

Background & Policy Issues (cont'd.):

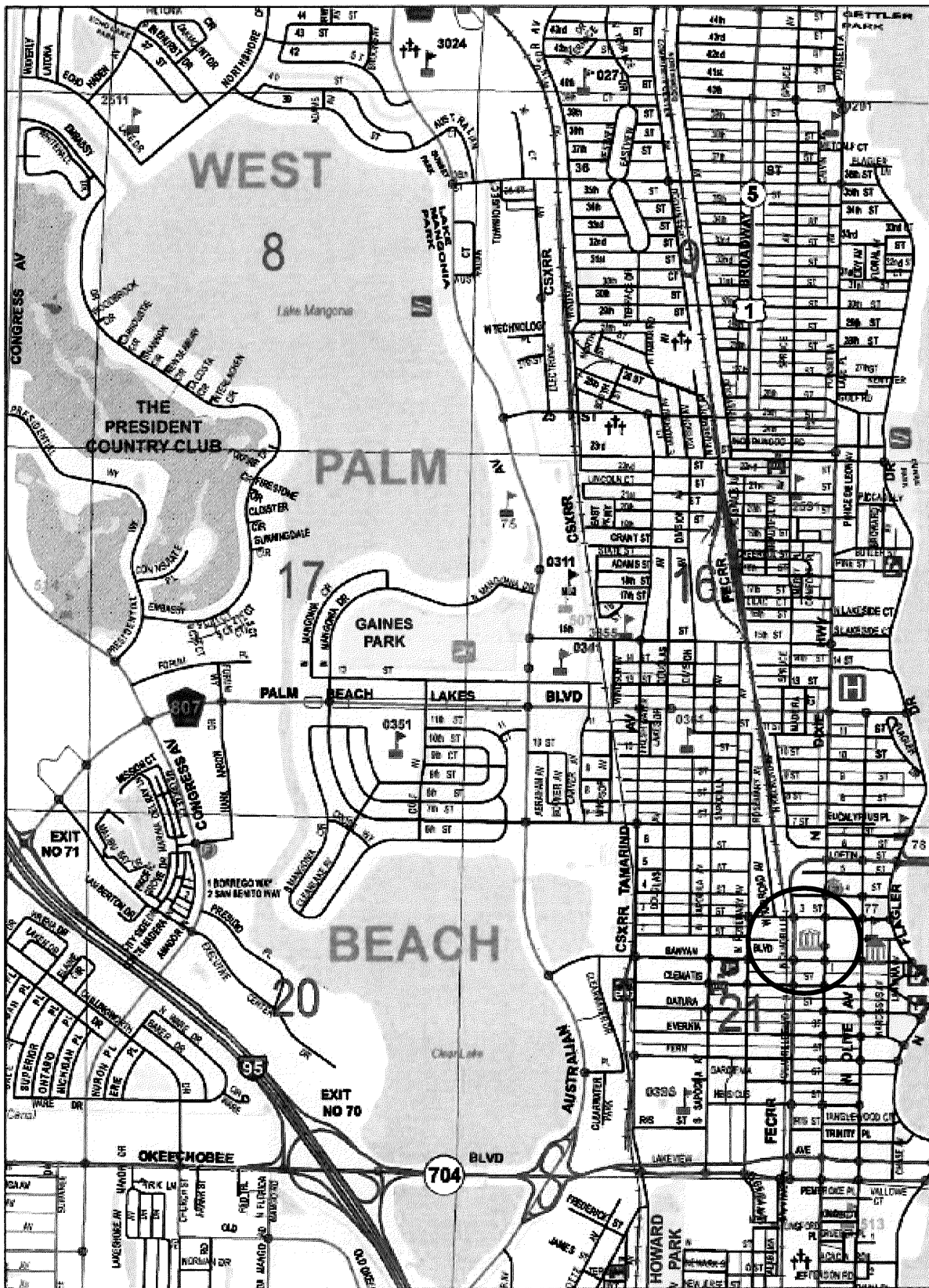
In 2016 and 2017, PREM was contacted by several parties who were negotiating with Tina's Café to purchase the business. On March 1, 2017, staff sent notice to Tina's Café that pursuant to Article XII of the Lease, written consent from the County must be received prior to any sale/assignment of the Lease. Also, currently there is an outstanding balance of \$35,983.08 in tax liens that is owed to the Department of Revenue and two judgments against Tina's Café: one for \$12,873.00 owed to Cheney Bros, Inc. and the other \$13,688.94 owed to Gordon Food Services, Inc. In addition, pursuant to the Second Amendment (R2010-0436), the \$6,917.08 of deferred rent for November and December of 2009 and January of 2010, is due in January of 2019.

