

PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS
AGENDA ITEM SUMMARY

Meeting Date:	June 3, 2025	<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

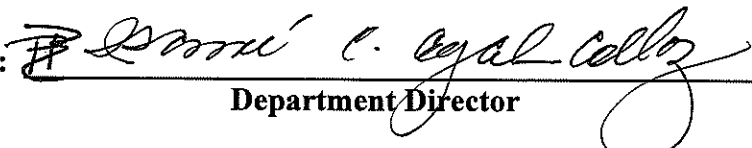
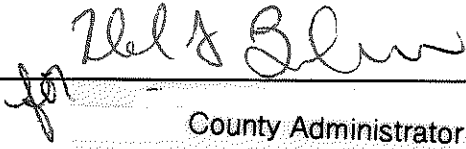
Motion and Title: Staff recommends motion to approve: a Third Amendment to the Lease Agreement with RREEF America REIT II Corp. S (RREEF) for the continued use of 76,603 square feet of space located at 7835 Byron Drive, Unit 1 in Riviera Beach (Premises), for warehouse storage, extending the term from January 1, 2027 through December 31, 2031, at an annual rental rate of \$991,760 with yearly increases of four percent (4%).

Summary: The County has leased 76,603 square feet of warehouse and office space from RREEF since 2009 for the Supervisor of Elections (SOE) warehouse operations. On September 22, 2015, the Board of County Commissioners (BCC) approved Lease Agreement (R2015-1342) with RREEF which has been amended twice and has a current expiration date of December 31, 2026. While SOE operations have been relocated to the new SOE facility at Cherry Road, there is a continued need to lease the Premises. Since SOE's relocation, the Premises has been used for storage by the County's Information Systems Services (ISS), Fire Rescue (FR) and Facilities Development and Operations (FDO) departments. This Third Amendment extends the lease term for an additional five (5) years from January 1, 2027 through December 31, 2031, with two (2) three (3) year renewal options. Commencing January 1, 2027, the annual rent shall be \$991,760 (\$12.95/sf), subject to 4% annual increases. The County will continue to be responsible for its share of taxes and expenses for the Premises. All other terms and conditions of the Lease shall remain in full force and effect. PREM will continue to have administrative responsibility for this Lease. **(Property & Real Estate Management) District 7 (HJF)**

Background and Policy Issues: The SOE occupied the Premises since 2009 until it relocated to its new facility on Cherry Road. The current lease was approved by the BCC in 2015 for a term of five (5) years, commencing on June 22, 2016 through June 21, 2021, with one (1) option to renew for two (2) years. The First Amendment (R2020-0923), dated July 14, 2020, extended the term of the Lease for 30 months, from June 22, 2021 until December 31, 2023. The Second Amendment (R2022-1438), dated December 6, 2022, extended the lease term by 24 months, from January 1, 2024 through December 31, 2026; increased the annual rental rate from \$629,677 (\$8.22/sf) to \$727,729 (\$9.50/sf), subject to 4% annual increases. The proposed Third Amendment extends the term through December 31, 2027 and provides for two (2) three (3) year renewal options. Commencing January 1, 2027, the annual rent shall be \$991,760 (\$12.95/sf), subject to 4% annual increases. RREEF has requested the rental rate to align with the current real estate market. Industrial space in the Riviera Beach area ranges between \$11.00/sf to \$28.00/sf. Currently the Premises are being occupied by three County departments. ISS uses a portion of the Premises to store broadband equipment as part of the Student Broadband Project to provide countywide Wi-Fi services to students. FR uses a portion of the Premises for storage of emergency supplies which were previously stored in space leased from South Florida Fairgrounds. The remainder of the space is occupied by FDO to store various supplies, equipment and furniture resulting from various renovation projects throughout the County.

Attachments:

- 1. Location Map
- 2. Third Amendment to Lease

Recommended By:		4/14/25
	Department Director	Date
Approved By:		5/22/25
	County Administrator	Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2025	2026	2027	2028	2029
Capital Expenditures					
Operating Costs	<u>\$-0-</u>	<u>\$-0-</u>	<u>\$1,022,003</u>	<u>\$1,400,769</u>	<u>\$1,453,008</u>
External Revenues					
Program Income (County)					
In-Kind Match (County)					
NET FISCAL IMPACT	<u>\$-0-</u>	<u>\$-0-</u>	<u>\$1,022,003</u>	<u>\$1,400,769</u>	<u>\$1,453,008</u>
# ADDITIONAL FTE POSITIONS (Cumulative)					

