

**PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS
AGENDA ITEM SUMMARY**

Meeting Date:	December 16, 2014	<input type="checkbox"/> Consent	<input checked="" type="checkbox"/> Regular
		<input type="checkbox"/> Ordinance	<input type="checkbox"/> Public Hearing
Department:	Facilities Development & Operations		

I. EXECUTIVE BRIEF

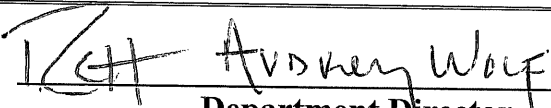
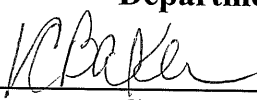
Motion and Title: Staff recommends motion to approve: Amendment Number Seven to Lease Agreement (R97-2126D) with GC Skees Industrial, LLC for the County’s continued use of 6,000 SF of office and warehouse space for the Palm Beach County Sheriff’s Office at an annual rate of \$64,500.00 (\$10.75/SF).

Summary: Since January 1, 1998, the County has leased office and warehouse space at 1438 Skees Road in West Palm Beach. The County Administrator has authorized Staff to procure this Lease extension through direct negotiations rather than through an IFB or RFP. The rent was reduced in 2012 to \$10/SF and has remained at that rate for the past 3 years. Rents for flex space have significantly increased over the last 2 years. This Amendment increases the rent to \$10.75/SF (7½%). Staff researched sites in the general vicinity and could not locate similar-type space at a lower rental rate. Further, several brokers were contacted and no better offers were received. This Amendment Number Seven: i) documents that GC Skees Industrial, LLC recently acquired the property and is the new Lessor; ii) extends the term of the Lease for three (3) years to December 31, 2017, with two (2) extension options for one (1) year each; iii) increases the annual rent by seven and one-half percent (7½%) with four percent (4%) annual increases; iv) updates the insurance provisions; v) updates the Notice provision for the Lessor; and vi) incorporates updated non-discrimination requirements. All other terms of the Lease remain unchanged. **(PREM) District 2 (HJF)**

Background and Policy Issues: On December 16, 1997, (R97-2126), the Board approved the Lease with C&D Development for a period of one (1) year with two (2) options to extend, each for a period of one (1) year. The Board has since approved various amendments (R99-1641, R2002-2267, R2007-1712, R2010-1406, R2011-0899 and R2011-2008) and extension options (R98-1943, R2000-2058, R2002-0176, R2005-0992, R2006-1916 and R2009-1515). In June 2007, C&D Development sold the property to Aspen Skees Road, LLC. In December 2013, Aspen Skees Road sold the property to 1426-1486 Skees Road Holdings, LLC who, in July 2014, sold it to GC Skees Industrial, LLC, the current landlord/lessor. The County does not have any County-owned space available to suit the specialized duties performed by PBSO at this site and remaining in the existing location avoids the move costs and disruption of moving. The current Lease offers no further options and is scheduled to expire on December 31, 2014. Pursuant to PPM CW-L-023 dated July 3, 2014, the County Administrator has authorized Staff to procure this Lease extension through direct negotiations rather than through an IFB or RFP. Since January 1, 2012, annual rent under the existing Lease has been \$60,000 (\$10.00/SF).

Continued on page 3

- Attachments:**
- 1. Location Map
 - 2. Amendment Number Seven To Lease Agreement
 - 3. Budget Availability Statement
 - 4. Disclosure of Beneficial Interests

Recommended By:		11/22/14
	Department Director	Date
Approved By:		12/8/14
	County Administrator	Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2015	2016	2017	2018	2019
Capital Expenditures					
Operating Costs	<u>\$48,335</u>	<u>\$66,435</u>	<u>\$69,105</u>	<u>\$17,445</u>	
External Revenues					
Program Income (County)					
In-Kind Match (County)					
NET FISCAL IMPACT	<u>\$48,335</u>	<u>\$66,435</u>	<u>\$69,105</u>	<u>\$17,445</u>	<u>\$-0-</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:

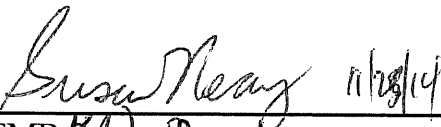
Above figures represent rent for Amendment Seven’s 3-year 1/1/15 – 12/31/17 term extension. Rent is \$64,500 for CY2015, \$67,080 for CY2016 and \$69,780 for CY2017.

