

REVISED

4C-1

Agenda Item #:

PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS
AGENDA ITEM SUMMARY

Meeting Date: April 3, 2012 [] Consent [X] Regular
[] Ordinance [] Public Hearing

Department: Facilities Development & Operations

I. EXECUTIVE BRIEF

Motion and Title: Staff request Board direction: regarding whether to terminate the 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. In 2009, the Board approved the First Amendment (R2009-0146) that permitted Tina's Café to increase the leased premises by expanding into the adjacent Suite 114, reduced the rent for a period of two (2) years, and extended the term of the Lease until January 31, 2019. After business declined due to economic conditions, Tina's Café did not pay rent for several months and requested further rent relief. In 2010, the Board approved the Second Amendment (R2010-0436) which deferred payment of the past due rent until December 2018 and retroactively reduced the rent by ½ from \$33,202.00/yr (\$13.00/SF) to \$16,601.00/yr (\$6.50/SF) for a period of two (2) years effective January 1, 2010. Tina's Café currently owes three (3) months of rent (totaling \$8,300.49, not including sales tax, late payment interest or the past due rent totaling \$6,917.08 that was deferred until December 2018). The Second Amendment's ½ rent provision expired December 31, 2011, and full rent became effective January 1, 2012. Tina's Café currently has two (2) outstanding tax liens against it for nonpayment of taxes: 1) \$10,362 owed to the Florida Department of Revenue, and 2) \$23,764 to the IRS. Staff recommends that the Board direct Staff to take all action necessary to terminate the lease and issue a new RFP for a food service lease with direction as to whether Tina's Café should be allowed to respond to the RFP. (PREM) Countywide (HJF)

Background & Policy Issues: In 2001, Staff issued an RFP to lease 1,504 SF within Suite 110 of the Governmental Center Parking Garage for operation of a restaurant. LJL Food Management, Inc. d/b/a Cher's Café was the only respondent. On May 21, 2002, the Board approved the initial Lease Agreement with LJL Food Management, Inc., for a period of five (5) years with one (1) five (5) year option. Initial rent was \$18,012/yr (\$11.98/SF). In September 2005, LJL Food Management, Inc., changed ownership through a private sale of the business, the trade name was changed to Tina's Café, and the Consent to Change of Ownership was approved by the Board on October 18, 2005 (R2005-2020). On January 13, 2009, the Board approved the First Amendment to Governmental Center Lease

(continued on page 3)

Attachments:

1. Location Map
2. January 13, 2009, Agenda Item 6E-1 (R2009-0145 & -0146)
3. March 23, 2010, Agenda Item 6H-3 (R2010-0435 & -0436)
4. Outstanding Liens
5. Fiscal Impact Rent Calculation Sheet

Recommended By:

REH *Aurmy Worp*
Department Director

3/16/12
Date

Approved By:

[Signature]
County Administrator

3/20/12
Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2012	2013	2014	2015	2016
Capital Expenditures	_____	_____	_____	_____	_____
Operating Costs	_____	_____	_____	_____	_____
External Revenues	<u>\$20,012.15</u>	<u>\$34,645.22</u>	<u>\$36,031.02</u>	<u>\$37,472.21</u>	<u>\$38,971.08</u>
Program Income (County)	_____	_____	_____	_____	_____
In-Kind Match (County)	_____	_____	_____	_____	_____
NET FISCAL IMPACT	<u><u>\$20,012.15</u></u>	<u><u>\$34,645.22</u></u>	<u><u>\$36,031.02</u></u>	<u><u>\$37,472.21</u></u>	<u><u>\$38,971.08</u></u>
# ADDITIONAL FTE POSITIONS (Cumulative)	_____	_____	_____	_____	_____

Is Item Included in Current Budget: Yes _____ No _____

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 4/30/2012, Tina's Café not remitting any further payments after 3/30/12 and the \$5,000.00 cash security deposit on file being applied toward FY12 delinquencies; see the attached calculation sheet for further details.

Once a new lease is entered into, this impact will be offset by the revenue from the new lease.

C. Departmental Fiscal Review: _____ *3.19.12*

III. REVIEW COMMENTS

A. OFMB Fiscal and/or Contract Development Comments:

OFMB *[Signature]* *3/20/12*
3/20/12 *3/20/12*

[Signature] *3/26/12*
 Contract Development and Control
3-26-12 B. Chalkin

B. Legal Sufficiency:

[Signature] *3/27/12*
 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): Agreement (R2009-0145 & -0146) allowing Tina's Café to increase the size of their restaurant by 1,050 SF from 1,504 SF to 2,554 SF by expanding into Suite 114, the space formerly occupied by Channel 20. In addition, the rent was reduced from \$15.76/SF to \$12.50/SF for a rate of \$31,925/yr, and the term was extended to January 31, 2019.

Due to economic conditions, business declined and Tina's Café fell behind in the payment of rent. In response to requests by Staff for payment of rent, Tina's Café requested that the past due rent be deferred until business conditions improved. The County also had construction pending around the leased premises that was expected to impact business. It was Staff's opinion that business conditions were unlikely to improve for a year or so, and that in order to avoid further defaults, the rent should be reduced for two (2) years, with a review of conditions at that time. On March 23, 2010, the Board approved the Second Amendment which deferred payment of the past due rent until December 2018 and retroactively reduced the rent by ½ from \$33,202.00/yr (\$13.00/SF) to \$16,601.00/yr (\$6.50/SF) for a period of two (2) years effective January 1, 2010. The past due rent deferment included rent from November 2009 to January 2010 and totaled \$6,917.08. The amendment also provided that at the end of the two (2) year rent reduction, and every two (2) years thereafter, the parties would meet to review and evaluate the rental rate to determine if further rent modification was warranted. Rent was scheduled to return to the full amount (\$13.00/SF) in January 2012, unless the parties agreed to further modifications of the rental rate, and each September thereafter the rent is scheduled to increase by four percent (4%).

In November 2011, Staff met with Tina's Café to discuss the current rent delinquency. Tina's Café has not requested a rent reduction. The full rent provision became effective January 1, 2012. Tina's Café did state that they wish to continue to operate under the Lease. Staff requested that Tina's Café submit a plan for the payment of the delinquent rent; however, Tina's Café has not responded.

It has been twenty-three (23) months since the Board approved the Second Amendment and reduced the rental rate by ½. During that time period, Tina's Cafe has paid rent on time only twice (April 2010 and January 2011). Eighteen (18) months of payments were paid an average of 2 months late. Tina's Café currently owes three (3) months of past due rent (\$8,300.49). In addition, a Federal Tax Lien in the amount of \$23,764 was filed by the IRS in March and a Florida Tax Lien in the amount of \$10,362 was filed in February.

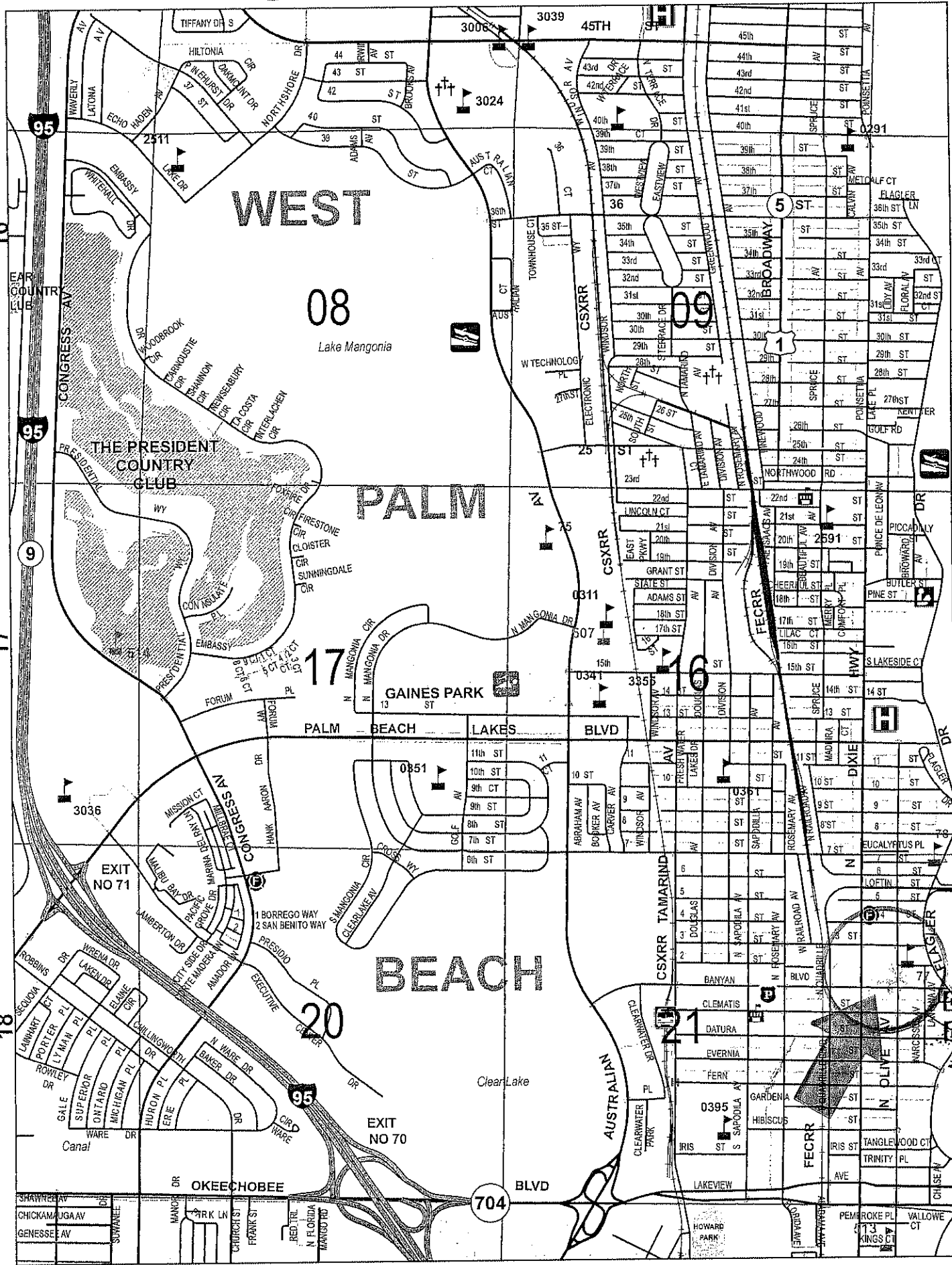
Although it appears Tina's Café has attempted to provide a variety of food specials to entice customers, Staff feels that since they could not make timely payments of the reduced rent, that it will be an overwhelming burden for Tina's Café to make up the past due rent and satisfy the outstanding tax liens.