Is Item Included in Current Budget: Yes _____ No _____

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

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

Budget Account No: Fund 1300 Dept 440 Unit 4209 Object 4401 – 50%
Budget Account No: Fund 0001 Dept 490 Unit 1300 Object 4412 – 15.93%
Budget Account No: Fund 0001 Dept 410 Unit 4240 Object 4410 – 34.07%

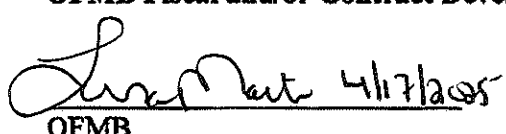
B. Recommended Sources of Funds/Summary of Fiscal Impact: The County will continue to absorb the rental costs within its current and future budgets. The current term will expire on December 31, 2026; on January 1, 2027 rent increases to \$991,760.04 annually (\$82,646.67 monthly). Additionally, the amendment increases the annual rent by 4% each year. The estimated pro rata share of CAM and RE Taxes for calendar year 2025 is \$29,134.90 monthly. Commencing on January 1, 2027, using an estimated 3% increase for the pro rata share, CAM and RE Taxes are projected to be: FY 2027 - \$278,183, FY 2028 - \$379,256, FY 2029 - \$390,634.

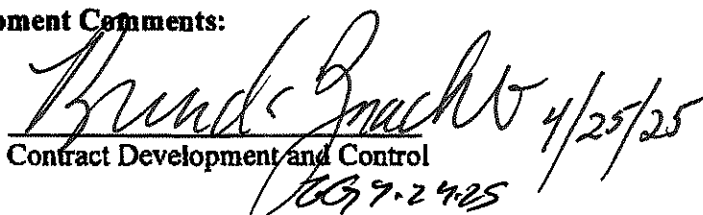
Fixed Assets Number: NA PCN Number: 00-4342-30-14-004-0000

C. Departmental Fiscal Review: 

III. REVIEW COMMENTS

A. OFMB Fiscal and/or Contract Development Comments:


OFMB


Contract Development and Control
6/9/25

B. Legal Sufficiency:


Assistant County Attorney

C. Other Department Review:


Fire Rescue Department Director


ISS Department Director

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

**Attachment 1
LOCATION MAP**

00-43-42-30-14-004-0000

DISTRICT 7



March 11, 2025

STREET VIEWS:



View from SE at Intersection of Prospect Ave &
Central Industrial Dr



View from NE at Central Industrial Dr curve

Attachment 2 – Third Amendment to Lease

THIRD AMENDMENT TO LEASE

This Third Amendment to Lease (this "Third Amendment") made and entered into 02/28/25, by and between RREEF America REIT II Corp. S, a Maryland corporation ("Landlord"), and Palm Beach County, a political subdivision of the State of Florida ("County"), ("Landlord" and "County" collectively referred to as the "Parties").

WITNESSETH:

WHEREAS, Landlord and County entered into a Multi-Tenant Industrial Net Lease dated May 1, 2015, as amended by a First Amendment to Lease (R2020-0923) dated July 14, 2020 and Second Amendment to Lease (R2022-1438) dated December 6, 2022 (collectively, the "Lease"), concerning premises consisting of approximately 76,603 rentable square feet located at 7835 Byron Drive, Unit #1, Riviera Beach, Florida 33404 (the "Premises"); and

WHEREAS, Landlord and County agree to extend the Term of the Lease for an additional sixty (60) months beyond its current Termination Date of December 31, 2026 and add renewal options; and

WHEREAS, effective August 1, 2024, the Florida Legislature has imposed additional requirements under Section 787.06(13), Florida Statutes, related to human trafficking for agreements between nongovernmental entities and governmental entities; and

WHEREAS, the Parties wish to modify the Lease on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth, and various other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and County agree that the Lease shall be amended as follows:

1. Recitals. The foregoing recitals are true and correct and are incorporated herein by reference. Capitalized terms not specifically defined herein shall have the meanings ascribed to such terms in the Lease.
2. Extension and Renewal Option. The Term of the Lease shall be extended for an additional sixty (60) months commencing on January 1, 2027, and ending on December 31, 2031 ("Extension Term"). The County shall also have two options to renew the Lease, each for an additional thirty-six (36) months ("Renewal Term(s)"), by providing written notice to the Landlord no later than ninety (90) days prior to the expiration of the then-current Term. Unless otherwise agreed in writing, the Rent for each Renewal Term shall be mutually agreed upon by the parties in writing. If the parties are unable to agree on the amount of rent, this Lease shall terminate upon the termination of the then current Term.
3. Rent. Rent for the Premises shall continue to be paid as is provided in the Lease, plus applicable sales tax, through December 31, 2026. Commencing on January 1, 2027, County

shall pay Rent for the Premises in the following amounts for the respective periods set forth in the table below, plus applicable sales tax, payable in accordance with the provisions of the Lease, as amended by this Third Amendment:

