

3B-2

Agenda Item #:

PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS
AGENDA ITEM SUMMARY

Meeting Date: May 19, 2020

[] Consent [X] Regular

Department: Facilities Development & Operations
Parks and Recreation

I. EXECUTIVE BRIEF

Motion and Title: Staff recommends motion to approve:

A) Abatement of annual rent on a day for day basis, for the listed food service vendors, concessionaires and operators:

1. Alzheimer's Community Care (R2013-0404)
2. Division of Blind Services/Don's Coffee Shop (R2014-1750)
3. JR Wake Parks (R2016-0397)
4. Jupiter Outdoor Center (R2018-1686)
5. Kayak King Watersports (R2020-0124)
6. Lazy Loggerhead Café (R2018-2063)
7. Loggerhead Marineline Center (R2019-0375)
8. Osprey Point Restaurant Management (R2019-1060)
9. Rick Macci Tennis Academy (R2019-0156)
10. The Hideout Kitchen & Café f/k/a Tina's Café (R2019-1059)
11. Ultimate Bakery & Pastry, Inc (R2020-1231)

B) Case by Case Evaluation by the BCC of requests from lessee's and operators whose agreement has a development component or complex use terms;

1) Abatement of required contributions to the Capital/FF&E Reserve until August 31, 2020, and Withdrawal of up to \$1,670,000 from the Capital/FF&E Reserve as needed to pay hotel operating expenses upon condition that the Capital/FF&E Reserve is fully replenished no later than December 31, 2021 for the lease of the Convention Center Hotel with CityPlace Hotel LLC (R 2013-0104, as amended); and

2) Temporary Deferral of Rent under the land lease with Trump International Golf Club (R2002-1231 (9 hole course) upon the same terms as may be agreed to between Trump International Golf Club and the Director of Airports as authorized via May 5, 2020 BCC Item 5F-1, for the 18 hole course.

Summary: COVID 19 Emergency Local Order 2020-003 dated March 25, 2020 closed all parks and golf courses to the public. As a result the Parks' lessees, concessionaires and contracted operators (No 3- No 9 above and together referred to as Vendors) were unable to open to the public. Because this closure is placing an undue hardship on these Vendors and their ongoing ability to provide high quality services directly impacts the services, amenities and facilities level of service in the County's parks, staff believes it is appropriate to abate their rent on a day for day basis during the closure. Alzheimer's Community Care's (No. 1) services were suspended when the County closed the Senior Centers. The three general government food service vendors (No. 2, No. 10 and No. 11) were either required to close by governmental order or were materially impacted by the suspension of certain governmental services and should be treated similarly to the Vendors discussed above. With regard to the few leases or operating/use agreements which include a development component or complex use terms, staff is recommending the merits of each request be evaluated on a case by case basis and brought to the BCC for approval. The CityPlace Hotel (LLC) request has no financial impact to the County, is consistent with the County's approach during times of declined revenues, and is therefore recommended by staff. There are two leases of property to the Trump International Golf Club, one managed by PREM and the other by Airports which is subject to FAA guidelines. Staff believes that the County's position on rent relief should be consistent, and therefore recommends that the Director of Airports handle negotiations for both leases. Staff is not recommending the abatement or deferral of any rent owed: 1) pursuant to agricultural leases, and/or 2) by Not for Profit organizations with nominal annual rents (ie: \$1/yr, \$10/yr or \$99/yr). In addition, "Percentage Rents" are not being abated as they are self-adjusting. (PREM) Countywide (HJF)

Background & Policy Issues: In response to the COVID 19 pandemic, State and local officials issued emergency orders encouraging people to stay at home and ordering the closure of golf courses, parks and restaurants with seating for more than 10 individuals. The economic impact upon small businesses such as the County's tenants has been severe. In addition, hotels were prohibited from taking new reservations from anyone other than essential workers. Occupancy rates have decreased to 10-15%. The recommendations included in this item will provide only a small measure of relief. We anticipate that the impacts of this crisis may extend beyond current projections and that some of our tenants may require further relief.

- Attachments:
1. Concessionaire Reimbursement Spreadsheet
 2. Rent Reimbursement Spreadsheet

Recommended By: Armen Wolf 5/12/20
 Department Director Date

Approved By: [Signature] 5/15/2020
 County Administrator Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2020	2021	2022	2023	2024
Capital Expenditures		_____	_____	_____	_____
Operating Costs					
External Revenues	\$33,175	_____	_____	_____	_____
Program Income (County)	_____	_____	_____	_____	_____
In-Kind Match (County)	_____	_____	_____	_____	_____
NET FISCAL IMPACT	<u>\$33,175</u>	<u>\$_____</u>	<u>\$_____</u>	<u>\$_____</u>	<u>\$_____</u>
# ADDITIONAL FTE POSITIONS (Cumulative)	_____	_____	_____	_____	_____
Is Item Included in Current Budget:	Yes	<u> X </u>	No	<u> </u>	
Does this item include the use of federal funds:	Yes	<u> </u>	No	<u> X </u>	

Revenue Budget Account No:

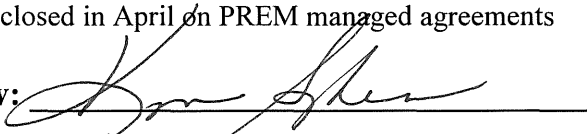
Fund	<u>0001/1384</u>	Dept	<u>580</u>	Unit	<u>5111/5258</u>	Source Code	<u>VAR</u>	<u>\$28,517.69*</u>
Fund	<u>0001/1006</u>	Dept	<u>VAR</u>	Unit	<u>VAR</u>	Source Code	<u>6201 & 6225</u>	<u>\$ 4,657.68*</u>

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

* The total fiscal impact is unknown at this time, but the numbers above are based upon:

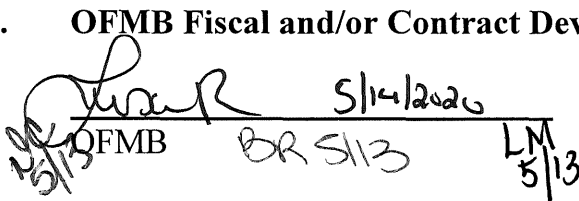
7 days closed in March, and 30 days closed in April on all Parks-managed agreements, and
Various days closed in March and 30 days closed in April on PREM managed agreements

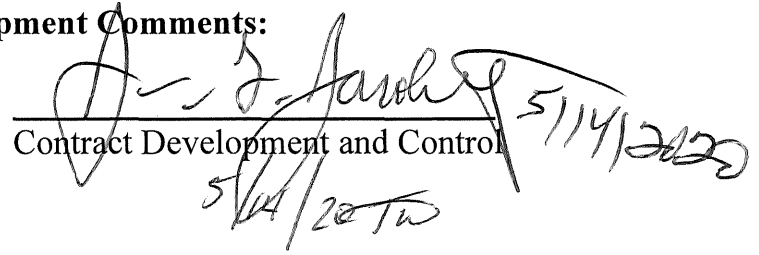
C. Departmental Fiscal Review:



III. REVIEW COMMENTS

A. OFMB Fiscal and/or Contract Development Comments:


OFMB BR 5/13 LM 5/13
5/14/2020


Contract Development and Control
5/14/2020

B. Legal Sufficiency:


Assistant County Attorney

C. Other Department Review:

Department Director

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

Concessionaire Reimbursement Spreadsheet - Covid-19 - Order # 2020-003

Resolution #	Customer	Monthly Rate March	Monthly Rate April	Days in March 2020	Days in April 2020	Daily Rate March	Days Closed March	Daily Rate April	Days Closed April	Revenue before Tax	LTAX	ISTX	Total abatement
R2016-0397	JR Wake Parks	\$ 2,040.00	\$ 2,040.00	31	30	\$ 65.81	7	\$ 68.00	30	\$ 2,500.65	\$ 137.54	\$ 25.01	\$ 2,663.19
R2019-1060	Osprey Point Restaurant Mgmt	\$ 5,000.00	\$ 5,000.00	31	30	\$ 161.29	7	\$ 166.67	30	\$ 6,129.03	T/E		\$ 6,129.03
R2020-0124	Kayak-King Watersports	\$ 683.33	\$ 683.33	31	30	\$ 22.04	7	\$ 22.78	30	\$ 837.63	\$ 46.07	\$ 8.38	\$ 892.08
R2018-2063	Lazy Loggerhead Café	\$ 6,850.82	\$ 6,850.82	31	30	\$ 220.99	7	\$ 228.36	30	\$ 8,397.78	T/E		\$ 8,397.78
R20199-0375	Loggerhead Marinelife Center	\$ 4,016.51	\$ 4,137.01	31	30	\$ 129.56	7	\$ 137.90	30	\$ 5,043.96	T/E		\$ 5,043.96
5D-5 R2018-1686	Jupiter Outdoor Center	\$ 2,600.00	\$ 2,600.00	31	30	\$ 83.87	7	\$ 86.67	30	\$ 3,187.10	\$ 175.29	\$ 31.87	\$ 3,394.26
R2019-0156	Rick Macci Tennis Academy	\$ 1,530.00	\$ 1,530.00	31	30	\$ 49.35	7	\$ 51.00	30	\$ 1,875.48	\$ 103.15	\$ 18.75	\$ 1,997.39
													\$ 28,517.69

Rent Reimbursement Spreadsheet - Covid-19 - Order # 2020-003

Resolution #	Customer	Monthly Rate March	Monthly Rate April	Days in March 2020	Days in April 2020	Daily Rate March	Days Closed March	Daily Rate April	Days Closed April	Revenue before Tax	LTAX	ISTX	Total abatement
R2013-0404	Alzheimer's Community Care	\$ 1,111.00	\$ 1,111.00	31	30	\$ 35.84	0	\$ 37.03	30	\$ 1,111.00	T/E		\$ 1,111.00
R2014-1750	Division of Blind Services/ Don's Coffee Shop	\$ 1,558.68	\$ 1,558.68	31	30	\$ 50.28	0	\$ 51.96	30	\$ 1,558.68	T/E		\$ 1,558.68
R2019-1059	The Hideout Kitchen & Café F/N/A Tina's Café	\$ 1,750.00	\$ 1,750.00	30	30	\$ 58.33	2	\$ 58.33	30	\$ 1,866.67	\$ 102.67	\$ 18.67	\$ 1,988.00
R2020-0125	Ultimate Bakery & Pastry, Inc.	\$ 532.50	\$ 532.50	30	30	\$ 17.75	0	\$ 17.75	0	\$ -	\$ -	\$ -	\$ -
													\$ 4,657.68