Accordingly, Staff recommends terminating the Lease with Tina's Café and advertising the restaurant space through a new RFP. Should the Board accept Staff's recommendation, Staff further requests that the Board not permit the principals of Tina's Café to submit a proposal in response to the new RFP unless all monies owed to the County, the State and the IRS have been paid and all Lease requirements are met. Allowing Tina's Café to respond to the RFP would create an awkward situation in that it will ultimately require the selection committee to make a determination that Tina's Café is a responsible bidder, notwithstanding Tina's Café's history of late and non payment of rent. Typically, RFP's would not allow a bidder who has previously defaulted on contracts with the County to submit a proposal and/or be found responsive/responsible. While there are extenuating circumstances with respect to this Lease, Tina's Café has not been proactive in addressing those circumstances.

The County is holding a \$5,000 cash security deposit than can be applied to any default of the tenant under the Lease. Appropriation of the security deposit by the County will not relieve Tina's Café of any of its obligations that exceed the amount of the security deposit.

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LOCATION MAP



(Attachment #2)

Agenda Item #: **6E-1**

PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS
AGENDA ITEM SUMMARY

*m/c 60
Approved as
amended
R-2009-0145
and
R-2009-0146*

Meeting Date: January 13, 2009 [] Consent [X] Regular
[] Ordinance [] Public Hearing
Department: Facilities Development & Operations

I. EXECUTIVE BRIEF

Motion and Title: Staff recommends motion to:

A) rescind Board approval of the Resolution and the First Amendment to Governmental Center Lease Agreement as submitted on December 16, 2008 (R-2008-2356); and

B) adopt a Resolution authorizing an expansion of the building space being leased to LJL Food Management, Inc. d/b/a Tina's Café, extending the term of the Lease and finding that the First Amendment to Governmental Center Lease Agreement with LJL Food Management, Inc. is in the best interest of the County; and

C) approve a First Amendment to Governmental Center Lease Agreement (R2002-0829) with LJL Food Management, Inc. d/b/a Tina's Café, to expand the current leased premises by 1,050 square feet and extend the term of the Lease to a period of ten (10) years, specifying the rental rate.

Summary: On December 16, 2008, the Board approved allowing Tina's Café to expand into the adjacent 1,050 square feet of space previously occupied by Channel 20. This item rescinds approval of the prior First Amendment and replaces it. The new First Amendment extends the term of the Lease to a total of ten (10) years. The current term of the Lease expires August 31, 2011, and this Amendment extends the term until January 31, 2019. The current annual rent is \$23,702.64 (\$15.76/sf) and increases annually by four percent (4%). With the inclusion of the additional space, rent will increase to \$40,251.04. Tina's Café has requested that the annual rent be reduced by \$3.26/sf to \$12.50/sf, for a total annual rent of \$31,925 and that annual increases be reduced to 2.5%. While operating statements submitted by Tina's Café indicate that the owners have been losing money on the operation of their business, Staff cannot recommend a rental reduction. This Lease was procured through an RFP process, and general procurement policy would normally require a new competitive process be conducted to make such material changes to the terms of a competitively bid agreement. (PREM)
Countywide (HJF)

Continued on page 3

Attachments:

- 1. Location Map
- 2. First Amendment to Governmental Center Lease Agreement
- 3. Resolution
- 4. December 16, 2008 Agenda Item 5H-1 (R-2008-2356)
- 5. December 23, 2008 correspondence from Tina's Café

Recommended By: *[Signature]* Department Director Date 1/6/09
Approved By: *[Signature]* County Administrator Date 1/12/09

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2009	2010	2011	2012	2013
Capital Expenditures	_____	_____	_____	_____	_____
Operating Costs	_____	_____	_____	_____	_____
External Revenues	<u>(\$9,708.37)</u>	<u>(\$17,267.67)</u>	<u>(\$17,958.40)</u>	<u>(\$45,427.88)</u>	<u>(\$47,244.96)</u>
Program Income (County)	_____	_____	_____	_____	_____
In-Kind Match (County)	_____	_____	_____	_____	_____
NET FISCAL IMPACT	<u>(\$9,708.37)</u>	<u>(\$17,267.67)</u>	<u>(\$17,958.40)</u>	<u>(\$45,427.88)</u>	<u>(\$47,244.96)</u>
# ADDITIONAL FTE POSITIONS (Cumulative)	_____	_____	_____	_____	_____

Is Item Included in Current Budget: Yes _____ No _____

Budget Account No: Fund 0001 Dept 410 Unit 4240 Object 6225
 Program _____

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

Revenue calculations (FY 2009-2011) are based upon the existing rental rate and reflect only the additional revenue for the increased square footage, based upon a Rent Commencement Date of March 1, 2009. Base rent increases by 4% annually on September 1st.

The original Lease included an option to extend the Term of the Lease through August 31, 2011. This Amendment revises the Lease to extend the Term of the Lease though January 31, 2019, and revenue will continue through FY 2019 for the current and expanded lease areas.

Revenue and will be applied to the General Operating Budget.

C. Departmental Fiscal Review: _____

III. REVIEW COMMENTS

A. OFMB Fiscal and/or Contract Development Comments:

<p><u><i>[Signature]</i></u> 1-8-09 OFMB (UD) 1/8/09</p>	<p><u><i>[Signature]</i></u> 1/9/09 Contract Development and Control E. Jones 1/9/09</p>
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B. Legal Sufficiency:

[Signature] 1/9/09
 Assistant County Attorney
 Amendment was not executed at time of CAO review.

This amendment complies with our review requirements.
 At the time of our review the Amendment was not executed.

C. Other Department Review:

 Department Director

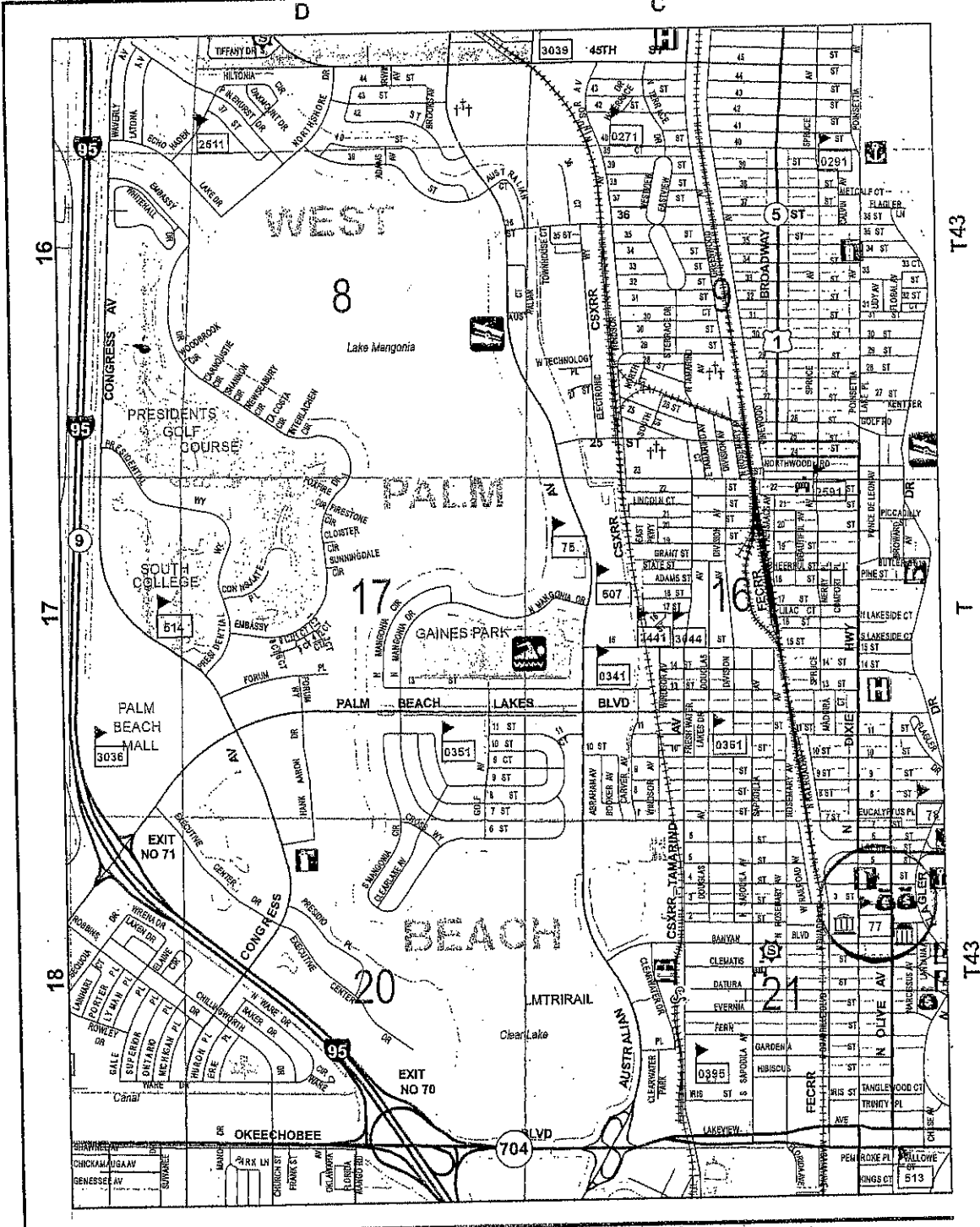
This summary is not to be used as a basis for payment.