There are several County Departments that are in need of additional office space. If the Board is willing to forgo having a restaurant within the Governmental Center, but instead provide other opportunities for food and beverage services which do not require the lease of County owned space, this will free up space for County Department and/or Judicial Partner use. If the board decides to continue having a vendor provide food service from this space, staff recommends that an RFP be issued for a new vendor.

TWP 43

TWP 43

TWP 43



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RNG 43

See pg 71

RNG 43

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LOCATION MAP



ATTACHMENT #1

Attachment #2
Sept. 12, 2017 Agenda Item 5A-1 (12 pages)

Agenda Item #: 5A-1
MM/MB 7-0

PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS
AGENDA ITEM SUMMARY

Meeting Date: September 12, 2017

Consent

Ordinance

Regular **APPROVED**

BY BOARD OF COUNTY COMMISSIONERS
AT MEETING OF SEP 6 2017

Department: Facilities Development & Operations

MINUTES & RECORDS SECTION

I. EXECUTIVE BRIEF

Motion and Title: Staff requests Board direction: regarding the status of 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. Tina's Café has a long history of delinquent rental payments notwithstanding a low/reduced rental rate (\$6.50/s.f.) As of August 2017 Tina's Café is eight months in arrears (January to August) totaling \$11,067.36, not including sales tax or late payment interest. Staff has sent numerous default letters and has received no response. Tina's Café also has an unpaid balance of \$24,630.40 in tax liens that is owed to the Department of Revenue and a judgment in the amount of \$12,873.00 owed to Cheney Bros, Inc. Staff is recommending that the Board pursue legal action for non-payment of rent including termination of the Lease. There are several County Departments, including Public Affairs/Channel 20 that have needs for additional office space in the Government Center. Staff is also reviewing alternatives for provision of convenience food services, including high quality vending machines and food trucks. (PREM) Countywide (HJF)

Background & Policy Issues: In 2001, Staff issued an RFP to lease 1,504 SF for operation of a restaurant and LJL Food Management, Inc. d/b/a Cher's Café, was the only respondent. On May 21, 2002 (R2002-0829), the Board approved a Government Center Lease Agreement for 5 years with one option for 5 years. The initial rent was \$18,012/yr. (\$11.98/SF) and the Lease provided for 4% annual rent adjustments each September 1st. On October 18, 2005 (R2005-2020), the Board approved a Consent to Change of Ownership to LJL Food Management, Inc., d/b/a Tina's Café. On July 11, 2006 (R2006-1258), Tina's exercised the 5-year option to extend the term to August 31, 2011. On January 13, 2009 (R2009-0146), the Board approved the First Amendment that extended the term of the Lease for ten (10) years until January 31, 2019; increased the space from 1,504 SF to 2,554 SF; and reduced the annual rental SF rate by \$3.26 from \$15.76/SF to \$12.50/SF (\$31,925.00/yr.) for two (2) years. On March 23, 2010 the Board approved the Second Amendment (R2010-0436) which reduced the then current rent by half from \$33,202.00/yr. (\$12.50/SF) to \$16,601.00/yr. (\$6.25/SF) retroactively January 2010 until December 31, 2011; and deferred three (3) months of past due rental payments (November and December of 2009 and January of 2010) totaling \$6,917.08 until January 2019.