<u>Period</u>	<u>Rent Rate per sf/Year</u>	<u>Annual Rent</u>	<u>Monthly Installment of Rent</u>
01/01/2027-12/31/2027	\$12.95	\$991,760.04	\$82,646.67
01/01/2028-12/31/2028	\$13.47	\$1,031,430.45	\$85,952.54
01/01/2029-12/31/2029	\$14.01	\$1,072,687.66	\$89,390.64
01/01/2030-12/31/2030	\$14.57	\$1,115,595.17	\$92,966.26
01/01/2031-12/31/2031	\$15.15	\$1,160,218.98	\$96,684.91

4. Additional Rent. Tenant’s Proportionate Share of Expenses and Taxes and all other forms of additional rent shall continue to be calculated and paid as is provided in the Lease without change during the remainder of the current Term of the Lease and thereafter through the Extension Term.
5. Brokerage Disclosure. County represents and warrants that County has not dealt with any real estate salesperson, agent, finder or broker in connection with this Third Amendment other than CBRE, Inc. (“Broker”), which has acted solely on behalf of Landlord. Landlord acknowledges and agrees that Broker shall be compensated exclusively by Landlord pursuant to a separate agreement, and Landlord shall indemnify, defend and hold harmless County from any claims arising from or relating to Broker’s compensation, or demands of any such salesperson, agent, finder or broker claiming to have dealt with Landlord. The foregoing indemnification shall include all costs, expenses and fees, including reasonable attorney’s fees at trial and all appellate levels, expended or incurred in the defense of any such claim or demand.
6. Time of the Essence. Time is of the essence with respect to the performance of every provision of the Lease and this Third Amendment in which time of performance is a factor.
7. Counterparts; Electronic Signature. This Third Amendment may be executed in counterparts with the same effect as if both parties hereto had executed the same document. The parties hereto consent and agree that this Third Amendment may be signed and/or transmitted by facsimile, e-mail of a .pdf document or using electronic signature technology (e.g., via DocuSign or similar electronic signature technology), and that such signed electronic record shall be valid and as effective to bind the party so signing as a paper copy bearing such party’s handwritten signature. The parties further consent and agree that (a) to the extent a party signs this Third Amendment using electronic signature technology, by clicking “SIGN”, such party is signing this Third Amendment electronically, and (b) the electronic signatures appearing on this Third Amendment shall be treated, for purposes of validity, enforceability and admissibility, the same as handwritten signatures.

8. County's Representations and Warranties. County represents and warrants to Landlord that: (a) the Lease is in full force and effect and creates a valid and subsisting obligation of County thereunder, (b) except as amended by this Third Amendment and except as otherwise set forth in this Third Amendment, the Lease has not been modified, extended or amended and all of its terms, conditions, covenants, agreements and provisions, except as hereby modified, are in full force and effect with no defenses or offsets thereto; (c) County's interest in the Lease has not been assigned nor has County subleased any portion of the Premises; and (d) to County's knowledge, no default exists on the part of Landlord with respect to any of its obligations under the Lease, nor has any event occurred which, with the giving of notice and passage of time, will constitute a default by Landlord under the Lease.

9. Landlord's Representations and Warranties. Landlord represents and warrants to County that: (a) the Lease is in full force and effect and creates a valid and subsisting obligation of Landlord thereunder; (b) except as amended by this Third Amendment and except as otherwise set forth in this Third Amendment, the Lease has not been modified, extended, or amended, and all of its terms, conditions, covenants, agreements, and provisions, except as hereby modified, are in full force and effect with no defenses or offsets thereto; (c) Landlord's interest in the Lease has not been assigned; and (d) no default exists on the part of County with respect to any of its obligations under the Lease, nor has any event occurred which, with the giving of notice and passage of time, will constitute a default by County under the Lease.

10. Section 42 is hereby added to the Lease Agreement (R2015-1342), as amended, as follows:

42. Nongovernmental Entity Human Trafficking. Landlord warrants and represents that it does not use coercion for labor services as defined in Section 787.06, Florida Statutes. Landlord has executed the Nongovernmental Entity Human Trafficking Affidavit, which is attached hereto and incorporated herein as Exhibit "A".