Background and Policy Issues: In 2001, Staff issued an RFP to lease 1,504 square feet of space within the Governmental Center Parking Garage for operation of a restaurant. L.J.L. Food Management, Inc. d/b/a Cher's Café was the only respondent. On May 21, 2002 (R2002-0829), the Board approved the initial Governmental Center Lease Agreement with L.J.L. Food Management, Inc. for a period of five (5) years with one (1) five (5) year option extending the term until August 31, 2011 (R-2006-1258). In September 2005, L.J.L. Food Management, Inc. changed ownership through private sale of the business and the trade name was changed to Tina's Café. The consent to the assignment of the lease was approved on October 18, 2005 (R-2005-2020).

This First Amendment allows Tina's Café to increase the size of their restaurant by 1,050 square feet by expanding into the suite formerly occupied by Channel 20. The annual rent will be increased based upon the increase in square footage times the existing per square foot rental rate. The increased rent will commence upon issuance of a certificate of occupancy for the additional space or sixty (60) days after approval of this First Amendment, whichever occurs first. All costs associated with renovations of the additional space will be borne by Tina's Café.

The term of the Lease will be extended until January 31, 2019, which is approximately 10 years from approval of this First Amendment. There are no remaining options to extend the term of the Lease.

The current annual rent is \$23,702.64 (\$15.76/sf). The rent is increased annually by 4%. With the increased space, rent will increase to \$40,251.04. Tina's Café has requested a rent reduction of \$3.26/sf which would reduce the total annual rent to \$31,925.00 (\$12.50/sf).



LOCATION MAP

Handwritten signature or initials.

R2009#0146

FIRST AMENDMENT
TO JAN 13 2009
GOVERNMENTAL CENTER LEASE AGREEMENT

THIS FIRST AMENDMENT TO GOVERNMENTAL CENTER LEASE AGREEMENT (the "First Amendment") is made and entered into January 13, 2009 by and between Palm Beach County, a political subdivision of the State of Florida ("County"), and LJL Food Management, Inc., a Florida corporation ("Tenant"). County and Tenant are sometimes referred to herein collectively as the "parties".

WITNESSETH:

WHEREAS, County and Tenant entered into that certain Governmental Center Lease Agreement dated May 21, 2002 (R2002-0829) (the "Lease"), for the use of the Premises as defined in the Lease, which Lease commenced on September 1, 2001, for a term of five (5) years with one (1), five (5) year option; and

WHEREAS, County consented to the transfer of ownership of Tenant from Linda Ostrowski to Katina Bikos and Petro Bikos on October 18, 2005 (R2005-2020); and

WHEREAS, County approved Tenant's exercise of its five (5) year renewal option on July 11, 2006 (R2006-1258), extending the Lease until August 31, 2011; and

WHEREAS, Tenant has requested a rent reduction due to current adverse economic conditions and County has agreed to reduce the rent for a period of two (2) years.

WHEREAS, the parties wish to (i) redefine "Premises" to include Suite No. 114 of the Building; (ii) provide for payment of additional rent by Tenant for the use of Suite 114; (iii) extend the term of the Lease until January 31, 2019; (iv) reduce the rent for a two (2) year period; and (v) make certain additional changes to the Lease.

NOW, THEREFORE, in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby 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 ascribed to them in the Lease.
2. The Tenant Contact information as set forth in Section 1.01(b) of the Lease is revised as follows:

Tenant Contact: Katina Bikos and Petro Bikos Phone: (561) 630-0044
3. The Tenant's Trade Name as set forth in Section 1.01(c) of the Lease is revised to LJL Food Management, Inc. d/b/a Tina's Café.
4. Section 1.01(d) of the Lease is modified to add the following Guarantors:

Guarantor: Katina Bikos and Petro Bikos
Guarantor's Address: 965 Lighthouse Drive
 North Palm Beach, FL 33408
5. "Premises" as defined in Section 1.01(g) of the Lease is modified to include Suite No. 114 as depicted in Exhibit "A" attached hereto and made a part hereof (the "Additional Space").
6. "Gross Leaseable Area of the Premises" as set forth in Section 1.01(h) of the Lease is increased by 1,050 square feet for a total of 2,554 square feet of Gross Leaseable Area.
7. The Tenant's Proportionate Share as set forth in Section 1.01(i) of the Lease is increased to 13.72%.

8. Section 1.01(I) of the Lease is modified to provide that the sale of Florida lottery tickets shall also be allowed in the Premises.
9. In addition to the two (2) parking passes assigned to Tenant pursuant to Section 2.02 of the Lease, County shall assign Tenant three (3) additional parking passes for unassigned parking places within the Judicial Center Parking Garage, upon the same terms and conditions as set forth in Section 2.02 of the Lease.
10. The Term of the Lease as set forth in Section 2.05 of the Lease is hereby extended until January 31, 2019. There are no remaining options to extend the term of the Lease.
11. Tenant's obligation to pay rent for the Additional Space shall commence upon the earlier of either the issuance of the Certificate of Occupancy for the work necessary for operation of Tenant's business in the Additional Space as set forth in Section 13 of this First Amendment below, or sixty (60) days after the Effective Date of this First Amendment (the "Increased Rent Commencement Date").
12. The Annual Rent for Suite No. 110 is hereby reduced to Eighteen Thousand Eight Hundred Dollars (\$18,800.00) (subject to escalation pursuant to Section 3.03). Commencing upon the Increased Rent Commencement Date, the Annual Rent for Suite No. 114 shall be Thirteen Thousand One Hundred and Twenty-Five Dollars (\$13,125.00) (subject to escalation pursuant to Section 3.03) If the Increased Rent Commencement Date is on a day other than the first day of the month, the increase in Annual Rent shall be prorated on the basis of a thirty (30) day month, and shall be payable with the next monthly installment of Annual Rent. On the second anniversary of this Amendment (the end of the two (2) years rent reduction period), the Annual Rent shall be Forty Thousand Two Hundred and Fifty One Dollars and Four Cents (\$40,251.04) (subject thereafter to escalation pursuant to Section 3.03).
13. "Tenant's Work" as defined in Section 4.02(a) of the Lease is modified to include the work necessary to equip and complete the Additional Space for the lawful operation of Tenant's business, including all work required to meet current codes, whether such work is within or outside of the Additional Space and the Premises, and Tenant agrees to perform all such work at its own cost and expense and in compliance with each and every provision of the Lease. Specifically, and without waiver of any additional terms and conditions regarding Tenant's Work, Tenant shall submit to County for County's prior approval, detailed plans and specifications for all Tenant's Work to be conducted in the Premises, including the Additional Space, as required by Article IV of the Lease.
14. Section 2.08 is modified to provide the following change of address for the window sign regarding customer complaints: Property & Real Estate Management Division, 2633 Vista Parkway, West Palm Beach, FL 33411-5605.
15. The County's address in Sections 1.01(a) and 20.02 is revised to:

COUNTY:
Palm Beach County
Property & Real Estate Management Division
Attention: Director
2633 Vista Parkway
West Palm Beach, FL 33411-5605
16. Section 8.01 of the Lease is hereby modified to include the following:

(d) Tenant shall procure and continuously maintain throughout the Term of this Lease, at its sole cost and expense, a contract with a pest control service to service the Premises at least monthly, and more frequently if required to keep the Premises free from infestation by insects, rodents, and other vermin.
17. Except as set forth herein, the Lease remains unmodified and in full force and effect.

18. This First Amendment is expressly contingent upon the approval of the Palm Beach County Board of County Commissioners and shall become effective only when signed by all parties and approved by the Palm Beach County Board of County Commissioners.

IN WITNESS WHEREOF, the parties have duly executed this First Amendment as of the day and year first written above.