(continued on page 3)

Attachments:

1. Location Map
2. Outstanding Liens and Judgement
3. Fiscal Impact Rent Calculation Sheet

Recommended By: [Signature] Annunzio Wolf 8/13/17
 Department Director Date

Approved By: [Signature] 8/31/17
 County Administrator Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2017	2018	2019	2020	2021
Capital Expenditures	_____	_____	_____	_____	_____
Operating Costs	_____	_____	_____	_____	_____
External Revenues	<u>\$7,451</u>	<u>\$16,601</u>	<u>\$12,451</u>	_____	_____
Program Income (County)	_____	_____	_____	_____	_____
In-Kind Match (County)	_____	_____	_____	_____	_____
NET FISCAL IMPACT	* <u>\$7,451</u>	<u>\$16,601</u>	<u>\$12,451</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
# ADDITIONAL FTE POSITIONS (Cumulative)	_____	_____	_____	_____	_____
Is Item Included in Current Budget: ^{and Proposed}	Yes _____	No <u>X</u>			
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 is based upon the Board terminating the Lease effective 09/30/17, Tina's Café not remitting any further payments and the \$5,000.00 cash security deposit on file being applied toward FY17 delinquencies; see the attached calculation sheet for further details.

C. Departmental Fiscal Review: _____

III. REVIEW COMMENTS

A. OFMB Fiscal and/or Contract Development Comments:

[Signature] 8/23/17
OFMB Ext 8/21 to 8/22

[Signature] 8/31/17
Contract Development and Control
8/30/17

B. Legal Sufficiency:

[Signature] 8/31/17
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.): On April 3, 2012 (item #4C-1), Staff requested Board direction due to Tina's poor payment history and was directed to continue the same half rent (\$16,601/yr or \$6.50/SF) to April 30, 2013, and suspend the 4% annual rent adjustment; accordingly, the Third Amendment dated December 18, 2012 (R2012-1941), accomplished this. The Fourth Amendment dated June 4, 2013 (R2013-0711) continued the same half rent (\$16,601/yr or \$6.50/SF) until April 30, 2014, and also suspended the 4% annual rent adjustment. Further, the Fourth Amendment required Tina's Cafe to advise Staff by the end of February 2014 if they could return to full rent or if a continuation of half rent was necessary; however, Tina's did not advise Staff of either option. The Board approved the Fifth Amendment dated July 22, 2014 (R2014-1092) which provides for the continuance of the reduced rental rate of \$16,601.00/yr. (\$6.50/SF) until the end of the Lease term, January 31, 2019.

In 2014 prior to the Board approving the Fifth Amendment, Tina's Café was already four (4) months in arrears on rental payment, which continued until November of 2014. In November of 2014 a payment of \$11,731.44 was remitted and applied to rental payments for the months of April through November of 2014; late payment interest was not included. December's 2014 rental payment was paid in time; but from January through September of 2015 no rental payments were remitted until late September 2015. The amount received paid the rental payments through the month of October 2015; late payment interest was not included. Rental payments from October of 2015 through September of 2016 were remitted in a timely manner; but from October through December of 2016, rental payments were late. In February of 2017, a payment of \$1,466.43 was remitted and applied to the December 2016 rental payment. As of August, 2017, no rental payment has been received for the months of January through July of 2017. Total amount in arrears is \$11,067.36, for the months of January through August of 2017; not including sales tax or late payment interest.

Early this year, PREM was contacted by several parties who were negotiating with Tina's Café to purchase the business. On March 1, 2017, Staff sent notice to Tina's Cafe' that pursuant to Article XII of the Lease a written consent from the County must be received prior to any such transaction. Tina's Café has also failed to submit their annual financial report and maintain insurance as required by the Lease. Currently there is an outstanding balance of \$24,630.40 in tax liens that is owed to the Department of Revenue and a judgment in the amount of \$12,873.00 owed to Cheney Bros, Inc. Staff is seeking Board direction whether to pursue legal action, including termination.