11. Ratification. Except as specifically amended herein, the Lease remains in full force and effect and, subject to the terms of this Third Amendment, all of the provisions of the Lease and Exhibits thereto are hereby incorporated herein by reference and are hereby ratified, adopted, agreed to and affirmed by Landlord and County. In the event of any conflict between the provisions of the Lease and the provisions of this Third Amendment, the provisions of this Third Amendment shall control.

12. Effective Date. This Third Amendment is expressly contingent upon the approval of the Palm Beach County Board of County Commissioners, and shall become enforceable only when signed by all parties and approved by the Palm Beach Board of County Commissioners.

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[Signature next page]

IN WITNESS WHEREOF, the parties have executed this Third Amendment effective as of the date set forth below Landlord's signature.

LANDLORD:

RREEF America REIT II Corp. S,
a Maryland corporation

By: David F. Crane
Name: David F. Crane
Title: Vice President
Date: 2/27/2025

By: See Next Page
Name: _____
Title: _____
Date: _____

[Signature next page]

IN WITNESS WHEREOF, the parties have executed this Third Amendment effective as of the date set forth below Landlord’s signature.

LANDLORD:

RREEF America REIT II Corp. S,
a Maryland corporation

By: See Previous Page
Name: _____
Title: _____
Date: _____

By: BS Bodin
Name: BS Bodin
Title: VP
Date: 02/28/25

[Signature next page]

ATTEST:

COUNTY

**JOSEPH ABRUZZO
CLERK OF THE CIRCUIT COURT
& COMPTROLLER**

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

By: _____
Deputy Clerk

By: _____
Maria G. Marino, Mayor

**APPROVED AS TO
LEGAL SUFFICIENCY**

By: 
County Attorney

**APPROVED AS TO TERMS AND
CONDITIONS**

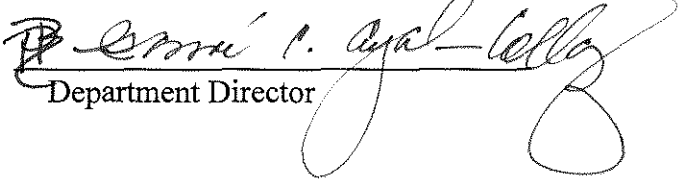
By: 
Department Director

EXHIBIT "A"

NONGOVERNMENTAL ENTITY HUMAN
TRAFFICKING AFFIDAVIT (§ 787.06(13), Fla. Stat.)

THIS AFFIDAVIT MUST BE SIGNED AND NOTARIZED

I, the undersigned, am an officer or representative of **RREEF America REIT II Corp. S** (LANDLORD) and attest that LANDLORD does not use coercion for labor or services as defined in section 787.06, Florida Statutes.

Under penalty of perjury, I hereby declare and affirm that the above stated facts are true and correct.

David F. Crane
(signature of officer or representative)

David F. Crane
(printed name of officer or representative)

State of Massachusetts
County of Suffolk

Sworn to and subscribed before me by means of ☒ physical presence or ☐ online notarization this, 27th day of February, 2025, by Beverly Greene.

Personally known ☒ OR produced identification ☐.

Type of identification produced _____.

Beverly A. Greene
NOTARY PUBLIC
My Commission Expires: May 8, 2026
State of Massachusetts at large

(Notary Seal)

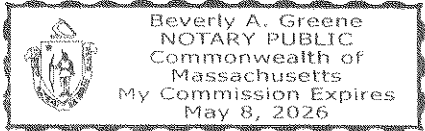


EXHIBIT "A"

NONGOVERNMENTAL ENTITY HUMAN
TRAFFICKING AFFIDAVIT (§ 787.06(13), Fla. Stat.)

THIS AFFIDAVIT MUST BE SIGNED AND NOTARIZED

I, the undersigned, am an officer or representative of **RREEF America REIT II Corp. S** (LANDLORD) and attest that LANDLORD does not use coercion for labor or services as defined in section 787.06, Florida Statutes.

Under penalty of perjury, I hereby declare and affirm that the above stated facts are true and correct.

B. Scott Bodin
(signature of officer or representative)

B. Scott Bodin
(printed name of officer or representative)

State of Georgia
County of Cherokee

Sworn to and subscribed before me by means of ☒ physical presence or ☐ online notarization this, 28th day of February, 2025, by B. Scott Bodin.

Personally known ☒ OR produced identification ☐.

Type of identification produced _____.

B. Carol Knaggs
NOTARY PUBLIC

My Commission Expires: January 26, 2029
State of Georgia at large

(Notary Seal)