Fixed Assets Number n/a


C. Departmental Fiscal Review: _____

III. REVIEW COMMENTS

A. OFMB Fiscal and/or Contract Development Comments:

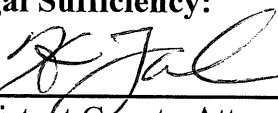


OFMB #10
11/25/14



Contract Development and Control
12-4-14 B Wheeler

B. Legal Sufficiency:



12/5/14
Assistant County Attorney

C. Other Department Review:

Department Director

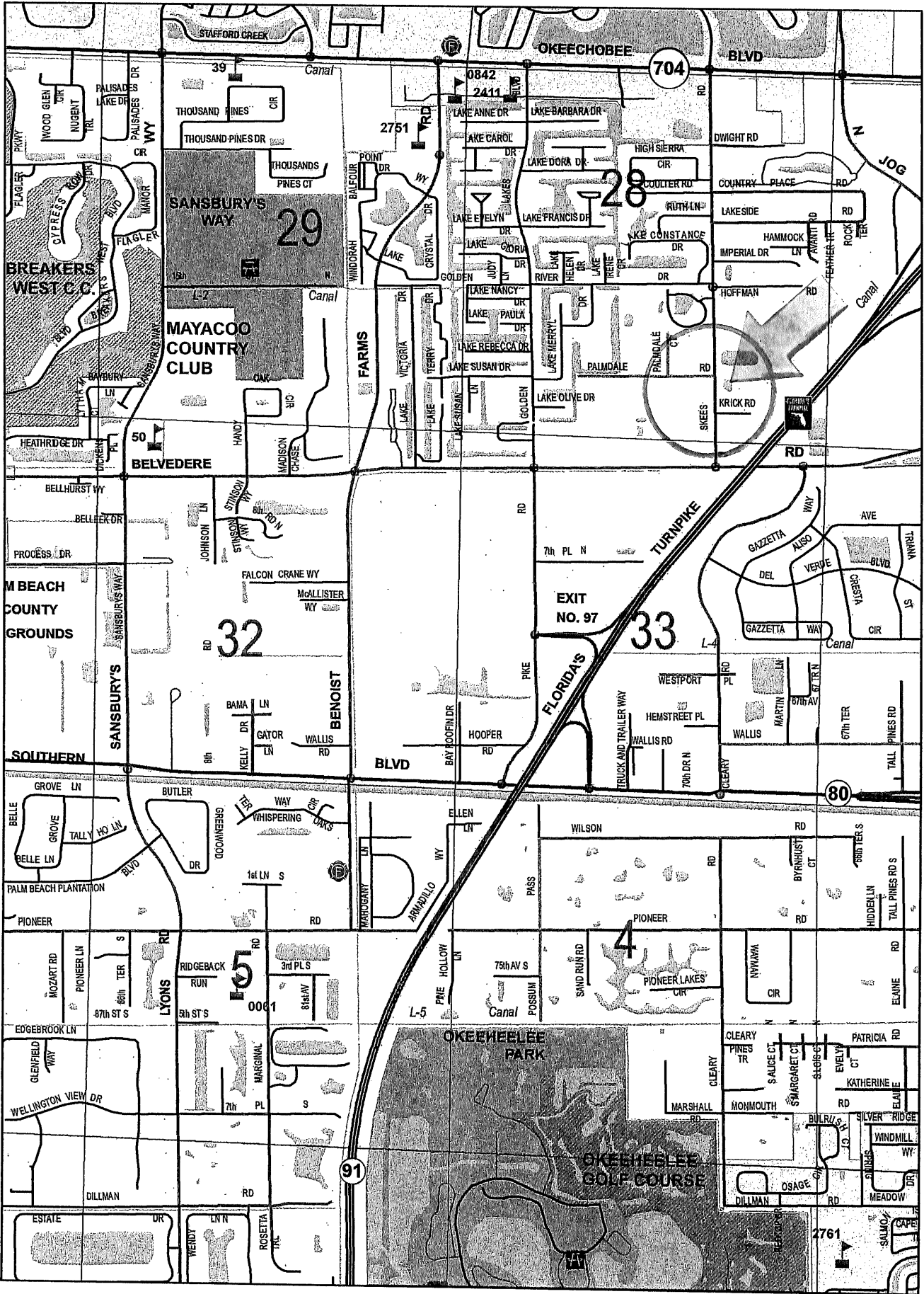
This summary is not to be used as a basis for payment.