R2009.0146

ATTEST:

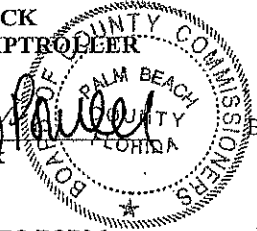
COUNTY:

JAN 13 2009

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

SHARON R. BOCK
CLERK & COMPTROLLER

By: [Signature]
Deputy Clerk



By: [Signature]
John F. Koons, Chairman

APPROVED AS TO FORM AND LEGAL SUFFICIENCY

[Signature]
Assistant County Attorney

APPROVED AS TO TERMS AND CONDITIONS

[Signature]
Audrey Wolf, Director
Facilities Development & Operations

TENANT:

WITNESSES AS TO BOTH:

LJL FOOD MANAGEMENT, INC.,
a Florida corporation

[Signature]
Witness Signature

By: [Signature]
Katina Bikos, President

[Signature]
Print Witness Name

By: [Signature]
Petro Bikos, Vice-President

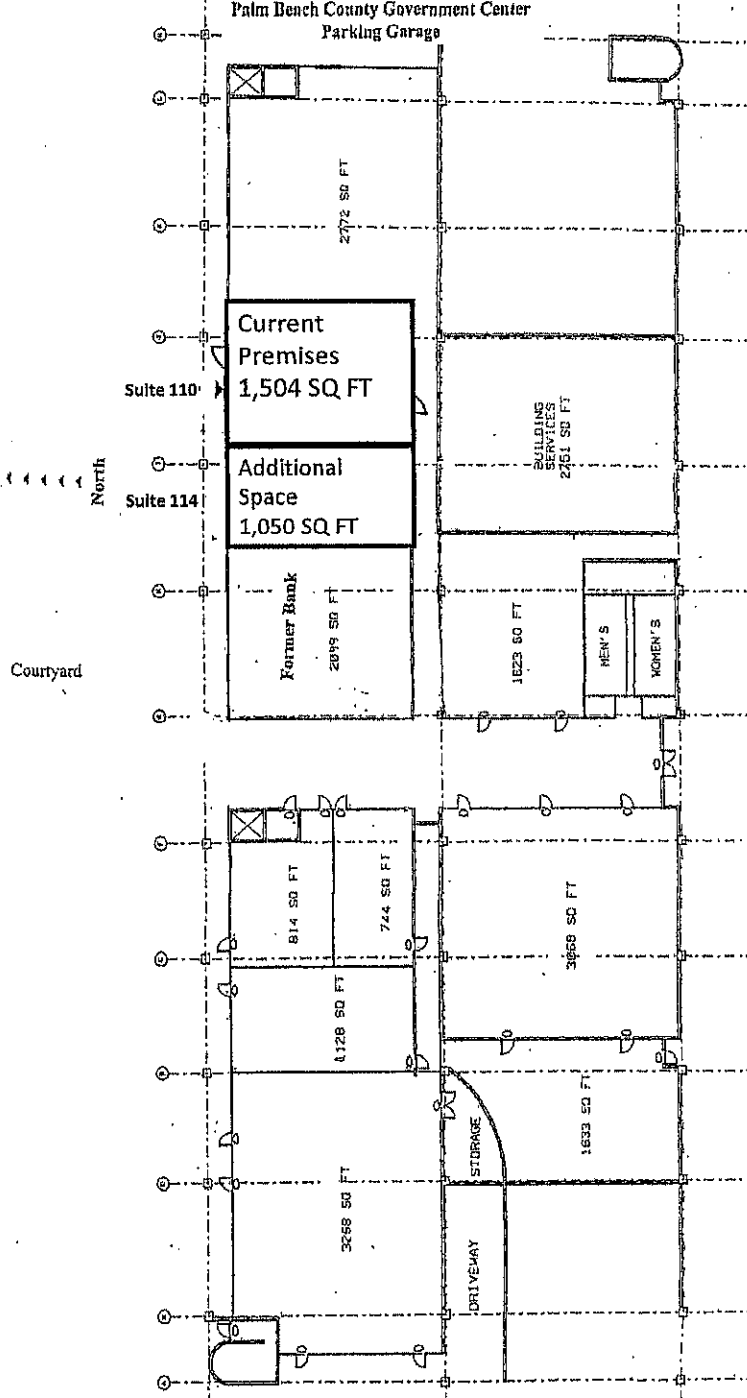
[Signature]
Witness Signature

[Signature]
Print Witness Name

EXHIBIT "A"

PREMISES

Exhibit A
First Floor
Palm Beach County Government Center
Parking Garage



RESOLUTION NO. 2009- 0146 _____

**RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF
PALM BEACH COUNTY, FLORIDA, AUTHORIZING AN
EXPANSION OF THE BUILDING SPACE BEING LEASED TO LJL
FOOD MANAGEMENT, INC.; AND PROVIDING FOR AN
EFFECTIVE DATE.**

WHEREAS, LJL Food Management, Inc., a Florida corporation, ("Tenant"), pursuant to a lease dated May 21, 2002 (R2002-0829), leases space from County for the operation of Tina's Café, a restaurant located on the first floor of the County-owned Governmental Center Parking Garage;

WHEREAS, Tenant has made application to the Board of County Commissioners of Palm Beach County requesting that Palm Beach County increase the space being leased to Tenant;

WHEREAS, Tenant wishes to expand its restaurant operation by leasing the space adjacent to the existing restaurant and wishes to extend the term of the Lease in order to recover its planned investments in the expansion space;

WHEREAS, Tenant has requested a rent reduction for both the existing and the additional space due to current adverse economic conditions and County has agreed to reduce the rent for a period of two (2) years.

WHEREAS, Tina's Café provides a service to government employees and visitors to the surrounding government buildings by offering them convenient food service at a reasonable price, and expansion of the operation would allow more people to be served, in addition to providing the County with additional revenue;

WHEREAS, the Board of County Commissioners of Palm Beach County hereby finds: that such building space will not be needed for County purposes during the extended term of the Lease; that expansion of the existing restaurant is the best use of the building space in that it provides increased ability to service employees and visitors of the Governmental Center and Courthouse; and that the expansion of the Lease area, rent reduction and extension of the term are in the best interests of the County.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY
COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA, that:**

Section 1. Recitals

The foregoing recitals are true and correct and incorporated herein by reference.

Section 2. Authorization to Lease Building Space

The Board of County Commissioners of Palm Beach County shall lease to L.J.L. Food Management, Inc., a Florida corporation, pursuant to the First Amendment to the Lease attached hereto and incorporated herein by reference, the additional space identified in the First Amendment, at an initial increase to the annual rent being paid by Tenant of Thirteen Thousand One Hundred Twenty-Five Dollars (\$13,125.00), for the use identified above, for a term extending until January 31, 2019.

Section 3. Conflict with Federal or State Law or County Charter

Any statutory or Charter provisions in conflict with this Resolution shall prevail.

Section 4. Effective Date

The provisions of this Resolution shall be effective immediately upon adoption hereof.

The foregoing resolution was offered by Commissioner Greene who moved its adoption. The Motion was seconded by Commissioner Aaronson, and upon being put to a vote, the vote was as follows:

COMMISSIONER JOHN F. KOONS, CHAIRMAN	Aye
COMMISSIONER BURT AARONSON, VICE CHAIRMAN	Aye
COMMISSIONER KAREN T. MARCUS	Aye
COMMISSIONER SHELLEY VANA	Aye
COMMISSIONER	
COMMISSIONER JESS R. SANTAMARIA	Aye
COMMISSIONER ADDIE L. GREENE	Aye

The Chair thereupon declared the resolution duly passed and adopted this 3rd day of February, 2009.

PALM BEACH COUNTY, a
political subdivision of the State of Florida
BOARD OF COUNTY COMMISSIONERS

SHARON R. BOCK
CLERK & COMPTROLLER
By: Tracy Powell
Deputy Clerk



APPROVED AS TO FORM AND
LEGAL SUFFICIENCY

APPROVED AS TO TERMS
AND CONDITIONS

By: [Signature]
Assistant County Attorney

By: [Signature]
Department Director

G:\Property Mgmt Section\In Lease\Tina's Cafe\AMEND 1\Resolution.007 012109.doc

From: Tula [daybyday0327@aol.com]
Sent: Tuesday, December 23, 2008 1:44 PM
To: Eleni Bikos
December 23, 2008

Tina's Café

RE: Annual Rent Increase

To whom it may concern:

We are requesting that based on the weak financial and economic situation of Tina's Café that our rent be reduced to 12.50 sq ft at an annual increase of 2.5% based on 2556 sq ft. We are prepared and excited about taking on the new expansion of Tina's Café but at the same time we need to be prepared for the additional costs that come along with a growing business.

We want to continue to offer the quality of food and service to our valued customers, at our current menu price and would not want to jeopardize their patronage. As you know most of our customers are county and city employees living off a government salary and living off a tight budget themselves.

As of date, our initial investment between purchase price, upgrades and improvements is approximately \$140,000. In the three years that we have owned Tina's Café we have been struggling to pay our current bills, taxes, food and beverage vendors along with maintenance. Our goal as any business owners is to be able to bring home a weekly paycheck as anyone that devotes twelve hours day per day into a business should be able to.

With the new proposed expansion of Tina's Café, we will be able to create a new scene to our city and county employees by adding the all you can eat soup and salad bar, and provide additional seating to accommodate the mass influx of people that are pressed for time during the work day, lunch time being our busiest time.

We anticipate the build out and refurbishment for the additional 1,050 sq ft of space to be approximately \$30,000. That on top of our initial investment will bring us to \$170,000. A typical return on investment in the restaurant business should be 10% or about \$17,000 a year on top of wages. Based on the financial statements you receive annually you can see that we have not been able to achieve it as of yet.

We thank you in advance for your time and consideration and look forward to reaching a mutual agreement.

Sincerely Yours

Petro Bikos
Katina Bikos
Owner's Tina's Cafe

Listen to 350+ music, sports, & news radio stations -- including songs for the holidays -- FREE while you browse. [Start Listening Now!](#)

PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS
AGENDA ITEM SUMMARY

Meeting Date:	December 16, 2008	<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:

- A) adopt a Resolution authorizing an expansion of the building space being leased to LJL Food Management, Inc. d/b/a Tina's Café, finding that the First Amendment to Governmental Center Lease Agreement with LJL Food Management, Inc. is in the best interest of the County; and
- B) approve a First Amendment to Governmental Center Lease Agreement (R2002-0289) with LJL Food Management, Inc. d/b/a Tina's Café, to expand the current leased premises by 1,050 square feet; and
- C) provide direction on sources of funding for move and data/phone/alarm relocation costs.

