

4F-1

Agenda Item #:

PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS
AGENDA ITEM SUMMARY

Meeting Date: December 5, 2017 [] Consent [X] Regular
[] Ordinance [] Public Hearing

Department: Facilities Development & Operations

I. EXECUTIVE BRIEF

Motion and Title: Staff recommends motion to approve: termination of the Lease Agreement (R2017-0896) dated July 11, 2017, with Palm Beach Imports, Inc. d/b/a Braman Motorcars (Braman) for the use of the vacant field within the Cherry Road Complex located at 4215 Cherry Road, West Palm Beach.

Summary: On July 11, 2017, the Board approved a Lease Agreement with Braman to allow use of approximately 1.54 acres of vacant land within the County's Cherry Road Complex for storing Braman's vehicles while constructing a new parking garage at its headquarters on Okeechobee Boulevard. The Lease Agreement commenced on July 11, 2017, at an annual rate of \$54,000.00 (\$4,500.00/monthly). Either party may terminate the Lease Agreement for any reason upon 90 days notice. Code requirements for this type of use turned out to be much more extensive and expensive than anticipated. As a result, on October 23, 2017, Braman submitted a notice to terminate the Lease Agreement and is requesting a refund of rental payments for the months of July through October 2017 totaling \$16,548.36. As Braman never occupied the property, Staff recommends that the Lease be terminated effective immediately and the rental payments be refunded. (PREM) District 7 (HJF)

Background and Policy Issues: Braman is constructing a new parking garage at its headquarters at 2801 Okeechobee Boulevard, West Palm Beach, and needed a place to store its vehicles for the duration of the construction. Braman owns property located at 1466 N. Military Trail that is adjacent to the Cherry Road Complex located at 4215 Cherry Road, West Palm Beach. In accordance with the Lease Agreement, Braman made application to the County for the installation of a fence and security cameras to ensure the entire premises is monitored and secured at all times. However, due to the costs involved with meeting land development requirements for this type of use and the estimated cost to remove required improvements, Braman was forced to make other arrangements. As Braman never occupied the property, Staff supports Braman's request to terminate the lease and refund the rent paid.

Attachments:

- 1. Location Map
- 2. Termination Notice

Recommended By: [Signature] Department Director Date: 11/13/17
Approved By: [Signature] County Administrator Date: 11/30/17

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2018	2019	2020	2021	2022
Capital Expenditures	_____	_____	_____	_____	_____
Operating Costs	_____	_____	_____	_____	_____
External Revenues	<u>16,549</u>	_____	_____	_____	_____
Program Income (County)	_____	_____	_____	_____	_____
In-Kind Match (County)	_____	_____	_____	_____	_____
NET FISCAL IMPACT	<u>16,549</u>	=====	=====	=====	=====
# ADDITIONAL FTE POSITIONS (Cumulative)	_____	_____	_____	_____	_____

Is Item Included in Current Budget: Yes X No _____

Does this item include the use of federal funds? Yes _____ No X

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 11/2017.
 Total rent received for FY2017 = \$12,048.36 (07/11/07 - 09/30/17).
 Total rent received for FY2018 = \$4,500.00 (October 2017).
 Total reimbursement amount = \$16,548.36.
 Total listed under FY2018: (FY2018) \$54,000.00 + \$12,048.36 (FY2017) = \$66,048.36
 (October 2017 rent is included in the \$54,000.00 calculation)