Background and Policy Issues continued: Annual rent is being increased to \$64,500 (\$10.75/SF) on January 1, 2015, and will increase four percent (4%) annually thereafter. 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. GC Skees Industrial, LLC, a Florida limited liability company, provided the Disclosure attached hereto as Attachment No. 4. The members of GC Skees Industrial, LLC holding a 5% or greater beneficial interest are: i) Anthony DeRosa with a 58.696% interest; ii) Phyllis Sah McHenry's IRA and ROTH accounts with 13.043% and 6.522% interests, respectively, and iii) Dilea S. Wang with a 13.043% interest. GC Skees Industrial, LLC has affirmed that its non-discrimination policy is consistent with the County's policy.

TWP 43

TWP 43

TWP 44



19

20

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**AMENDMENT NUMBER SEVEN
TO LEASE AGREEMENT**

THIS AMENDMENT NUMBER SEVEN TO LEASE AGREEMENT ("Amendment Number Seven"), made and entered into on _____, by and between GC SKEES INDUSTRIAL, LLC, a Florida limited liability company, hereinafter referred to as "Lessor" and PALM BEACH COUNTY, a political subdivision of the State of Florida, on behalf of the PALM BEACH COUNTY SHERIFF'S OFFICE, hereinafter referred to as "Lessee".

WHEREAS, C&D Development, the original Lessor, and Lessee entered into that certain Lease Agreement dated December 16, 1997 (R97-2126D) (the "Lease") for warehouse space located at 1438-B Skees Road, West Palm Beach, Florida (the "Premises"), which Lease commenced on January 1, 1998; and

WHEREAS, C&D Development sold the Premises to Aspen Skees Road, LLC; and

WHEREAS, Aspen Skees Road, LLC sold the Premises to 1426-1486 Skees Road Holdings, LLC; and

WHEREAS, 1426-1486 Skees Road Holdings, LLC sold the Premises to GC Skees Industrial, LLC; and

WHEREAS, the parties wish to amend the Lease to extend the Term, adjust the rental rate for the Premises, and incorporate certain language required by Lessee; and

WHEREAS, Lessor has agreed to extend the term of the Lease for an additional three (3) year period and has agreed to provide two (2) additional one (1) year options to 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 1.02, Length of Term and Commencement Date, is modified to provide that the Term of the Lease is extended for three (3) years commencing January 1, 2015, and expiring on December 31, 2017.
3. Section 1.03, Option to Extend, subsection (a), is modified to grant Lessee two (2) additional options to extend the Term of the Lease, each for a period of one (1) year upon the same terms and conditions of the Lease, as amended.
4. Section 2.01, Annual Gross Rent, the first paragraph is hereby deleted in its entirety and replaced with the following:

Lessee shall pay an annual gross rent in the amount of Sixty-Four Thousand Five Hundred and no/100 Dollars (\$64,500.00), in equal monthly installments of Five Thousand Three Hundred Seventy-Five and no/100 Dollars (\$5,375.00), on the first day each month, in advance, for the period January 1, 2015 to December 31, 2015, inclusive. For the period January 1, 2016, to December 31, 2016, Lessee shall pay an annual gross rent in the amount of Sixty-Seven Thousand Eighty and no/100 Dollars (\$67,080.00), in equal monthly installments of Five Thousand Five Hundred Ninety and no/100 Dollars (\$5,590.00), on the first day each month, in advance. For the period January 1, 2017, to December 31, 2017, Lessee shall pay an annual gross rent in the amount of Sixty-Nine Thousand Seven Hundred Eighty and no/100 Dollars (\$69,780.00), in equal monthly

installments of Five Thousand Eight Hundred Fifteen and no/100 Dollars (\$5,815.00), on the first day each month, in advance.