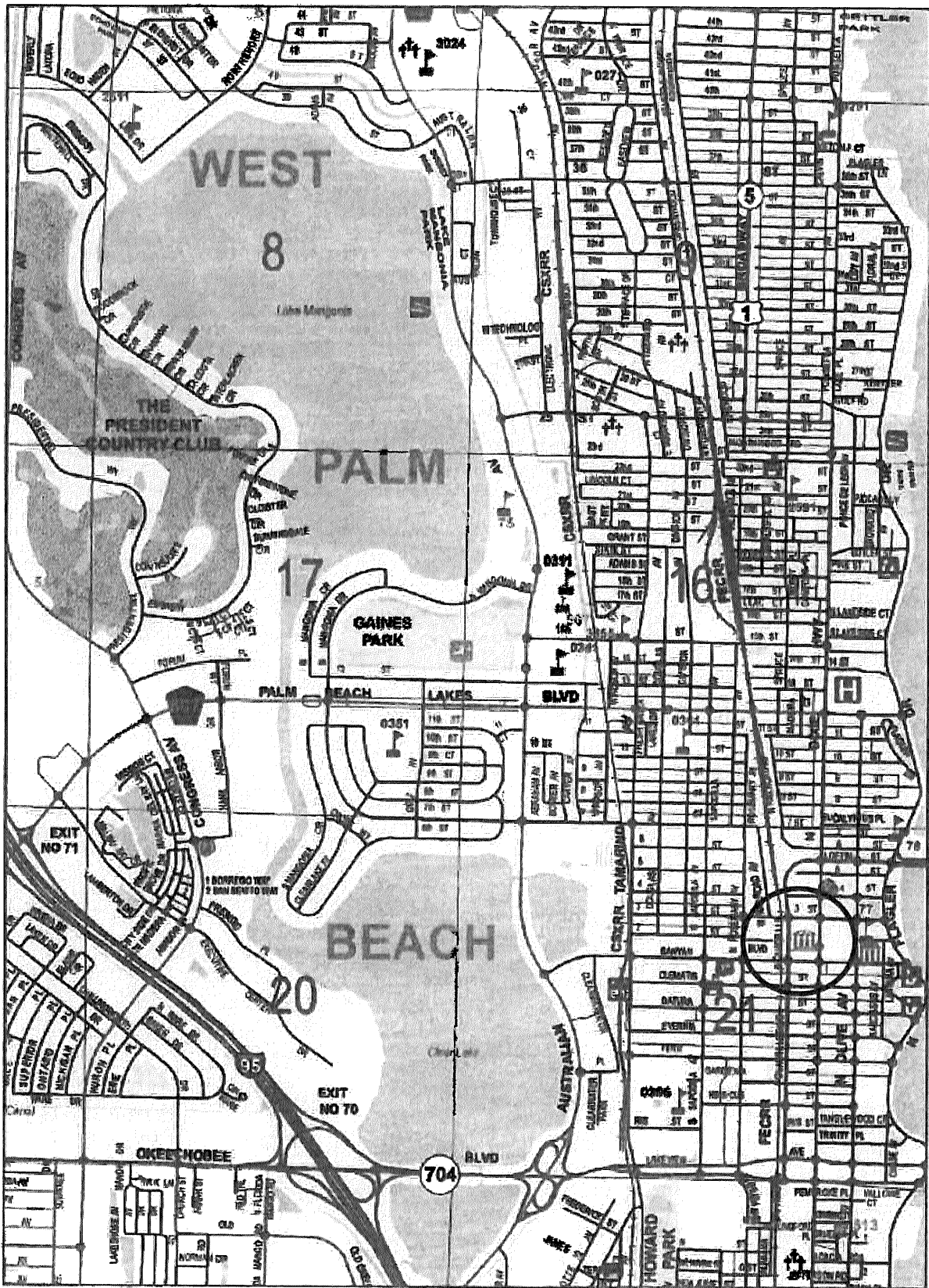
There are several County Departments that are in need of additional office space, including Public Affairs/Channel 20. If the Board would be willing to forgo the convenience of having a restaurant within the Governmental Center, termination of this Lease would free up space for Departmental uses.

Staff is reviewing alternative methods of providing convenience food service, including installing high quality vending machines in the lobby of the governmental center and contracting with multiple food truck vendors to operate on a rotating basis either in the breeze way off of Olive Avenue or in the 4th Street parking lot. Staff has also received numerous inquiries from vendors desiring to operate a deli or restaurant in this space and who are willing to purchase LJL's interest in the Lease, provided they can receive an extension of the Lease. Staff does not recommend extending the Lease without conducting a new competitive selection process. **Staff is seeking direction from the Board as to whether the Board desires to continue with a sit down restaurant or switch to vending machine and food truck operations.**

TWP 43

TWP 43

TWP 43



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RNG 43

See pg 71

RNG 43

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LOCATION MAP



ATTACHMENT #1

Attachment #2
Outstanding Liens and Judgement (4 pages)