Summary: Since 2002, the County has leased 1,504 square feet of restaurant space located within the Government Center Parking Garage to LJL Food Management, Inc., currently operating under the trade name of Tina's Café. The current term of the Lease expires August 31, 2011. The current annual rent is \$23,702.64 (\$15.76/sf). The Board directed Staff to allow Tina's Café to expand into the adjacent 1,050 square feet of space previously occupied by Channel 20. This First Amendment will: i) reflect the change in trade name to LJL Food Management, Inc. d/b/a Tina's Café; ii) expand the leased premises to include an additional 1,050 square feet for a total of 2,554 square feet; iii) increase the annual rent from \$23,702.64 to \$40,251.04; iv) grant Tina's Café one (1) additional five (5) year option to extend the term of the Lease; v) assign Tina's Café three (3) parking passes for unassigned parking spaces in the Judicial Center Parking Garage without charge other than security deposit and administrative fees; and vi) permit the sale of Florida lottery tickets. The Resolution finds this First Amendment to be in the best interest of the County. The County will incur costs of \$4,000-\$6,000 in moving Channel 20, relocating data cables utilized by Channel 20 and relocating phone lines and the alarm system, which were not budgeted. Staff recommends that these expenses be paid by Tina's Café, either up front or in installments. If the Board desires to cover these costs, Staff recommends that funds be transferred from contingency which will require a subsequent budget transfer. (PREM) Countywide (HJF)

Continued on page 3

Attachments:

1. Location Map
2. Resolution
3. First Amendment to Governmental Center Lease Agreement

Recommended By: RET Department Director Date

Approved By: _____ County Administrator Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2009	2010	2011	2012	2013
Capital Expenditures	_____	_____	_____	_____	_____
Operating Costs	_____	_____	_____	_____	_____
External Revenues	<u>(\$9,708.37)</u>	<u>(\$17,267.67)</u>	<u>(\$16,407.18)</u>	_____	_____
Program Income (County)	_____	_____	_____	_____	_____
In-Kind Match (County)	_____	_____	_____	_____	_____
NET FISCAL IMPACT	<u>(\$9,708.37)</u>	<u>(\$17,267.67)</u>	<u>(\$16,407.18)</u>	_____	_____
# ADDITIONAL FTE POSITIONS (Cumulative)	_____	_____	_____	_____	_____

Is Item Included in Current Budget: Yes _____ No X

Budget Account No: Fund 0001 Dept 410 Unit 4240 Object 6225
 Program _____

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

Revenue calculations reflect only the additional revenue for the increased square footage, based upon a Rent Commencement Date of March 1, 2009. Base rent increases by 4% annually on September 1st. Revenue and will be applied to the General Operating Budget.

Upon the Board's direction, costs for move and data/phone/alarm relocation costs, estimated at \$4,000-\$6,000, Staff will either provide Tina's Café with a schedule for payment/re-payment of the costs, or bring back a budget transfer from contingency for approval.

C. Departmental Fiscal Review: _____

III. REVIEW COMMENTS

A. OFMB Fiscal and/or Contract Development Comments:

For the repayment of costs for move, a budget amendment will be brought back to the Board at a later date. If the Board directs Tina's to provide the payment, a budget amendment will recognize the additional revenue. If not, a budget amendment will be processed which recognizes the lease revenue and allocates budget for the costs for move.

 OFMB Contract Development and Control

B. Legal Sufficiency:

 Assistant County Attorney

C. Other Department Review:

 Department Director

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

Background and Justification: In 2001, Staff issued an RFP to lease space within the Governmental Center Parking Garage for operation of a restaurant. LJL Food Management, Inc. d/b/a Cher's Café was the only respondent. On May 21, 2002 (R2002-0289), the Board approved the initial Governmental Center Lease Agreement with LJL Food Management, Inc. for a period of five (5) years with one (1) five (5) year option extending the term until August 31, 2011. In September 2005, LJL Food Management, Inc. changed ownership through private sale of the business and the trade name was changed to Tina's Café. The consent to the assignment of the lease was approved on October 1, 2005 (R-2005-2020).

This First Amendment allows Tina's Café to increase the size of their restaurant by 1,050 square feet by expanding into the suite formerly occupied by Channel 20. The annual rent will be increased based upon the increase in square footage times the existing per square foot rental rate. The increased rent will commence upon issuance of a certificate of occupancy for the additional space or sixty (60) days after approval of this First Amendment, whichever occurs first. All costs associated with renovations of the additional space will be borne by Tina's Café.

Channel 20 will have to move their furniture and equipment to their studio and their space within the Historic Courthouse. Move costs are estimated to be \$2,000-\$3,000. In addition, the data connection hub, alarm system and phone hub for the studio is located within this space and will have to be relocated to the studio at an estimated cost of \$2,000-\$3,000. These expenses were not included in Channel 20's budget. As the County uses outside vendors for all this work, a funding source is required. Staff believes that as these costs would not have been incurred but for Tina's Café's need for the space, these costs should be borne by Tina's Café. There are insufficient funds within Channel 20's budget to cover these costs. Therefore, if the Board desires to cover these costs, Staff would recommend a budget transfer from General Fund Contingency.

(Attachment #3)

Agenda Item #:

6H-3

PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS
AGENDA ITEM SUMMARY

MLK 7-0.
R-2010-0435
and
R-2010-0436

Meeting Date:	March 23, 2010	<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:

A) adopt a Resolution authorizing deferral of past due rent, a reduction in the rental rate, the placement of courtyard tables, and finding that the Second Amendment to Governmental Center Lease Agreement with LJL Food Management, Inc. d/b/a Tina's Café (R2002-0829), is in the best interest of the County; and

B) approve a Second Amendment to Governmental Center Lease Agreement with LJL Food Management, Inc. d/b/a Tina's Café.


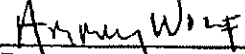
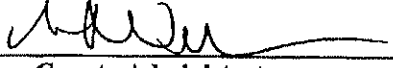
Summary: LJL Food Management, Inc. d/b/a Tina's Café has been the food service provider operating in Suite 110 of the Governmental Center Parking Garage since 2005. In 2009, the Board approved the First Amendment (R2009-0146) that permitted Tina's Café to expand into the adjacent Suite 114 thereby increasing the leased premises from 1,504 SF to 2,554 SF, reduced the rent for a period of two (2) years from \$15.76/SF to \$12.50/SF, and extended the term of the Lease until January 31, 2019. Due to economic conditions, business has declined and Tina's Café has not paid rent for November through January totaling \$6,917.08. This Amendment defers payment of the past due rent until December 2018 and reduces the rent effective January 1, 2010 by ½ from \$33,202.00/yr (\$13.00/SF) to \$16,601.00/yr (\$6.50/SF), for a period of two (2) years. At the end of these two (2) years and every two (2) years thereafter, the parties will re-evaluate the rent. This Amendment also allows installation of four (4) tables for outdoor seating in the courtyard outside the Premises. **(PREM) Countywide (HJF)**

Background and Policy Issues: In 2001, Staff issued an RFP to lease 1,504 SF within Suite 110 of the Governmental Center Parking Garage for operation of a restaurant. LJL Food Management, Inc. d/b/a Cher's Café was the only respondent. On May 21, 2002, the Board approved the initial Lease Agreement with LJL Food Management, Inc. for a period of five (5) years with one (1) five (5) year option. Initial Rent was \$18,012/yr (\$11.98/SF). In September 2005, LJL Food Management, Inc. changed ownership through a private sale of the business, the trade name was changed to Tina's Café and the Consent to Change of Ownership was approved by the Board on October 18, 2005 (R2005-2020). On January 13, 2009, the Board approved the First Amendment to Governmental Center Lease Agreement (R2009-0145 & -0146) allowing Tina's Café to increase the size of their restaurant by 1,050 SF to 2,554 SF by expanding into Suite 114, the space formerly occupied by Channel 20. In addition, the rent was reduced to \$31,925 (\$12.50/SF) and the term extended to January 31, 2019.

Continued on page 3

Attachments:

1. Location Map
2. Second Amendment to Governmental Center Lease Agreement
3. Resolution
4. January 13, 2009, Agenda Item 6E-1 (R2009-0145 & -0146)

Recommended By:	 	3/18/10
	Department Director	Date
Approved By:		3/18/10
	County Administrator	Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2010	2011	2012	2013	2014
Capital Expenditures	_____	_____	_____	_____	_____
Operating Costs	_____	_____	_____	_____	_____
External Revenues	\$17,984.36	\$16,601.04	\$4,150.26	_____	_____
Program Income (County)	_____	_____	_____	_____	_____
In-Kind Match (County)	_____	_____	_____	_____	_____
NET FISCAL IMPACT	<u>\$17,984.36</u>	<u>\$16,601.04</u>	<u>\$4,150.26</u>	<u>\$0</u>	<u>\$0</u>
# ADDITIONAL FTE POSITIONS (Cumulative)	_____	_____	_____	_____	_____

Is Item Included in Current Budget: Yes _____ No _____

Budget Account No: Fund 0001 Dept 410 Unit 4240 Object 6225
 Program _____

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

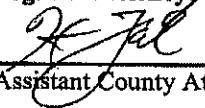
* Revenue calculations (FY 2010-2012) are based upon rent being reduced by 1/2 for two (2) years from January 2010 to December 2011. The calculations assume that in 2012, rent will go back to the prior rate and four percent (4%) annual increases in rent will be reinstated. The \$6,917.08 past due rent payment will be deferred until December 2018. However, the parties will re-evaluate the Rent every two years, and if continued rent relief is provided, these calculations will change.