5. Section 2.03, Rent During Extended Terms, is hereby deleted in its entirety and replaced with the following:

In the event that Lessee exercises its option(s) to extend the Term of this Lease as provided in Section 1.03, as amended by this Amendment Number Seven, the annual Gross Rent shall be payable as follows:

<u>Period:</u>	<u>Rent annual/monthly:</u>
January 1, 2018 – December 31, 2018	\$72,540.00/\$6,045.00
January 1, 2019 – December 31, 2019	\$75,480.00/\$6,290.00

6. Section 7.01, Insurance by Lessee, is deleted and replaced with the following:

The Lessee shall, during the entire Term hereof, provide Landlord with a certificate evidencing self-insurance coverage for comprehensive general liability in the amount of Two Hundred Thousand Dollars (\$200,000) per person and Three Hundred Thousand Dollars (\$300,000) per incident or occurrence. In the event the Legislature should change the County's exposure by Statute above or below the sums insured against, the County shall provide insurance to the extent of that exposure.

7. Section 7.02, Insurance by Lessor, is modified to include the following:

Lessor shall provide a certificate of insurance evidencing limits, coverages and endorsements required herein to:

Palm Beach County
c/o Insurance Tracking Services, Inc. (ITS)
P.O. Box 20270
Long Beach, CA 90801

Subsequently, Lessor shall, during the term of the Lease, and prior to each renewal thereof, provide such evidence to ITS at pbc@instracking.com or fax (562) 435-2999, which is Palm Beach County's insurance management system. The certificate of insurance shall include a minimum thirty (30) day endeavor to notify due to cancellation or non-renewal of coverage. In the event coverage is cancelled or not renewed during the life of this Lease, Lessor shall furnish thirty (30) days prior to, but in no case later than the expiration of such insurance, a new certificate of insurance evidencing replacement coverage.

The required certificates must be signed by the authorized representative of the Insurance Company shown on the certificate.

8. Section 13.01, Notices and Consents, is modified as follows:

- (a) if to the Lessor at:

GC Skees Industrial, LLC
9600 N.W. 25th Street, #2A
Miami, FL 33172

9. The parties agree that no person shall, on the grounds of race, color, sex, age, national origin, disability, religion, ancestry, marital status, familial status, sexual orientation, gender identity or expression, or genetic information, be excluded from the benefits of, or be subjected to any form of discrimination under any activity conducted pursuant to this Lease.

Pursuant to Palm Beach County Resolution No. R2014-1421, as may be amended, Lessor has submitted a signed statement affirming that its non-discrimination policy is in conformance with the policy of the County.

10. No provision of this 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 citizens of Palm Beach County or employees of Lessee or Lessor .
11. Lessor represents that simultaneously with Lessor's execution of this Amendment Number Seven, Lessor has executed and delivered to Lessee, 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 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 Seven, Lessor shall immediately, and in every instance, provide written notification of such change to the Lessee pursuant to Section 13.01 of the Lease.
12. This Amendment Number Seven shall become effective when signed by all parties and approved by the Palm Beach County Board of County Commissioners (the "Effective Date").
13. Except as modified by this Amendment Number Seven 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.

REMAINDER OF PAGE INTENTIONALLY LEFT BLANK

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

Signed and delivered
in the presence of:

WITNESS:



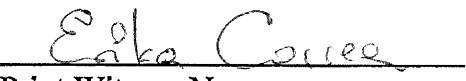
Witness Signature



Print Witness Name



Witness Signature



Print Witness Name

LESSOR:

GC SKEES INDUSTRIAL, LLC, a Florida
limited liability company

By:



Anthony T. DeRosa, Manager

ATTEST:

SHARON R. BOCK
CLERK & COMPTROLLER

By: _____
Deputy Clerk

Signed and delivered
in the presence of:

Witness Signature

Print Witness Name

Witness Signature

Print Witness Name

APPROVED AS TO FORM
AND LEGAL SUFFICIENCY



Assistant County Attorney

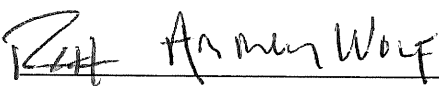
LESSEE:

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

By: _____
Shelley Vana , Mayor

(SEAL)

APPROVED AS TO TERMS
AND CONDITIONS



Audrey Wolf, Director
Facilities Development & Operations

EXHIBIT “A”

DISCLOSURE OF BENEFICIAL INTERESTS

**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~~ MIAMI DADE

BEFORE ME, the undersigned authority, this day personally appeared, Anthony De Rosa, hereinafter referred to as "Affiant", who being by me first duly sworn, under oath, deposes and states as follows:

1. Affiant is the Manager (position - i.e. president, partner, trustee) of GC Skees' Industrial (name and type of entity - i.e. ABC Corporation, XYZ 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: 9600 NW 25 St. Ste 2A
Doral, FL 33122

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.