W/C
#96

Florida Department of Revenue

WARRANT

CFN 20150127347
OR BK 27455 PG 0583
RECORDED 04/09/2015 11:13:47
Palm Beach County, Florida
Sharon R. Bock, CLERK & COMPTROLLER
Pg 0583; (1pg)

LJL FOOD MANAGEMENT INC
TINA'S CAFE
215 N OLIVE AVE
WEST PALM BEACH FL 33401-4792

Tax : Sales and Use Tax
Business Partner #: 387966
Contract Object # : 13466237
FEIN : [REDACTED]
Warrant # : 1000000671795
Re: Warrant issued under Chapter
212, Florida Statutes

THE STATE OF FLORIDA
TO ALL AND SINGULAR, THE CLERKS OF THE CIRCUIT COURTS AND
ALL AND SINGULAR, THE SHERIFFS OF THE STATE OF FLORIDA
WARRANT FOR COLLECTION OF DELINQUENT SALES AND USE TAX.
The taxpayer named above in the County of Palm Beach, is indebted to the Department of Revenue, State
of Florida, in the following amounts:

TAX	\$1,469.52
PENALTY	\$146.95
INTEREST	\$12.68
TOTAL	\$1,629.15
FEE(S)	\$20.00
GRAND TOTAL	\$1,649.15

For returns due on or before December 31, 1999, interest is due at the rate of 12% per annum. For returns due on or after January 1, 2000, a floating rate of interest applies in accordance with section 213.235, Florida Statutes.

WITNESS my hand and official seal in this City of West Palm Beach, Palm Beach County, Florida, this 8th day of April, 2015.



Marshall Stranburg, Executive Director
Department of Revenue, State of Florida

This instrument prepared by:

[Signature]
Authorized Agent

Please bill to:
WEST PALM BEACH SERVICE CENTER
2468 METROCENTRE BLVD
WEST PALM BEACH FL 33407-3105
561/640-2881

DR-78
R. 10/10



Florida Department of Revenue

W/C
#96

WARRANT CFN 20150206015
OR BK 27580 PG 0987
RECORDED 06/04/2015 10:50:14
Palm Beach County, Florida
Sharon R. Bock, CLERK & COMPTROLLER
Pg 0987; (1pg)
Tax : Sales and Use Tax
Business Partner #: 387966
Contract Object # : 13466237
FEIN :
Warrant # : 1000000679169
Re: Warrant issued under Chapter
212, Florida Statutes

LJL FOOD MANAGEMENT INC
TINA'S CAFE
215 N OLIVE AVE
WEST PALM BEACH FL 33401-4792

THE STATE OF FLORIDA
TO ALL AND SINGULAR, THE CLERKS OF THE CIRCUIT COURTS AND
ALL AND SINGULAR, THE SHERIFFS OF THE STATE OF FLORIDA
WARRANT FOR COLLECTION OF DELINQUENT SALES AND USE TAX.
The taxpayer named above in the County of Palm Beach, is indebted to the Department of Revenue, State
of Florida, in the following amounts:

TAX	\$4,473.72
PENALTY	\$447.38
INTEREST	\$28.02
TOTAL	\$4,949.12
FEE(S)	\$20.00
GRAND TOTAL	\$4,969.12

For returns due on or before December 31, 1999, interest is due at the rate of 12% per annum. For returns due on or after January 1, 2000; a floating rate of interest applies in accordance with section 213.235, Florida Statutes.

WITNESS my hand and official seal in this City of West Palm Beach, Palm Beach County, Florida, this 3rd day of June, 2015.

Marshall Stranburg, Executive Director
Department of Revenue, State of Florida



This instrument prepared by:

Cheryl Kemler
Authorized Agent

Please bill to:
WEST PALM BEACH SERVICE CENTER
2468 METROCENTRE BLVD
WEST PALM BEACH FL 33407-3105
561/640-2881

DR-78
R. 10/10



W/C
#96

WARRANT

DR BK 28572 PG 1593
RECORDED 09/14/2016 10:30:15
Palm Beach County, Florida
Sharon R. Bock, CLERK & COMPTROLLER
Pg 1593; (1pg)