C. Departmental Fiscal Review: _____

III. REVIEW COMMENTS

A. OFMB Fiscal and/or Contract Development Comments:


 OFMB 
3/17/10 3/17/10
3/17/10 Contract Development and Control

B. Legal Sufficiency:

 Assistant County Attorney 3/18/10

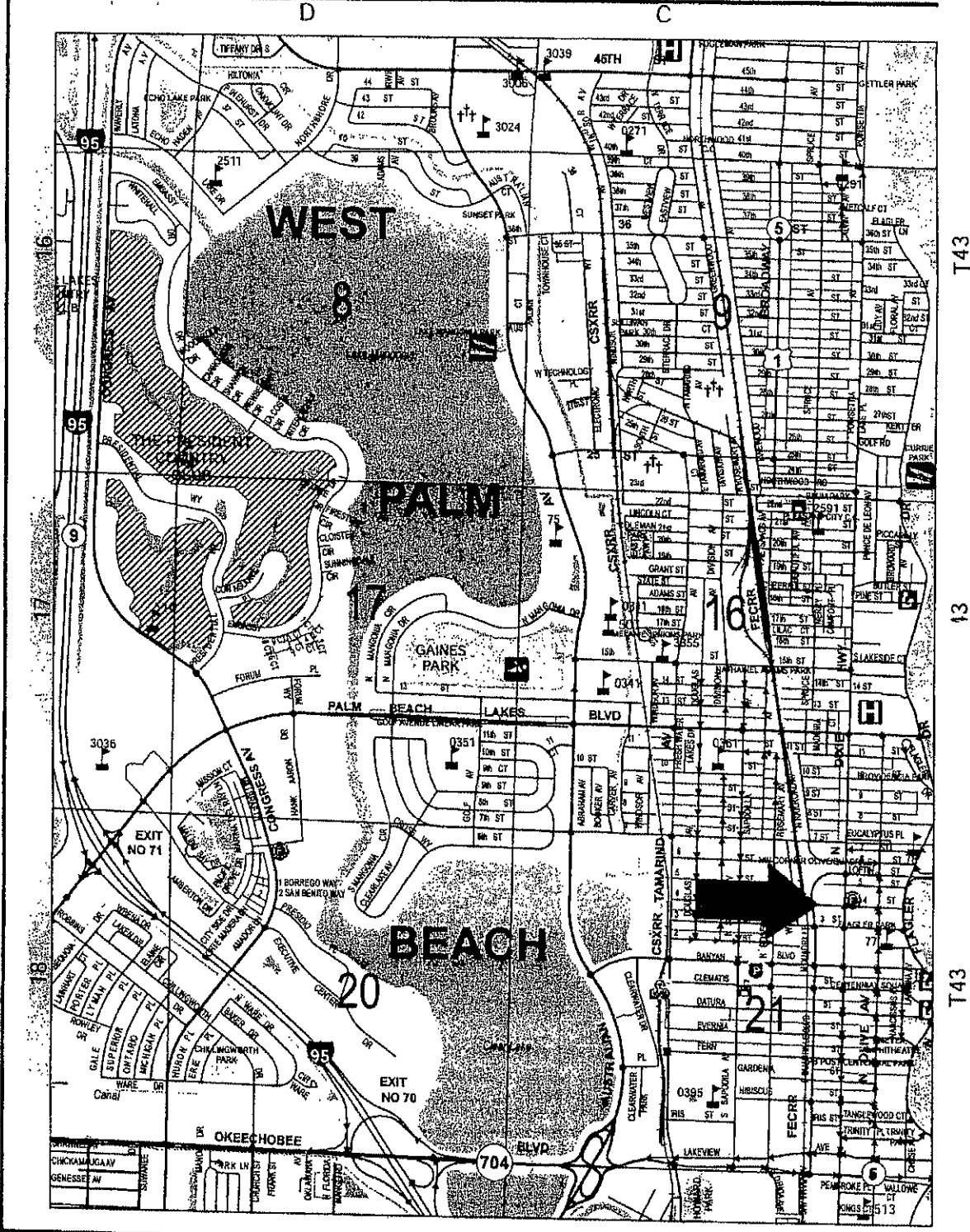
C. Other Department Review:

 Department Director

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

Background and Policy Issues, continued:

Due to economic conditions, business has declined and Tina's Café has fallen behind in the payment of rent. In response to requests by Staff for payment of rent, Tina's requested that the past due rent be deferred until business conditions improve. It is Staff's opinion that business conditions are unlikely to improve for the next year or so, and that in order to avoid further defaults, the rent should be reduced for two (2) years, with a review of conditions at that time. In late-2011 at the end of the two (2) year rent reduction, and every two (2) years thereafter, the parties will meet to review and evaluate the rental rate to determine if further rent modification is warranted. The rent reduction will be effective as of January 1, 2010, as Staff was in discussions with Tina's regarding a rental reduction at that time. The past due deferment equates to rent from November 2009 to January 2010 and totals \$6,917.08. Rent during the two (2) year reduction is \$6.50/SF. In January 2012, unless the parties agree to further modifications of the rental rate, rent will go back to the full amount (\$13.00/SF) and each September thereafter the rent will increase by four percent (4%). By halving the rent for two (2) years and not increasing the rent in September of 2010 and 2011, the total rent reduction through 2011 will be \$40,755.49.



T43

13

T43

LOCATION MAP



R2010 0436

SECOND AMENDMENT
TO
LEASE AGREEMENT

THIS SECOND AMENDMENT TO GOVERNMENTAL CENTER LEASE AGREEMENT (the "Second Amendment") is made and entered into MAR 23 2010 by and between Palm Beach County, a political subdivision of the State of Florida ("County"), and L.J.L. Food Management, Inc., a Florida corporation ("Tenant"). County and Tenant are sometimes referred to herein collectively as the "parties".

WITNESSETH:

WHEREAS, County and Tenant entered into that certain Governmental Center Lease Agreement dated May 21, 2002 (R2002-0829) (the "Lease"); and

WHEREAS, County and Tenant entered into the First Amendment (R2009-0146) on January 13, 2009, which increased the gross leaseable area of the Premises as defined in the Lease and established the rental rate for the additional space, provided for a two-year reduction of the rent for the original leased area, and extended the term of the Lease until January 31, 2019; and

WHEREAS, Tenant is behind in the payment of rent; and

WHEREAS, Tenant has requested (i) further rent relief due to current adverse economic conditions and pending construction, and (ii) authorization to add tables for outside seating to its food service operation, and County has agreed to (i) extend the deadline for payment of the past due rent, (ii) retroactively reduce the rent for a period of two (2) years, and (iii) allow the addition of tables for outside seating subject to the conditions contained herein.

NOW, THEREFORE, in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby 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 ascribed to them in the Lease.
2. The Annual Rent for the Premises shall retroactively be reduced to Sixteen Thousand Six Hundred One Dollars (\$16,601.00), plus applicable sales tax, effective January 1, 2010. Effective January 1, 2012, (the end of the two year reduction period), the Annual Rent shall be Thirty-Three Thousand Two Hundred Two Dollars (\$33,202.00), plus applicable sales tax and subject thereafter to escalation pursuant to Section 3.03, unless the parties agree at the end of the two year reduction period to further modify the rental rate. The parties shall thereafter evaluate the annual rental rate every two years for the remainder of the term of the Lease.
3. The deadline for payment of past due Annual Rent in the amount of Six Thousand Nine Hundred Seventeen and 08/100 Dollars (\$6,917.08), which sum represents the monthly installments due for November, 2009, December, 2009, and January 2010, shall be extended until the last month of the Lease, at which point the amount of Six Thousand Nine Hundred Seventeen and 08/100 Dollars (\$6,917.08) shall be due in addition to the final monthly installment of Annual Rent.
4. Tenant shall be allowed to place no more than four (4) tables, each seating a maximum of 2 people, in the Common Area outside the Premises in the locations depicted in Exhibit "A", subject to Tenant's compliance with all applicable code requirements including Tenant obtaining any permits that may be required by the City of West Palm Beach. Tenant acknowledges that County will be starting construction of a central air conditioning plant in the adjacent courtyard in the near future. Tenant shall remove the tables during periods of County's construction if so requested by County.
5. This Second Amendment is expressly contingent upon the approval of the Palm Beach County Board of County Commissioners and shall become effective only when signed by all parties and approved by the Palm Beach County Board of County Commissioners.

6. Except as set forth herein, the Lease remains unmodified and in full force and effect.

IN WITNESS WHEREOF, the parties have duly executed this Second Amendment as of the day and year first written above.

ATTEST:

R2010..0436
COUNTY: MAR 23 2010
PALM BEACH COUNTY, a
political subdivision of the State of Florida

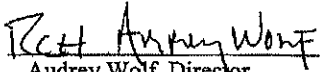
SHARON R. BOCK
CLERK & COMPTROLLER
By: 
Deputy Clerk

By: 
Burt Aaronson, Chair
Steven L. Abrams

APPROVED AS TO FORM
AND LEGAL SUFFICIENCY


Assistant County Attorney

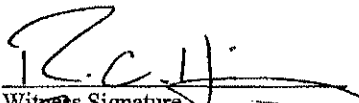
APPROVED AS TO TERMS
AND CONDITIONS


Audrey Wolf, Director
Facilities Development & Operations

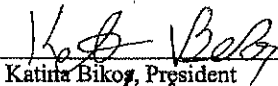
WITNESSES AS TO BOTH:

TENANT:

LJL FOOD MANAGEMENT, INC.,
a Florida corporation

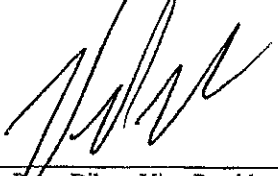

Witness Signature

ROSS HERING
Print Witness Name

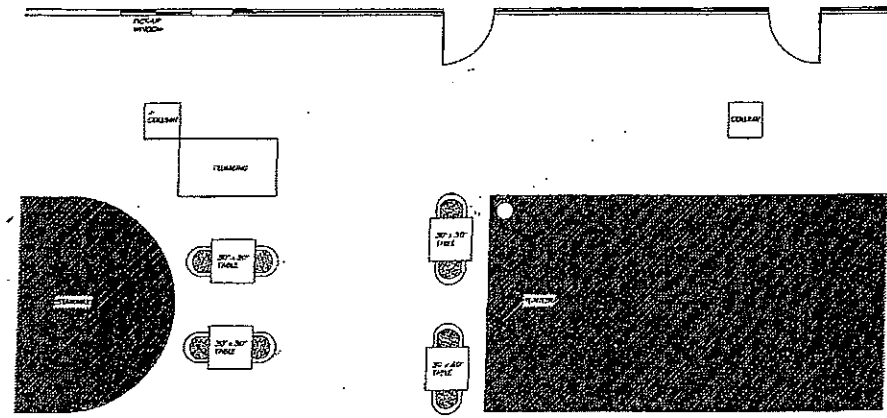
By: 
Katina Bikos, President


Witness Signature

RYAN GARCIA
Print Witness Name

By: 
Istro Bikos, Vice-President

(SEAL)



TINA'S OUTDOOR SEATING LAYOUT
 1/8" SCALE

Exhibit "A"

a

RESOLUTION NO. 2010-0435

**RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF
PALM BEACH COUNTY, FLORIDA, AUTHORIZING A REDUCTION OF
THE RENT DUE UNDER THE TERMS OF COUNTY'S LEASE OF
SPACE TO LJL FOOD MANAGEMENT, INC., AND EXTENDING THE
DEADLINE FOR PAYMENT OF PAST DUE RENT; AND PROVIDING
FOR AN EFFECTIVE DATE.**

WHEREAS, LJL Food Management, Inc., a Florida corporation, ("Tenant"), pursuant to a lease dated May 21, 2002 (R2002-0829), as amended, leases space from County for the operation of Tina's Café, a restaurant located on the first floor of the County-owned Governmental Center Parking Garage;

WHEREAS, Tenant has made application to the Board of County Commissioners of Palm Beach County requesting that Palm Beach County provide rent relief due to current adverse economic conditions and pending construction;

WHEREAS, Tenant is largely dependent on County-derived business and has seen a reduction in its business in the past year due to a reduction in the customer base;

WHEREAS, County is preparing to begin construction that will have an ongoing effect on access to the space leased by Tenant;

WHEREAS, Tina's Café provides a service to government employees and visitors to the surrounding government buildings by offering them convenient food service at a reasonable price, and County wishes to retain Tenant's operations in the Governmental Center Parking Garage space;

WHEREAS, Tenant has requested rent relief due to the current adverse economic conditions and pending construction, and County has agreed to reduce the rent for a period of two (2) years and extend the deadline for payment of past due rent;

WHEREAS, the Board of County Commissioners of Palm Beach County hereby finds that Tenant provides a service to employees and visitors of the Governmental Center and Courthouse that County does not wish to lose, and the rent reduction and extension of the deadline for payment of past due rent is in the best interests of the County.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA, that:

Section 1. Recitals

The foregoing recitals are true and correct and incorporated herein by reference.

Section 2. Authorization to Adjust Rent

The Board of County Commissioners of Palm Beach County shall amend its lease agreement dated May 21, 2002 (R2002-0829) with LJL Food Management, Inc., a Florida corporation, by entering into the Second Amendment to Governmental Center Lease Agreement attached hereto and incorporated herein by reference, in order to (i) lease the building space identified in the Lease, as amended, for the use identified above, at an annual rent rate initially reduced to Sixteen Thousand Six Hundred One Dollars (\$16,601.00) for two years, and (ii) extend the deadline for payment of Six Thousand Nine Hundred Seventeen and 08/100 Dollars (\$6,917.08) of past due rent.

Section 3. Conflict with Federal or State Law or County Charter

Any statutory or Charter provisions in conflict with this Resolution shall prevail.

Section 4. Effective Date

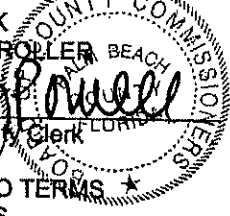
The provisions of this Resolution shall be effective immediately upon adoption hereof.

The foregoing resolution was offered by Commissioner Marcus who moved its adoption. The Motion was seconded by Commissioner Abrams, and upon being put to a vote, the vote was as follows:

COMMISSIONER BURT AARONSON, CHAIR	Aye
COMMISSIONER KAREN T. MARCUS, VICE CHAIR	Aye
COMMISSIONER JOHN F. KOONS	Aye
COMMISSIONER SHELLEY VANA	Aye
COMMISSIONER STEVEN L. ABRAMS	Aye
COMMISSIONER JESS R. SANTAMARIA	Aye
COMMISSIONER PRISCILLA A. TAYLOR	Aye

The Chair thereupon declared the resolution duly passed and adopted this 23rd day of March, 2010.

PALM BEACH COUNTY, a
political subdivision of the State of Florida
BOARD OF COUNTY COMMISSIONERS

SHARON R. BOCK
CLERK & COMPTROLLER
By: [Signature]
Deputy Clerk


APPROVED AS TO FORM AND
LEGAL SUFFICIENCY

APPROVED AS TO TERMS
AND CONDITIONS

By: [Signature]
Assistant County Attorney

By: [Signature]
Department Director

Agenda Item #: **6E-1**

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

*M/B 60
Approved as
Amended
R-2009-0145
and
R-2009-0146*

Meeting Date:	January 13, 2009	<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:

A) rescind Board approval of the Resolution and the First Amendment to Governmental Center Lease Agreement as submitted on December 16, 2008 (R-2008-2356); and

B) adopt a Resolution authorizing an expansion of the building space being leased to LJI Food Management, Inc. d/b/a Tina's Café, extending the term of the Lease and finding that the First Amendment to Governmental Center Lease Agreement with LJI Food Management, Inc. is in the best interest of the County; and

C) approve a First Amendment to Governmental Center Lease Agreement (R2002-0829) with LJI Food Management, Inc. d/b/a Tina's Café, to expand the current leased premises by 1,050 square feet and extend the term of the Lease to a period of ten (10) years, specifying the rental rate.

Summary: On December 16, 2008, the Board approved allowing Tina's Café to expand into the adjacent 1,050 square feet of space previously occupied by Channel 20. This item rescinds approval of the prior First Amendment and replaces it. The new First Amendment extends the term of the Lease to a total of ten (10) years. The current term of the Lease expires August 31, 2011, and this Amendment extends the term until January 31, 2019. The current annual rent is \$23,702.64 (\$15.76/sf) and increases annually by four percent (4%). With the inclusion of the additional space, rent will increase to \$40,251.04. Tina's Café has requested that the annual rent be reduced by \$3.26/sf to \$12.50/sf, for a total annual rent of \$31,925 and that annual increases be reduced to 2.5%. While operating statements submitted by Tina's Café indicate that the owners have been losing money on the operation of their business, Staff cannot recommend a rental reduction. This Lease was procured through an RFP process, and general procurement policy would normally require a new competitive process be conducted to make such material changes to the terms of a competitively bid agreement. (PREM) Countywide (HJF)

Continued on page 3

Attachments:

1. Location Map
2. First Amendment to Governmental Center Lease Agreement
3. Resolution
4. December 16, 2008 Agenda Item 5H-1 (R-2008-2356)
5. December 23, 2008 correspondence from Tina's Café

Recommended By:	<i>REH</i> <u>Richard E. Hines</u>	<u>1/6/09</u>
	Department Director	Date
Approved By:	<u>[Signature]</u>	<u>1/12/09</u>
	County Administrator	Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2009	2010	2011	2012	2013
Capital Expenditures	_____	_____	_____	_____	_____
Operating Costs	_____	_____	_____	_____	_____
External Revenues	(\$9,708.37)	(\$17,267.67)	(\$17,958.40)	(\$45,427.88)	(\$47,244.96)
Program Income (County)	_____	_____	_____	_____	_____
In-Kind Match (County)	_____	_____	_____	_____	_____
NET FISCAL IMPACT	(\$9,708.37)	(\$17,267.67)	(\$17,958.40)	(\$45,427.88)	(\$47,244.96)
# ADDITIONAL FTE POSITIONS (Cumulative)	_____	_____	_____	_____	_____

Is Item Included in Current Budget: Yes _____ No _____

Budget Account No: Fund 0001 Dept 410 Unit 4240 Object 6225
 Program _____

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

Revenue calculations (FY 2009-2011) are based upon the existing rental rate and reflect only the additional revenue for the increased square footage, based upon a Rent Commencement Date of March 1, 2009. Base rent increases by 4% annually on September 1st.

The original Lease included an option to extend the Term of the Lease through August 31, 2011. This Amendment revises the Lease to extend the Term of the Lease through January 31, 2019, and revenue will continue through FY 2019 for the current and expanded lease areas.

Revenue and will be applied to the General Operating Budget.

C. Departmental Fiscal Review: _____

III. REVIEW COMMENTS

A. OFMB Fiscal and/or Contract Development Comments:

<p><u>[Signature]</u> 1-8-09 OFMB (UP) [Signature] 1/8/09</p>	<p><u>[Signature]</u> 1/9/09 Contract Development and Control G. Jones 1/9/09</p>
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B. Legal Sufficiency:

<p><u>[Signature]</u> 1/9/09 Assistant County Attorney Amendment was not executed at time of CAO review.</p>	<p>This amendment complies with our review requirements. At the time of our review the Amendment was not executed.</p>
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C. Other Department Review:

 Department Director

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

Background and Policy Issues: In 2001, Staff issued an RFP to lease 1,504 square feet of space within the Governmental Center Parking Garage for operation of a restaurant. L.J.L. Food Management, Inc. d/b/a Cher's Café was the only respondent. On May 21, 2002 (R2002-0829), the Board approved the initial Governmental Center Lease Agreement with L.J.L. Food Management, Inc. for a period of five (5) years with one (1) five (5) year option extending the term until August 31, 2011 (R-2006-1258). In September 2005, L.J.L. Food Management, Inc. changed ownership through private sale of the business and the trade name was changed to Tina's Café. The consent to the assignment of the lease was approved on October 18, 2005 (R-2005-2020).

This First Amendment allows Tina's Café to increase the size of their restaurant by 1,050 square feet by expanding into the suite formerly occupied by Channel 20. The annual rent will be increased based upon the increase in square footage times the existing per square foot rental rate. The increased rent will commence upon issuance of a certificate of occupancy for the additional space or sixty (60) days after approval of this First Amendment, whichever occurs first. All costs associated with renovations of the additional space will be borne by Tina's Café.

The term of the Lease will be extended until January 31, 2019, which is approximately 10 years from approval of this First Amendment. There are no remaining options to extend the term of the Lease.

The current annual rent is \$23,702.64 (\$15.76/sf). The rent is increased annually by 4%. With the increased space, rent will increase to \$40,251.04. Tina's Café has requested a rent reduction of \$3.26/sf which would reduce the total annual rent to \$31,925.00 (\$12.50/sf).

Attachment 4

Form 668 (Y)(c) (Rev. February 2004)	3351	Department of the Treasury - Internal Revenue Service Notice of Federal Tax Lien
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Area: SMALL BUSINESS/SELF EMPLOYED AREA #3 Lien Unit Phone: (800) 913-6050	Serial Number 851705512	For Optional Use by Recording Office
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As provided by section 6321, 6322, and 6323 of the Internal Revenue Code, we are giving a notice that taxes (including interest and penalties) have been assessed against the following-named taxpayer. We have made a demand for payment of this liability, but it remains unpaid. Therefore, there is a lien in favor of the United States on all property and rights to property belonging to this taxpayer for the amount of these taxes, and additional penalties, interest, and costs that may accrue.

Name of Taxpayer: LUL FOOD MANAGEMENT INC, a Corporation
TINAS CAFE

Residence: 215 NO OLIVE AVENUE
WEST PALM BEACH, FL 33401-4792


IMPORTANT RELEASE INFORMATION: For each assessment listed below, unless notice of the lien is refilled by the date given in column (e), this notice shall, on the day following such date, operate as a certificate of release as defined in IRC 6325(a).

Kind of Tax (a)	Tax Period Ending (b)	Identifying Number (c)	Date of Assessment (d)	Last Day for Refiling (e)	Unpaid Balance of Assessment (f)
1120	12/31/2008	██████████	10/25/2010	11/24/2020	2136.00
941	03/31/2006	██████████	07/12/2010	08/11/2020	6344.86
941	06/30/2006	██████████	07/12/2010	08/11/2020	6731.18
941	09/30/2006	██████████	07/12/2010	08/11/2020	6241.43
941	06/30/2009	██████████	02/28/2011	03/30/2021	1379.43
941	03/31/2010	██████████	06/28/2010	07/28/2020	536.99
941	06/30/2010	██████████	10/04/2010	11/03/2020	394.39

Place of Filing County Courthouse Palm Beach County West Palm Beach, FL 33402	Total	\$ 23764.28
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This notice was prepared and signed at BALTIMORE, MD, on this,

the 27th day of February, 2012.

Signature for M. VALERIOTI		Title REVENUE OFFICER (561) 616-2071	23-02-4444
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(NOTE: Certificate of officer authorized by law to take acknowledgment is not essential to the validity of Notice of Federal Tax lien Rev. Rul. 71-466, 1971 - 2 C.B. 409)

Part 1 - Kept By Recording Office

Form 668(Y)(c) (Rev. 2-2004)
CAT. NO 60025X



ZT18



Attachment 4
Florida Department of Revenue



WARRANT

CFN 20120040620
OR BK 24988 PG 1874
RECORDED 02/01/2012 11:19:51
Palm Beach County, Florida
Sharon R. Bock, CLERK & COMPTROLLER
Pg 1874; (1pg)

Tax : Sales and Use Tax
Business Partner #: 387966
Contract Object # : 13466237
FEIN : XXXXXXXXXX
Warrant # : 100000248761
Re: Warrant issued under Chapter
212, Florida Statutes

WIC #96

**LJL FOOD MANAGEMENT INC
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	\$8,886.23
PENALTY	\$888.63
INTEREST	\$150.08
TOTAL	\$9,924.94
FEE(S)	\$437.83
GRAND TOTAL	\$10,362.77

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 1st day of February, 2012.

Lisa Vickers, 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. 10/10

Fiscal Impact Calculation Sheet For Tina's Café Board Direction

- Neither sales tax nor late payment interest charges are included.
- The last payment from Tina's Café was for December 2011.
- Rent up to 12/31/2011 was \$1,383.42 per month; effective 1/1/2012 rent was \$2,766.83 per month.
- The Lease stipulates that each 9/1 the rent is to be increased by 104%; the Lease term expires 1/31/2019.
- The calculations are based upon the Board terminating the Lease effective 4/30/2012 and Tina's Café's \$5,000.00 cash security deposit on file applied to FY12 delinquencies.
- Figures do not include revenues from future food service RFP as that is an unknown.

Tina's Café Rent Calculations

- January 2012 to August 2012 = 8 months @ \$2,766.83 per = \$22,134.64
- 9/1/2012 rent adjustment = \$33,202.00 annual rent x 104% = \$34,530.08 per year = \$2,877.51 per month
- September 2012 to August 2013 = 12 months @ \$2,877.51 per = \$34,530.12
- 9/1/2013 rent adjustment = \$34,530.08 annual rent x 104% = \$35,911.28 per year = \$2,992.61 per month
- September 2013 to August 2014 = 12 months @ \$2,992.61 per = \$35,911.32
- 9/1/2014 rent adjustment = \$35,911.28 annual rent x 104% = \$37,347.73 per year = \$3,112.31 per month
- September 2014 to August 2015 = 12 months @ \$3,112.31 per = \$37,347.72
- 9/1/2015 rent adjustment = \$37,347.73 annual rent x 104% = \$38,841.64 per year = \$3,236.80 per month
- September 2015 to August 2016 = 12 months @ \$3,236.80 per = \$38,841.60
- 9/1/2016 rent adjustment = \$38,841.64 annual rent x 104% = \$40,395.31 per year = \$3,366.28 per month
- September 2016 to August 2017 = 12 months @ \$3,366.28 per = \$40,395.36
- 9/1/2017 rent adjustment = \$40,395.31 annual rent x 104% = \$42,011.12 per year = \$3,500.93 per month
- September 2017 to August 2018 = 12 months @ \$3,500.93 per = \$42,011.16
- 9/1/2018 rent adjustment = \$42,011.12 annual rent x 104% = \$43,691.56 per year = \$3,640.96 per month
- September 2018 to January 2019 = 5 months @ \$3,640.96 per = \$18,204.80
- Delinquent rent owed per Second Amendment due at end of Lease = \$6,917.08

Fiscal Years	2012	2013	2014	2015	2016
Capital Expenditures	_____	_____	_____	_____	_____
Operating Costs	_____	_____	_____	_____	_____
External Revenues	<u>\$20,012.15</u>	<u>\$34,645.22</u>	<u>\$36,031.02</u>	<u>\$37,472.21</u>	<u>\$38,971.08</u>
Program Income (County)	_____	_____	_____	_____	_____
In-Kind Match (County)	_____	_____	_____	_____	_____
NET FISCAL IMPACT	<u>\$20,012.15</u>	<u>\$34,645.22</u>	<u>\$36,031.02</u>	<u>\$37,472.21</u>	<u>\$38,971.08</u>

FY12:

- January 2012 rent to August 2012 rent = 8 months @ \$2,766.83 per = \$22,134.64
 - September 2012 rent = \$2,877.51
 - Cash security deposit on file = \$5,000.00
- $\$22,134.64 + \$2,877.51 = \$25,012.15 - \$5,000.00 = \underline{\underline{\$20,012.15}}$

FY13:

- October 2012 rent to August 2013 rent = 11 months @ \$2,877.51 per = \$31,652.61
 - September 2013 rent = \$2,992.61
- $\$31,652.61 + \$2,992.61 = \underline{\underline{\$34,645.22}}$

FY14:

- October 2013 rent to August 2014 rent = 11 months @ \$2,992.61 per = \$32,918.71
 - September 2014 rent = \$3,112.31
- $\$32,918.71 + \$3,112.31 = \underline{\underline{\$36,031.02}}$

FY15:

- October 2014 rent to August 2015 rent = 11 months @ \$3,112.31 per = \$34,235.41
 - September 2015 rent = \$3,236.80
- $\$34,235.41 + \$3,236.80 = \underline{\underline{\$37,472.21}}$

FY16:

- October 2015 rent to August 2016 rent = 11 months @ \$3,236.80 per = \$35,604.80
 - September 2016 rent = \$3,366.28
- $\$35,604.80 + \$3,366.28 = \underline{\underline{\$38,971.08}}$