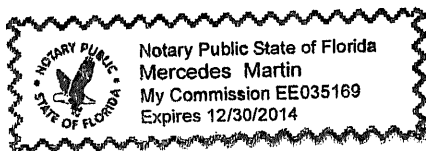
5. Affiant further states that Affiant is familiar with the nature of an oath and with the penalties provided by the laws of the State of Florida for falsely swearing to statements under oath.

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.

Anthony De Rosa, Affiant
Print Affiant Name: Anthony De Rosa

The foregoing instrument was sworn to, subscribed and acknowledged before me this 3rd day of November, 20 14, by Anthony De Rosa who is personally known to me or [] who has produced [] as identification and who did take an oath.



Mercedes Martin
Notary Public

Mercedes MARTIN
(Print Notary Name)

NOTARY PUBLIC
State of Florida at Large
My Commission Expires: 12/30/14

EXHIBIT "A"
PROPERTY

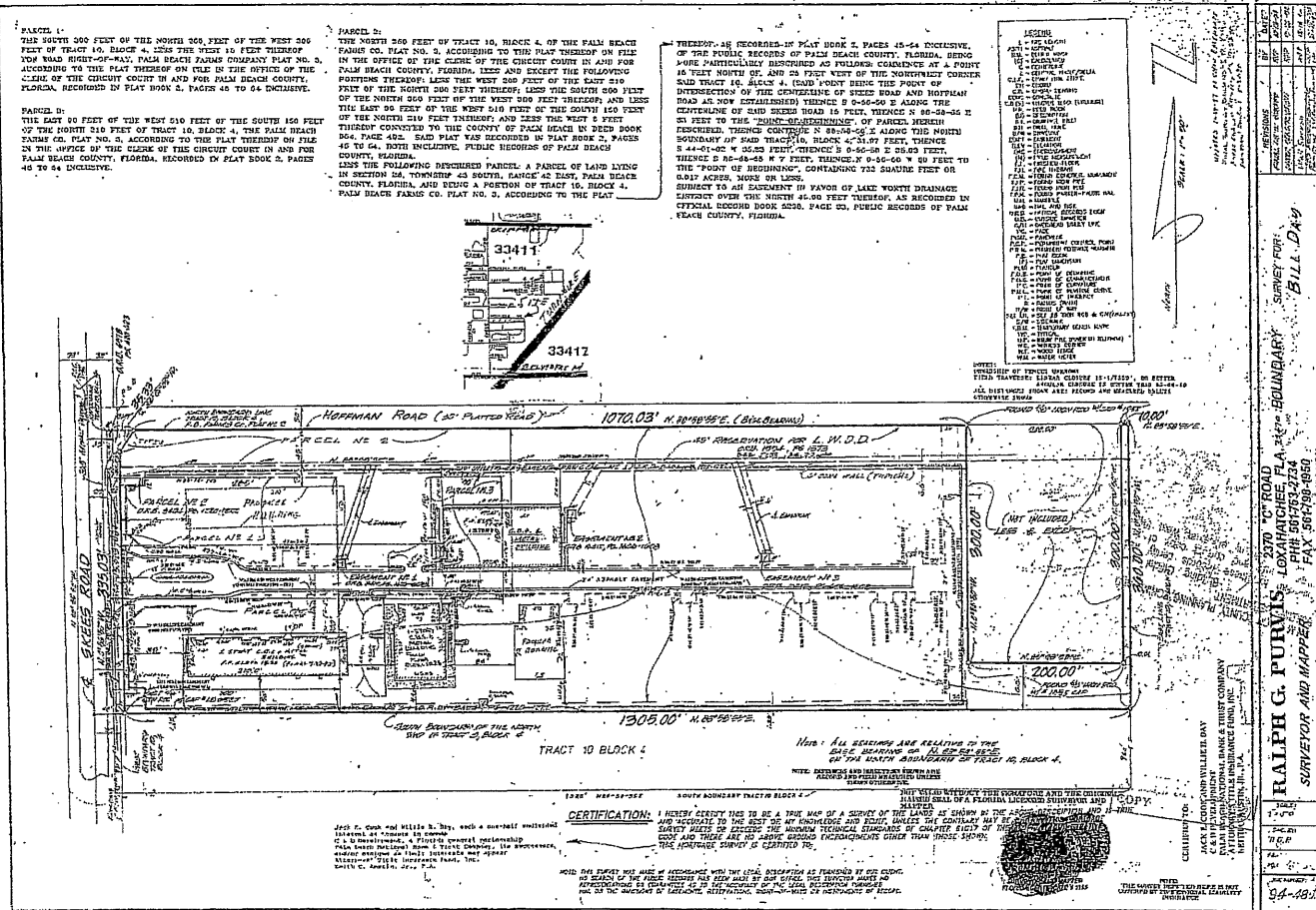


EXHIBIT "B"

