

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

Meeting Date: April 04, 2023

Consent

Regular

Ordinance

Public Hearing

Department: **Facilities Development & Operations**

I. EXECUTIVE BRIEF

Motion and Title: Staff recommends a motion to approve:

A) a Lease Agreement with John C. Bills Enterprises, Ltd (Landlord) for approximately 12,497 square feet of office space for a term of five years with one five-year renewal option at an initial annual rate of \$374,910 (\$30.00/sf); and

B) a Budget Transfer in the amount of \$10,000 in the Contingency Reserves Fund to setup a transfer and allocate funds to Rent-Building for the Lease Agreement with John C. Bills Enterprises, Ltd.

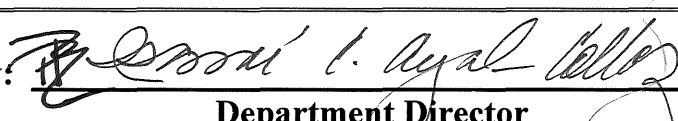
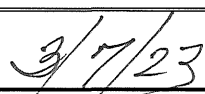
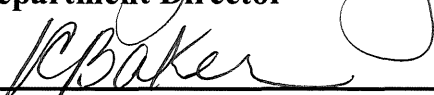
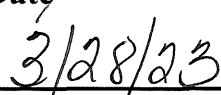
Summary: This Lease Agreement (Agreement) is for approximately 12,497 square feet of office space for use by the Palm Beach County Sheriff's Office (PBSO). The term of the lease is for five (5) years with the option to extend for one additional term of five (5) years. The gross rent is \$374,910 per year (\$30.00/sf) and will be adjusted based on the Consumer Price Index (CPI), not to exceed 7%. Tenant improvements required by PBSO will be performed by the Landlord at its sole cost and expense. County will be responsible for utilities and custodial and pest services. **(Property & Real Estate Management) District 1 (HJF)**

Background and Policy Issues:

(Continued on Page 3)

Attachments:

1. Location Map
2. Lease Agreement
3. Budget Transfer
4. Disclosure of Beneficial Interests

Recommended By:	 Department Director	 Date
Approved By:	 County Administrator	 Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2023	2024	2025	2026	2027
Capital Expenditures					
Operating Costs	<u>\$183,289</u>	<u>\$387,740</u>	<u>\$414,882</u>	<u>\$443,924</u>	<u>\$474,998</u>
External Revenues					
Program Income					
(County)					
In-Kind Match (County)					
NET FISCAL IMPACT	<u>\$183,289</u>	<u>\$387,740</u>	<u>\$414,882</u>	<u>\$443,924</u>	<u>\$474,998</u>
# ADDITIONAL FTE POSITIONS (Cumulative)					

Is Item Included in Current Budget: Yes No

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

Budget Account No: Fund 0001 Dept 164 Unit 1604 Object 4410
 Program _____

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

\$10,000 will be transferred from Contingency Reserves to Rent-Building Funds to fund the Lease Agreement for FY 2023.

Fixed Asset Number N/A

C. Departmental Fiscal Review: *David Eric McCall*
HBBM

III. REVIEW COMMENTS

A. OFMB Fiscal and/or Contract Development Comments:

<p><u><i>ADelle</i></u> 3/22/23 OFMB</p>	<p><u><i>Julia Anna Jacobowitz</i></u> Contract Development and Control 3-21-23 3/28/23</p>
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B. Legal Sufficiency:

R. J. Fal 3/28/23
 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)

As part of its approach in seeking space for PBSO, Staff first attempted to identify properties which were County-owned or owned by other governmental entities or not for profits. However, no suitable location meeting the operational and programmatic needs of PBSO were identified. Next, Staff surveyed private sector rental rates and identified rental rates to be between \$22.00/sf to \$60.00/sf Triple-Net (NNN). These rates do not include common area maintenance (CAM) and do not take into account the cost for tenant-specific improvements. After careful due diligence, Staff recommends approval of the proposed Agreement at a rental rate of \$30.00/sf, plus utilities. This rate also includes CAM and improvements to the leased premises required by PBSO.

There is no broker involved in this transaction. A Disclosure of Beneficial Interests identifying ownership was obtained by the Landlord and included as Attachment 4.

Attachment 2

Lease Agreement (2 @ 21 pages each)

**“RESTRICTED” CONFIDENTIAL DOCUMENTS
DO NOT COPY/RECORD**

Attachment 3

Budget Transfer

(1 Page)

23- 0580

BOARD OF COUNTY COMMISSIONERS
 PALM BEACH COUNTY, FLORIDA
 BUDGET TRANSFER

FUND: 0001 General Fund

BGEX: 022823*1046

ACCT.NUMBER	ACCOUNT NAME	ORIGINAL BUDGET	CURRENT BUDGET	INCREASE	DECREASE	ADJUSTED BUDGET	EXPENDED/ ENCUMBERED As of 3/20/2023	REMAINING BALANCE
<u>EXPENDITURES</u>								
0001/164/1604/4410	Rent-Building	275,000	275,000	10,000	0	285,000	78,530	206,470
0001/820/9900/9901	Contingency Reserves	20,000,000	21,251,600	0	10,000	21,241,600		21,241,600
Total Receipts and Balances		0	0	10,000	10,000	0		

Signatures & Dates

By Board of County Commissioners
 At Meeting of 4/4/2023

Office of Financial Management & Budget

INITIATING DEPARTMENT/DIVISION

Administration/Budget Department Approval

OFMB Department - Posted

Robert Eric Mulla 3/21/2023
ASDEAL 3/22/23

Deputy Clerk to the

Board of County Commissioners

Attachment 4

Schedule to Beneficial Interests in Property (1 page)

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