LJL FOOD MANAGEMENT INC
TINA'S CAFE
215 N OLIVE AVE
WEST PALM BEACH FL 33401-4792

Tax : Sales and Use Tax
Business Partner #: 387966
Contract Object # : 13466237
FEIN : 65-0746944
Warrant # : 100000722481
Re: Warrant issued under Chapter
212, Florida Statutes

THE STATE OF FLORIDA
TO ALL AND SINGULAR, THE CLERKS OF THE CIRCUIT COURTS AND
ALL AND SINGULAR, THE SHERIFFS OF THE STATE OF FLORIDA
WARRANT FOR COLLECTION OF DELINQUENT SALES AND USE TAX.
The taxpayer named above in the County of Palm Beach, is indebted to the Department of Revenue, State
of Florida, in the following amounts:

TAX	\$6,330.54
PENALTY	\$633.06
INTEREST	\$146.27
TOTAL	\$7,109.87
FEE(S)	\$399.56
GRAND TOTAL	\$7,509.43

For returns due on or before December 31, 1999, interest is due at the rate of 12% per annum. For returns due on or after January 1, 2000, a floating rate of interest applies in accordance with section 213.235, Florida Statutes.

WITNESS my hand and official seal in this City of West Palm Beach, Palm Beach County, Florida, this 14th day of September, 2016.

Leon M. Biegalski, Executive Director
Department of Revenue, State of Florida



This instrument prepared by:

Sharon R. Bock
Authorized Agent

Please bill to:
WEST PALM BEACH SERVICE CENTER
2468 METROCENTRE BLVD
WEST PALM BEACH FL 33407-3105
561/640-2800



Florida Department of Revenue



CFN 20170203142

WARRANT

DR BK 29136 PG 1382
RECORDED 06/07/2017 12:33:07
Palm Beach County, Florida
Sharon R. Bock, CLERK & COMPTROLLER
Pg 1382f (1pg)

W/C
#96

L.J. FOOD MANAGEMENT INC
TINA'S CAFE
215 N OLIVE AVE
WEST PALM BEACH FL 33401-4792

Tax : Sales and Use Tax
Business Partner #: 387966
Contract Object # : 13466237
FEIN : 65-0746944
Warrant # : 1000000745834
Re: Warrant issued under Chapter
212, Florida Statutes

THE STATE OF FLORIDA
TO ALL AND SINGULAR, THE CLERKS OF THE CIRCUIT COURTS AND
ALL AND SINGULAR, THE SHERIFFS OF THE STATE OF FLORIDA
WARRANT FOR COLLECTION OF DELINQUENT SALES AND USE TAX.
The taxpayer named above in the County of Palm Beach, is indebted to the Department of Revenue, State
of Florida, in the following amounts:

TAX	\$8,694.33
PENALTY	\$869.44
INTEREST	\$245.51
TOTAL	\$9,809.28
FEE(S)	\$693.42
GRAND TOTAL	\$10,502.70

For returns due on or before December 31, 1999, interest is due at the rate of 12% per annum. For returns due on or after January 1, 2000, a floating rate of interest applies in accordance with section 213.235, Florida Statutes.

WITNESS my hand and official seal in this City of West Palm Beach, Palm Beach County, Florida, this 7th day of June, 2017.

Leon M. Biegalski, Executive Director
Department of Revenue, State of Florida



This instrument prepared by

Authorized Agent

Please bill to:
WEST PALM BEACH SERVICE CENTER
2468 METROCENTRE BLVD
WEST PALM BEACH FL 33407-3105
561/640-2800

DR-78
R. 04/17

Return to: (enclose self-addressed stamped envelope)

Name:

Address:



CFN 20160289755

OR BK 28504 PG 0507
RECORDED 08/12/2016 15:54:27
Palm Beach County, Florida
Sharon R. Bock, CLERK & COMPTROLLER
Pg 0507 (1ps)

FLUD
1-4

This is not a certified copy

IN THE COUNTY COURT IN AND FOR
MIAMI-DADE COUNTY, FLORIDA

CIVIL DIVISION

CASE NO.: 12-2238 CC 05 (01)

CHENEY BROS., INC., a Florida
corporation d/b/a CHENEY BROTHERS,

Plaintiff,

v.