Fixed Assets Number _____

C. Departmental Fiscal Review: [Signature] 11/20/17

III. REVIEW COMMENTS

A. OFMB Fiscal and/or Contract Development Comments:

[Signature] 11/21/17
 OFMB 11/21/17

[Signature] 11/28/17
 Contract Development and Control 11/28/17

B. Legal Sufficiency:

[Signature] 11/29/17
 Assistant County Attorney

C. Other Department Review:

 Department Director

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

TWP 43

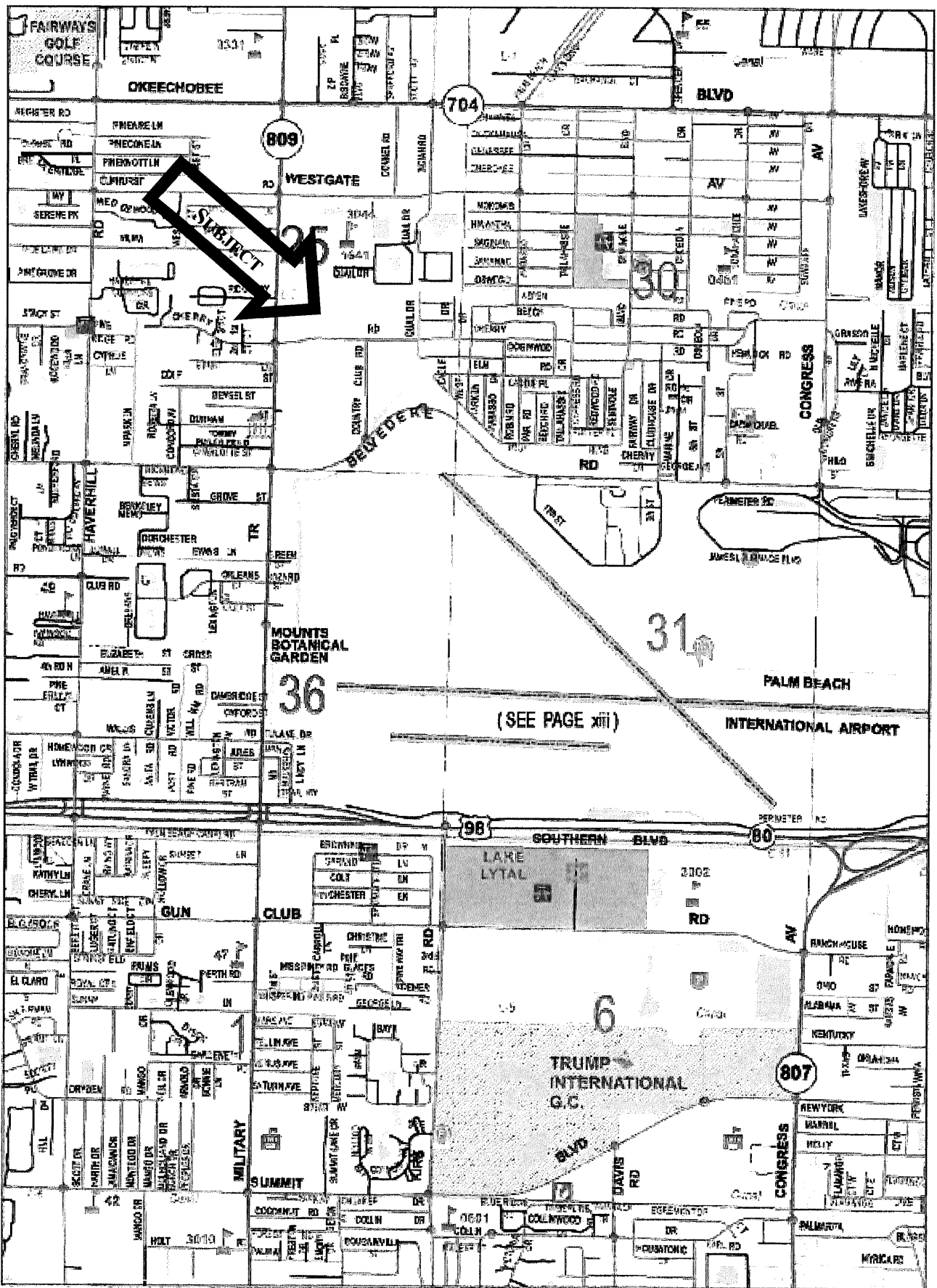
TWP 43

TWP 44

19

20

21



RNG 42

See pg 80

RNG 43

Page 70

LOCATION MAP



Della Lowery

From: Scott Rapplean <scott.rapplean@bramanmc.com>
Sent: Monday, October 23, 2017 5:18 PM
To: Della Lowery
Subject: Cherry Road Property Lease

Della,

At this point in time, we would like to terminate our lease for the Cherry Road property and request reimbursement for the lease payments that were previously paid. Due to several county restrictions that we were not made aware of therefore we cannot use the property for our primary needs. Please let me know if there is anything else I need to do for the reimbursement and termination. Thanks so much!

Scott Rapplean

Senior Controller

2901 Okeechobee Blvd

West Palm Beach, FL 33409

Direct: (561) 242-3299

Cell: (561) 603-8651

Fax: (561) 687-3984



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Fiscal Impact Rent Calculation Sheet

(Braman Motorcars - November 21, 2017 Board Meeting)

- Lease Agreement (R2017-0896) dated 07/11/17
- Rent commenced on 07/11/17.
- The annual rent is \$54,500.00 (\$4,500.00/monthly).
- Rent for 07/11/17 through 07/31/17 was paid on a per day rate of \$145.16
- October 2017 was the last payment of rent received from Braman.
- The calculations are based upon the Board terminating the Lease effective 11/30/2017

Fiscal Years	2018	2019	2020	2021	2022
Capital Expenditures	_____	_____	_____	_____	_____
Operating Costs	_____	_____	_____	_____	_____
External Revenues	<u>\$66,048</u>	<u>\$41,952</u>	_____	_____	_____
Program Income (County)	_____	_____	_____	_____	_____
In-Kind Match (County)	_____	_____	_____	_____	_____
NET FISCAL IMPACT	<u>\$66,048</u>	<u>\$41,952</u>	_____	_____	_____

FY2018:

- The Agreement commence on 07/11/17.
- **Rent Paid in FY2017**
- July 11, 2017 to July 31, 2017 = 21 days
- \$145.16 per day x 21 = \$3,048.36
- Rent for August 2017 to September 2017 = 2 months
- \$4,500.00 x 2 = 9,000.00
- \$3,048.36 + 9,000.00 = **\$12,048.36**
-
- **Rent Paid in FY2018**
- October 2017 rent = 1 month = **\$4,500.00**
-
- **Rent Due in FY2018**
- Rent for November 2017 to September 2018 = 11 months
- \$45,000.00 x 11 months = **\$49,500.00**
-
- **Total Impact on FY2018**
- \$12,048.36 + \$4,500.00 + \$49,500.00 = **\$66,048.36**

FY2018 Total = \$66,048.36

FY2019:

- Rent for October 2018 to June 2019 = 9 months
- \$4,500.00/mo. x 9 months = \$40,500.00
- Rent for July 1, 2019 to July 10, 2019 = 10 days
- \$145.16 per day x 10 days = \$1,451.60
- \$40,500.00 + \$1,51.60 = \$41,951.60

FY2019 Total = \$41,951.60

FY2020:

FY2020 Total = \$-0-

FY2021:

FY2021 Total = \$-0-

FY2022:

FY2022 Total = \$-0-