



## MEMORANDUM

**TO:** Honorable Chair and Members, CRA Board of Commissioners  
City of Riviera Beach, Florida

**FROM:** Scott Evans, Interim Executive Director, Riviera Beach CRA

**DATE:** August 12, 2020

**SUBJECT:** Regular Agenda Item: A Resolution Approving the Ninth Amendment to the Lease for Office Space between the Agency and Millennium One, LLC.

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### **Request for Board Action**

The Agency is requesting the Board of Commissioners to approve the Ninth Amendment to the current lease at 2001 Broadway, Suite 300, by exercising the option to extend the term of the lease through September 30, 2021 at the rental rate of \$18.33 per square foot, a three percent (3%) increase in the rental rate over the term of the current lease of \$17.80 per square foot, plus applicable sales tax. We need to exercise this second year of the option as our proposed new location will not be ready for occupation by September 30, 2020. This item was brought forward on July 22, 2020; the Board asked the CRA Attorney to explore flexibility in this lease agreement.

### **Background**

The CRA has been at the same location since May 16, 2001. In the Eighth Amendment, Resolution 2019-10, (Attachment A), the landlord agreed to extend the lease for an additional two years, which will be through September 30, 2021. The rental rate is \$17.80 per square foot for the term ending in September 30, 2020, with a three percent (3%) increase in the rental rate for the term of September 30, 2020 through September 30, 2021, plus applicable sales tax.

### **Current Status of Leased Space**

We currently lease 6,307 square feet this main location. We will maintain the current space until we move into our new space at 2600 Broadway.

### **Future Leased Space**

The proposed 2600 Broadway Project is in the Site Plan approval process. Attached is a Gantt Chart outlining the key milestone steps in the project. See Attachment B. We have summarized this schedule below:

<b>PROJECT CATEGORIES</b>	<b>DURATION</b>	<b>ESTIMATED DEADLINE</b>
<b>Schematic Design &amp; Site Plan Approval (Remaining)</b>	18 weeks	Nov 6, 2020
<b>Design Development / Construction Documents</b>	16 Weeks	Jan 2, 2021
<b>Bidding &amp; Permitting</b>	22 Weeks	May 30, 2021
<b>Construction Administration</b>	32 Weeks	Jan 1, 2022

**Interim Strategy**

We will remain in our current space, while attempting to shorten the development process as much as possible. Based on the timeline outlined above, we have negotiated some flexibility in our lease agreement. The Agency will have the absolute right to terminate the lease upon 60 days written notice. Staff will provide regular updates.

**Fiscal Impact**

The fiscal impact for FY 2021 is \$115,607.31, (\$9,633.94 per month.) The fiscal impact for FY 2020 is \$112,264.60, (\$9,355.38 per month). This is a net increase of 3% or \$3,342.71 annually, \$278.56 per month, or \$0.53 per square foot, exclusive of applicable sales tax.

**Recommendation**

Staff hereby recommends the approval of the Ninth Amendment to the current lease at 2001 Broadway, Suite 300, by exercising the option to extend the term of the lease through September 30, 2021 at the rental rate of \$18.33 per square foot, a three percent (3%) increase in the rental rate over the term of the current lease of \$17.80 per square foot, plus applicable sales tax, with the Agency’s absolute right to terminate the lease upon 60 days written notice.

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