type="checkbox"/> Personal Injury						BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ PIP \$ 10,000
B	UMBRELLA LIAB						EACH OCCURRENCE \$
	EXCESS LIAB						AGGREGATE \$
	DEDUCTIBLE						\$
	RETENTION \$						\$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY						WC STATU-TORY LIMITS OTHER
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)						E.L. EACH ACCIDENT \$
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE \$
							E.L. DISEASE - POLICY LIMIT \$
A	GKPR Legal Liab			6601A309198	06/16/2012	06/16/2013	\$500 Ded 300,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)
 Additional Insured in favor of Certificate Holder with respects to work performed by the Insured in their behalf.

CERTIFICATE HOLDER PALMC04 Palm Beach County BOCC Property & Real Estate Mgmt Attn: Director 2633 Vista Pkwy 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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ALEX SINK
CHIEF FINANCIAL OFFICER
STATE OF FLORIDA

March 23, 2007

**VERIFICATION OF AUTOMATIC EXEMPT STATUS FROM WORKERS' COMPENSATION
COVERAGE REQUIREMENTS**

This letter verifies that the individual listed below is **AUTOMATICALLY EXEMPT** from Florida workers' compensation coverage requirements within the scope of the non-construction business or trade listed below and is not required to obtain an exemption issued by the Division of Workers' Compensation in order to achieve exempt status.

PERSON: Harold Murphy
BUSINESS NAME: Tallman, LLC
ADDRESS: 6907 Southern Blvd, Building 1
CITY: West Palm Beach, FL 33413
TYPE OF NON-CONSTRUCTION
BUSINESS OR TRADE: Building Operations by Owner
CLASS CODE OF BUSINESS: 9012 & 9015

This verification of automatic exempt status applies **ONLY** within the scope of the non-construction business or trade listed above, and applies **ONLY** to the individual listed above. However, if Tallman, LLC employs four or more full or part-time employees, it must obtain workers' compensation coverage. A member of a limited liability company engaged in the non-construction industry is considered an employee if the member meets the definition of employee as defined in Section 440.02(15)(a), Florida Statutes.

If Harold Murphy engages in a construction-related activity as defined in section 440.02(8), Florida Statutes, or in Rule 69L-6.021, Florida Administrative Code, the automatic exempt status for Harold Murphy shall not apply, and Harold Murphy must comply with workers' compensation coverage requirements for the construction industry.

If Harold Murphy is a corporate officer as defined in Section 440.02(9), Florida Statutes, this Verification of Automatic Exempt Status from Workers' Compensation Coverage Requirements for Harold Murphy does not apply. In order to become exempt, Harold Murphy is required to complete an exemption application and submit the application to the Division of Workers' Compensation. If the Division of Workers' Compensation determines that Harold Murphy meets the eligibility requirements for the issuance of an exemption, the Division of Workers' Compensation will issue an exemption to Harold Murphy.

If you have any questions, please call (850) 413-1609.

Sincerely,

A handwritten signature in cursive script that reads "Andrew Sabolic".

Andrew Sabolic
Chief, Bureau of Compliance

ANDREW SABOLIC • BUREAU CHIEF
DIVISION OF WORKERS' COMPENSATION • BUREAU OF COMPLIANCE
200 EAST GAINES STREET • TALLAHASSEE, FLORIDA 32399-4228 TEL. 850-413-1609 • FAX 850-922-1028 • SC293-1609
EMAIL • ANDREW.SABOLIC@FLDFS.COM

AFFIRMATIVE ACTION • EQUAL OPPORTUNITY EMPLOYER

EXHIBIT "A"

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, Harold G. Murphy, hereinafter referred to as "Affiant", who being by me first duly sworn, under oath, deposes and states as follows:

1. Affiant is the Managing Member (position - i.e. president, partner, trustee) of Tallman, LLC, a Florida limited liability company, (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: 6907 Southern Blvd, West Palm Beach, FL 33413 (mailing address is 13245 Compton Road, Loxahatchee, FL 33470).

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.

Harold G. Murphy, Affiant
Print Affiant Name: Harold G. Murphy

The foregoing instrument was sworn to, subscribed and acknowledged before me this 7th day of Feb, 2013, by Harold G. Murphy [] who is personally known to me or [] who has produced FL Driver License as identification and who did take an oath.

Cathy K Choban
Notary Public
Cathy K Choban
(Print Notary Name)

NOTARY PUBLIC
State of Florida at Large
My Commission Expires:



EXHIBIT "A"

PROPERTY

LEGAL DESCRIPTION (As furnished by client)

THE EAST HALF (E 1/2) OF TRACT 70, BLOCK 5, PALM BEACH FARMS CO., PLAT NO. 3, ACCORDING TO THE PLAT THEREOF, ON FILE IN THE OFFICE OF THE CLERK OF THE CIRCUIT COURT IN AND FOR PALM BEACH COUNTY, FLORIDA, RECORDED IN PLAT BOOK 2, PAGE 45 TO 54, INCLUSIVE, LESS THE NORTHERLY 15 FEET THEREOF, LESS THE FOLLOWING DESCRIBED PARCEL:

BEGINNING AT THE SOUTHEAST CORNER OF TRACT 70; THENCE N01°22'25"W, ALONG THE EAST LINE OF SAID TRACT 70, A DISTANCE OF 59.13 FEET TO A POINT; THENCE N88°29'03"W, A DISTANCE OF 330.49 FEET TO A POINT; THENCE S01°00'12"E, A DISTANCE OF 79.63 FEET TO A POINT ON THE SOUTH LINE OF SAID TRACT 70; THENCE N89°01'07"E, A DISTANCE OF 330.21 FEET, MORE OR LESS, TO THE POINT OF BEGINNING.

TRACT CONTAINS 190,871.6 SQUARE FEET, MORE OR LESS AND 4.38 ACRES, MORE OR LESS

EXHIBIT "B"

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

Tallman, LLC* 6907 Southern Blvd, 100%
West Palm Beach, FL 33413

(* = Harold G. Murphy is the Managing Member of Tallman, LLC; he owns 100% of Tallman, LLC; and his mailing address is 13245 Compton Road, Loxahatchee, FL 33470).

BUDGET AVAILABILITY STATEMENT

REQUEST DATE: 1/29/2013

REQUESTED BY: Steven K. Schlamp
Property Specialist, PREM

PHONE: 233-0239
FAX: 233-0210

PROJECT TITLE: PBSO Impound Lot Amendment Four

PROJECT NO.: 2012-5.028

Fiscal Years	2013	2014	2015	2016	2017
Capital Expenditures					
Operating Costs	<u>\$42,690.42</u>	<u>\$84,000</u>	<u>\$84,000</u>	<u>\$84,000</u>	<u>\$84,000</u>
External Revenues					
Program Income (County)					
In-Kind Match (County)					
NET FISCAL IMPACT	<u>\$42,690.42</u>	<u>\$84,000</u>	<u>\$84,000</u>	<u>\$84,000</u>	<u>\$84,000</u>
# ADDITIONAL FTE POSITIONS (Cumulative)					

*** By signing this BAS your department agrees to these staff costs and your account will be charged upon receipt of this BAS by FD&O. Unless there is a change in the scope of work, no additional staff charges will be billed.*

BUDGET ACCOUNT NUMBER

FUND: 0001

DEPT: 164

UNIT: 1604

OBJ: 4410

SUB OBJ:

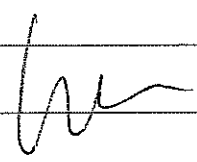
IS ITEM INCLUDED IN CURRENT BUDGET: YES _____ NO _____

IDENTIFY FUNDING SOURCE FOR EACH ACCOUNT: (check all that apply)

- Ad Valorem (source/type: _____)
- Non-Ad Valorem (source/type: _____)
- Grant (source/type: _____)
- Park Improvement Fund (source/type: _____)
- General Fund
 - Operating Budget
 - Federal/Davis Bacon

SUBJECT TO IG FEE? YES NO

Department: FD&O

BAS APPROVED BY:  DATE: 1-30-13

ENCUMBRANCE NUMBER: _____