**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
Anthony DeRosa	9600 NW 25 St. 2H Doral, FL 33172	58.696%
* Phyllis Sah McHenry IRA	3471 MAIN HIGHWAY 3203 Coconut Grove FL 33133	13.043%
* Phyllis Sah McHenry ROTH	3471 MAIN HIGHWAY 3203 Coconut Grove, FL 33133	6.522%
Dileas WANG	7365 MAIN ST #106 Stratford, CT 06614	13.043%
* Phyllis Sah McHenry is the 100% owner of her IRA and Roth.		
The remaining interests are less than 5%.		

BUDGET AVAILABILITY STATEMENT

REQUEST DATE: 11/10/2014

REQUESTED BY: Steve Schlamp

PHONE: 233-0239

FAX: 233-0210

PROJECT TITLE: PBSO Auto Theft Task Force Amendment #7

PROJECT NO.: 2014-5.009

Fiscal Years	2015	2016	2017	2018	2019
Capital Expenditures					
Operating Costs	<u>\$48,357</u>	<u>\$66,429</u>	<u>\$69,105</u>	<u>\$17,445</u>	<u>-0-</u>
External Revenues					
Program Income (County)					
In-Kind Match (County)					
NET FISCAL IMPACT	<u>\$48,357</u>	<u>\$66,429</u>	<u>\$69,105</u>	<u>\$17,445</u>	<u>-0-</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: n/a

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 for PBSO

BAS APPROVED BY:  DATE: 11-10-14

ENCUMBRANCE NUMBER:

ATTACHMENT NO. 4

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~~ MIAMI DADE

BEFORE ME, the undersigned authority, this day personally appeared, Anthony De Rosa, hereinafter referred to as "Affiant", who being by me first duly sworn, under oath, deposes and states as follows:

1. Affiant is the Manager (position - i.e. president, partner, trustee) of GC Skees' Industrial (name and type of entity - i.e. ABC Corporation, XYZ 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: 9600 NW 25 St. Ste 2A
Doral, FL 33122

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.

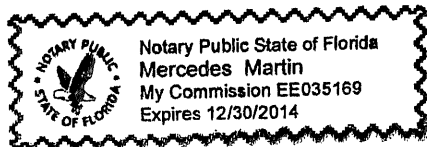
5. Affiant further states that Affiant is familiar with the nature of an oath and with the penalties provided by the laws of the State of Florida for falsely swearing to statements under oath.

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.

Anthony De Rosa Affiant
Print Affiant Name: Anthony De Rosa

The foregoing instrument was sworn to, subscribed and acknowledged before me this 3rd day of November, 2014, by Anthony De Rosa who is personally known to me or [] who has produced [] as identification and who did take an oath.



Mercedes Martin
Notary Public

Mercedes MARTIN
(Print Notary Name)

NOTARY PUBLIC

State of Florida at Large

My Commission Expires: 12/30/14

PROPERTY

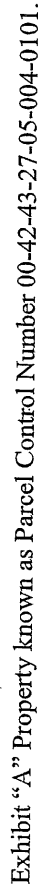


EXHIBIT "B"

SCHEDULE TO BENEFICIAL
INTERESTS IN PROPERTY

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NAME	ADDRESS	PERCENTAGE OF INTEREST
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DeRosa	Doral, FL 33172	
* Phyllis Sah	3471 Main Highway, 3203	13.043%
McHenry IRA	Coconut Grove, FL 33133	
* Phyllis Sah	3471 Main Highway, 3203	6.522%
McHenry Roth	Coconut Grove, FL 33133	
Diana S	73LS Main St #106	13.043%
Wamb	Stratford, CT 06614	

* Phyllis Sah McHenry is the 100% owner
of her IRA and Roth.

The remaining interests are less than 5%.