LJL FOOD MANAGEMENT, INC. d/b/a
Tina's Café; PETRO BIKOS, and HELEN
BIKOS; and KATINA BIKOS,

Defendants.

2012 OCT 16 PM 11:24
CIVIL DIVISION

STIPULATED FINAL JUDGMENT

IT IS ADJUDGED THAT Plaintiff, Cheney Bros., Inc., a Florida corporation, whose address is One Cheney Way, Riviera Beach, Florida 33404-7000, recover, jointly and severally, from the Defendants, LJL FOOD MANAGEMENT, INC. d/b/a Tina's Café; PETRO BIKOS; and HELEN BIKOS; and KATINA BIKOS, the stipulated sum of \$12,873.00 pursuant to the settlement agreement, for which let execution issue forthwith. Judgment shall bear interest at the legal rate, which is currently 4.75%, until paid in full. Jurisdiction is retained to enforce this judgment and to enter post-judgment relief.

DONE AND ORDERED at Miami-Dade County, Florida on Oct. 9, 2012.

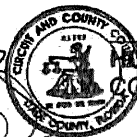
STATE OF FLORIDA, COUNTY OF DADE

I HEREBY CERTIFY that the foregoing is a true and correct copy of the original on file in this office. AD 20

HARVEY RUVIN, Clerk of Circuit and County Courts

Deputy Clerk

e176882



sqk
HONORABLE SHELLEY J. KRAVITZ
COUNTY COURT JUDGE

Cc: US Mail:

Roniel Rodriguez IV, P.A. (SASE), LJL Food Management Inc. (SASE), Petro Bikos (SASE), Helen Bikos (SASE), Katina Bikos (SASE)

✓
REFER AS TO ALL PAGES
BRS DISPOSITION
SUBJECT 3

Attachment #3
Fiscal Impact Rent Calculation Sheet

Fiscal Impact Rent Calculation Sheet

(for the September 12, 2017, Tina's Café Board Direction Item)

- Neither sales tax nor late payment interest charges are included.
- Per the 1st Amendment (R2009-0146) dated 01/13/09 the term of the Agreement extends to January 31, 2019.
- Per the 2nd Amendment (R2010-0436) dated 03/23/10 the Nov-09, Dec-09 & Jan-10 combined payment of \$6,917.08 was deferred until the end of the Lease.
- Per the 5th Amendment (R2014-1092) dated 07/22/14, effectively 04/30/14 the \$16,601.00 annual rent shall be extended through 01/31/19, without annual increases; rent equates to \$1,383.42 per month.
- The last payment from Tina's Café was on 02/24/17, for December 2016 rent; late payment not included.
- The calculations are based upon the Board terminating the Lease effective 9/30/2017 and Tina's Café's \$5,000.00 cash security deposit on file applied to FY17 delinquencies.
- Figures do not include revenues from future food service RFP as that is an unknown.

Fiscal Years	2017	2018	2019	2020	2021
Capital Expenditures	_____	_____	_____	_____	_____
Operating Costs	_____	_____	_____	_____	_____
External Revenues	<u>\$7,451</u>	<u>\$16,601</u>	<u>\$12,451</u>	_____	_____
Program Income (County)	_____	_____	_____	_____	_____
In-Kind Match (County)	_____	_____	_____	_____	_____
NET FISCAL IMPACT	<u>\$7,451</u>	<u>\$16,601</u>	<u>\$12,451</u>	_____	_____

FY17:

- January 2017 rent to August 2017 rent = 8 months @ \$1,383.42 per = \$11,067.36
- September 2017 rent = 1 months @ \$1,383.42 per = \$1,383.42
- Cash security deposit on file = \$5,000.00
- \$11,067.36 + \$1,383.42 = \$12,450.78
- \$12,450.78 - \$5,000.00 = \$7,450.78

FY17 Total = \$7,450.78

FY18:

- October 2017 rent to September 2018 rent = 12 months @ \$1,383.42 per = \$16,601.04

FY18 Total = \$16,601.04

FY19:

- October 2018 rent to January 2019 rent = 4 months @ \$1,383.42 per = \$5,533.68
- Per 2nd Amendment the deferred payment of \$6,917.08 became due.
- \$5,533.68 + \$6,917.08 = \$12,450.76

FY19 Total = \$12,450.76

FY20:

FY21: