

POMPANO BEACH COMMUNITY REDEVELOPMENT AGENCY

9

Meeting Date: September 20, 2016

Agenda Item _____

REQUESTED CRA BOARD ACTION:

Resolution(s) Consideration Approval Other

SHORT TITLE OR MOTION: A RESOLUTION OF THE POMPANO BEACH COMMUNITY REDEVELOPMENT AGENCY (CRA) APPROVING AND AUTHORIZING THE PROPER OFFICIALS TO EXECUTE A LEASE AGREEMENT BETWEEN THE CRA AND T E P M, INC. FOR PROPERTY LOCATED AT 37 NE 1ST STREET, POMPANO BEACH, FLORIDA; PROVIDING AN EFFECTIVE DATE.

Summary of Purpose and Why:

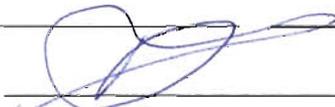
To build upon the last 20 years of acquisition efforts, the CRA has been introducing the concept of the Innovation District to the development community and public over the past year. In a few months, staff will be ready to roll out the development opportunities in a more meaningful way and will need the appropriate, dedicated space to do so. Staff is recommending that the Agency enter into a Lease Agreement with T E P M, INC. for the space located at 37 NE 1st Street in Old Town. This 300 SF space is right next to the Bailey Contemporary Arts (BaCA) and conveniently close to City Hall. It will serve as the headquarters for the Innovation District Organizers, a group of community stakeholders, and as the place where the public can go to see visual depictions of the Innovation District's benefits.

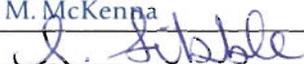
QUESTIONS TO BE ANSWERED BY ORIGINATING DEPARTMENT:

- (1) Origin of request for this action: Staff
- (2) Primary staff contact: Adriane Esteban Ext. 7841
- (3) Expiration of contract, if applicable: 1 year initial term with one 6 month renewal option
- (4) Fiscal impact and source of funding: \$4,200 for the initial term; Account 150-1910-539-44.10
(Rentals & Leases). Please note this cost will occur in Fiscal Year 17.

DEPARTMENTAL COORDINATION	DATE	DEPARTMENTAL RECOMMENDATION	AUTHORIZED SIGNATURE OR ATTACHED MEMO NUMBER

- CRA Executive Director
- CRA Attorney
- Finance Director



 Claudia M. McKenna


ACTION PREVIOUSLY TAKEN BY CRA BOARD:

Resolution Results:	Consideration Results:	Other Results:

MEMORANDUM

To: Pompano Beach CRA Board

From: Adriane Esteban, CRA Project Manager

Date: September 12, 2016

Subject: Lease Agreement with T E P M, INC. for the property located at 37 NE 1st Street

To build upon the last 20 years of acquisition efforts, the CRA has been cultivating the Innovation District for the last year and will soon be ready to launch the area and opportunities to the development community in a meaningful way. In addition to meeting with potential developers, educational partners and businesses, the CRA needs to create a dedicated space that houses all things related to the Innovation District so that potential investors and the public can easily visualize and participate in how this district will develop and the benefits of this type of development will bring. This will also be a space that the Innovation District Organizers, a group of community movers and shakers, will be able to meet so they can collaborate and then broadcast the great opportunities this district will provide. Choosing an appropriate space for this Innovation District office is paramount, which is why an on-street presence in Old Town versus City Hall is recommended. An on-street presence will allow the following:

- Introduce the Innovation District to the general public in a friendly and accessible way.



City Hall



Potential Innovation District Office



P. O. Drawer 1300
Pompano Beach, FL 33060

Phone: (954) 786-5535
Fax: (954) 786-7836

- Allow the space to be visited during CRA special events like the Green Market & Old Town Untapped or as patrons are frequenting Blooming Bean Coffee & Roastery
- Enable quick and seamless walking tours of Old Town

T E P M, INC. owns a building located at 37 NE 1st Street in Downtown Pompano that recently became available. CRA staff believes this space is the optimal place to host the Innovation District Organizers' office since it is right next to the Bailey Contemporary Arts (BaCA) and close to City Hall. This space would be similar to our "War Room" in the CRA office except it would have a singular focus on the Innovation District. This project is a major undertaking unlike any other the CRA has handled, and appropriate resources need to be put in place in the early stages to ensure this district is given adequate publicity and stature. It is anticipated that after the first year, the CRA would relocate the office somewhere along MLK when more buildings are erected.

The terms for the Lease Agreement in this agenda item include the following:

- Lease Agreement will be for one year, commencing on October 1, 2016
- Rent will be \$350/month gross plus the CRA would pay for its own utilities
- Will have the option to renew for an additional 6 month term

With the approval of this agenda item the Agency will be able to effectively promote the Innovation District to the private sector and community while keeping close proximity to the area where much of the Downtown activity is occurring.

RESOLUTION NO. _____

POMPANO BEACH COMMUNITY REDEVELOPMENT AGENCY

A RESOLUTION OF THE POMPANO BEACH COMMUNITY REDEVELOPMENT AGENCY (CRA) APPROVING AND AUTHORIZING THE PROPER OFFICIALS TO EXECUTE A LEASE AGREEMENT BETWEEN THE CRA AND T E P M, INC., FOR PROPERTY LOCATED AT 37 NE 1ST STREET, POMPANO BEACH, FLORIDA; PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE POMPANO BEACH COMMUNITY REDEVELOPMENT AGENCY THAT:

SECTION 1. The Lease Agreement between the Pompano Beach Community Redevelopment Agency and T E P M, INC., relating to the property located at 37 Northeast 1st Street, Pompano Beach, Florida (the Agreement), a copy of which Agreement is attached hereto and incorporated by reference as if set forth in full, is hereby approved.

SECTION 2. The proper officials are hereby authorized to execute the Agreement, together with such other documents as may be required to effectuate the Agreement.

SECTION 3. This Resolution shall become effective upon passage.

PASSED AND ADOPTED this _____ day of September, 2016.

LAMAR FISHER, CHAIRPERSON

ATTEST:

MARGARET GALLAGHER, SECRETARY

LEASE AGREEMENT

This Lease Agreement (“Lease”) is made between **T E P M, INC.**, a Florida for profit corporation, whose address for purposes of notice under this lease is 31 NE 1st Street, Pompano Beach, FL 33060, (hereinafter referred to as “Landlord”) and **Pompano Beach Community Redevelopment Agency**, a public body corporate and politic created pursuant to Part III of Chapter 163, Florida Statutes, whose address for purposes of notice under this lease is 100 West Atlantic Blvd., Room 276, Pompano Beach, Florida 33060, (hereinafter referred to as “Tenant”).

Recitals

Tenant desires to lease certain property in the City of Pompano Beach, Florida, for use as the Pompano Beach Community Redevelopment Agency (CRA) Innovation District Organizers’ office, and other related uses.

Landlord is the owner of a certain parcels of real property in the City of Pompano Beach, and is willing to rent property to Tenant on the terms and conditions set forth in this Lease.

Agreement

In consideration of the mutual covenants and agreements set forth in this Lease, Landlord and Tenant agree as follows:

1. **Lease of Property.** Landlord hereby leases to Tenant, and Tenant rents from Landlord, the following described commercial property (collectively, the “Premises”): 300 square feet located at 37 NE 1st Street, Pompano Beach, Florida 33060. Landlord and Tenant acknowledge that no real estate broker is engaged by either party. Any real estate broker fee, if any, shall be the Landlord’s sole responsibility.
2. **Lease Term.** The initial term (“Initial Term”) of this Lease shall be a period of one (1) year commencing on October 1, 2016 and ending on September 30, 2017.
3. **Possession.** The Tenant shall receive possession of the Premises on October 1, 2016.
4. **Rent.** The rental amounts for the Premises (“Rent”) shall be as follows:
 - 4.1. The annual Rent for the first year will be \$4,200.00 payable in equal monthly installments of \$350.00, commencing on the Rental Commencement Date.
 - 4.2. **Rent Payments.** Tenant shall make Rent payments in equal monthly installments, which will be due on the first day of each calendar month.
 - 4.5 **Security Deposit.** No security deposit shall be required under this Lease.
 - 4.6 **Invoices.** Landlord agrees to provide an invoice for Rent to Tenant at least ten (10) days prior to the date Rent is due. If Landlord fails to send an invoice timely, the time for Tenant to pay Rent will be extended until ten days after Tenant receives the invoice from Landlord.
5. **Option to Renew.** Tenant shall have the right to renew this Lease for one (1) additional term (“Renewal Term”) of six (6) months, on the terms and conditions of this Lease, by delivering to Landlord a written notice of its intention to renew the Lease to Landlord no later than 90

days prior to the end of the Term then in effect. The Initial Term and the Renewal Terms shall collectively be referred to as the "Term."

- 5.1. **Exercise of Renewal Option.** The CRA Executive Director shall have the authority to exercise the option to renew this lease.
6. **Taxes and Assessments.** Landlord shall be responsible for all municipal, county, and state taxes (ad valorem and non-ad valorem) and assessments, which may be assessed against the Premises during the Term of this Lease. Tenant will be responsible for any taxes levied against the personal property and trade fixtures of Tenant located in and about the Premises.
7. **Utilities.** Water and sewer services are provided to the Premises. Tenant will be responsible for paying the cost of all utilities (water, sewer, electric, gas, telephone, cable, etc.) serving the Premises during the Term. If utilities are billed to the Landlord, Tenant will reimburse Landlord within ten days after receipt of the invoice or utility bill from Landlord. If utilities are billed directly to Tenant, Tenant will pay the amounts due directly to the utility company prior to delinquency. If any utilities billed to Landlord include service to properties other than the Premises, Landlord will provide Tenant with a calculation of the amount owed by Tenant.
8. **Use of Premises.** Although Tenant intends to use Premises for the operation of the CRA Innovation District Organizers' office, Tenant shall have the right to use the Premises for any use permitted by applicable Federal, state, county, or city statutes, laws, ordinances, resolutions, orders, rules, or regulations ("Applicable Laws"). Tenant will not commit or permit any waste or damage to the Premises, and will not carry on any activity that constitutes a nuisance or violates any Applicable Laws. Tenant shall, at Tenant's expense, procure and maintain all governmental licenses or permits, if any, required for Tenant's proper and lawful use of the Premises.
9. **Tenant Improvements.** Tenant will be responsible for furniture, fixtures, equipment, and tenant improvements. Tenant has the right to make changes, alterations and additions to the Premises ("Improvements") without Landlord's prior written consent as long as the Improvements are done in a good and workmanlike manner and comply with all Applicable Laws. All Improvements made by Tenant that are permanently attached to the Premises will become the property of Landlord and shall remain on the Premises at the end of the Term. Tenant will have the right to remove any moveable furniture, fixtures and equipment attached to the walls of the Premises at the end of the Term, as long as Tenant repairs any damage caused by the removal of such equipment. In addition, Tenant will have the right to remove from the Premises at the end of the Term any equipment or appliances provided by the Tenant, as long as Tenant repairs any damage caused by the removal of such equipment.
 - 9.1. **Landlord's Joinder in Applications.** Landlord agrees to join in and execute any permit applications, consents, or other document required in connection with the construction or installation of any Improvements by Tenant. Landlord agrees to sign any required documents within ten days after receipt of the request from Tenant and the document to be signed.
 - 9.2. **Signage.** Tenant has the continuing right to install signs, awnings, marquees or other structures on the exterior of the Premises without Landlord's prior written consent, as long as the signs or structures comply with Applicable Laws.

10. **Landlord's Maintenance Obligation.** Landlord agrees to maintain the structural portion of the Premises, as well as the exterior portions of the Premises, including the foundation, outer walls, conduits, roof, windows, and doors. Tenant shall immediately notify the Landlord of any exterior or structural repairs or maintenance. Tenant shall use its best efforts to take all necessary steps to mitigate any potential dangers or hazards until repairs can be made. The property shall be maintained in accordance with all applicable code requirements of regulatory agencies as applicable. In the event any repairs are necessary to the wiring and plumbing in the walls, floors, ceiling or hard structures of the Premises or any repair involves major penetration of walls, ceilings or floors, Landlord shall be responsible for the costs and shall notify the Tenant of the repairs.
11. **Tenant's Maintenance Obligation.** The Tenant shall obtain and pay the expenses of all janitorial, trash services, and pest control required for the Premises. Tenant shall keep in good repair the interior ceilings, interior doors, interior windows, interior walls and all tenant improvements in the Premises and shall be responsible for window cleaning of the Premises.
12. **Landlord's Right to Inspect Premises.** Landlord will have the right to enter upon and inspect the Premises, and to make necessary repairs to the Premises, at reasonable times and after notice to Tenant. Landlord will have the right to place a sign in Premises advertising that the Premises are available for rent not more than 30 days prior to the expiration of the Term.
13. **Ownership; Peaceful Enjoyment; Surrender of Premises.** Landlord represents and warrants that it owns the Premises free and clear of any claims, liens, or judgments that could affect Tenant's use and enjoyment of the Premises for the purposes contemplated by this Lease. Landlord will warrant and defend Tenant's right to the peaceful possession and enjoyment of the Premises during the Term of this Lease. At the end of the Term, Tenant will surrender the Premises in clean condition and good repair, normal wear and tear excepted. No surrender of the Premises by Tenant prior to the end of the Term of this Lease will be valid unless accepted by Landlord in writing.
 - 13.1. **Mortgages.** Landlord represents that any mortgages encumbering the Premises are in good standing and have been paid through a current date, and that Landlord will keep such mortgages in good standing throughout the Term.
 - 13.2. **Subordination.** Tenant acknowledges that this Lease and all rights of Tenant under this Lease shall be subject to and subordinate to the rights of any mortgage holder now or hereafter having a security interest in the Premises.
14. **Insurance.** Landlord shall carry General Commercial Liability Insurance and property insurance for the Premises; Tenant shall carry Commercial General Liability Insurance or provide evidence of insurance self-funding satisfactory to Landlord but such insurance or self-funding shall not be construed as a waiver of Tenant's sovereign immunity.
15. **Indemnification.** To the extent permitted by Applicable Laws, Landlord will indemnify and hold harmless Tenant and the Premises from all costs, losses, damages, liabilities, expenses, penalties, and fines whatsoever ("Claims") that may arise from or be claimed against Lessee or the Premises by any person for any injury to person or property or damage of whatever kind or character arising out of or in connection with any of the following: (a) the use or occupancy of the Premises by Tenant or its employees, agents, guests, and invitees; or (b) any

failure by Landlord or its employees, agents, guests, and invitees to comply with all Applicable Laws.

- 15.1. **Lawsuits.** The venue for any litigation shall be in Broward County, Florida.
- 15.2. **Limitation.** Any indemnification by Tenant set forth in this lease shall be limited to the specific monetary limits of Section. 768.28(5), of the Florida Statutes, which monetary limits shall be applicable regardless of whether said limitations would apply in the absence of this provision and shall not be construed as a waiver of Tenant's sovereign immunity beyond such limits.
- 15.3. **Glass Damage.** In case of damage to glass in the Premises, Landlord agrees to replace the glass with glass of the same kind, size, and quality as quickly as possible at Landlord's expense.
16. **Laws and Ordinances.** Landlord agrees to comply with the Applicable Laws and any safety requirements of all federal, state and local governments. Landlord shall maintain all required licenses from governmental agencies in full force and effect during the term of this Lease.
17. **Casualty Damage to Premises.** If the Premises are destroyed or so damaged by fire, casualty, or other disaster that they become unleaseable, Landlord will have the right to render the Premises leasable by making the necessary repairs within 90 days from the date of the casualty, with reasonable additional time, if necessary, for Landlord to adjust the loss with any insurance companies insuring the Premises, or for any other delay caused by conditions beyond Landlord's control. If the Premises are not rendered leasable within the 90 day period, either party will have the right to terminate this Lease by written notice to the other. In the event of such termination, the Rent shall be paid only to the date of the casualty. If the Lease is not terminated, the Rent shall be abated during the period of time from the date of the casualty to the date Tenant is able to resume occupancy or the date of complete restoration of the Premises, whichever occurs first.
18. **Defaults.**
 - 18.1. **Tenant's Failure to Pay Rent.** If any Rent due under this Lease is not paid within thirty (30) days after Tenant's receipt of the invoice for the payment due date, Landlord will have the right to resume possession of the Premises and re-lease or rent the Premises for the remainder of the Term for the account of Tenant and recover from Tenant at the end of the Term the difference between the Rent specified in this Lease and the Rent received on the re-leasing or renting.
 - 18.2. **Other Defaults.** If either Landlord or Tenant fails to perform or breaches any covenant in this Lease other than the Tenant's covenant to pay rent, and the failure or breach continues for a period of thirty days after the defaulting party receives written notice specifying the breach or failure to perform, (a) the party giving notice may institute an action in a court of competent jurisdiction to either terminate this Lease or to seek specific performance of the Lease; or (b) Landlord or Tenant (as applicable) may, after 30 days written notice to the non-performing party, correct any such breach, and any costs incurred in correcting the breach shall be due and payable by the non-performing party on demand.

- 18.3. **Opportunity to Cure.** If the defaulting party commences to cure the default within the thirty (30) day period after the notice of default, but cannot complete the cure within the thirty (30) day period, the defaulting party will be permitted a reasonable time to complete the cure of the default, as long as the defaulting party diligently pursues the cure to completion.
- 18.4. **Bankruptcy.** If Tenant is declared insolvent or adjudicated a bankrupt; if Tenant makes an assignment for the benefit of creditors; if Tenant's leasehold interest in the Premises is sold under execution or by a trustee in bankruptcy; or if a receiver is appointed for Tenant, Landlord, without prejudice to its rights hereunder and at its option, may terminate this Lease and retake possession of the Premises immediately and without notice to Tenant or any assignee, transferee, trustee, or any other person or persons.
19. **No Waiver of Landlord's Rights.** The exercise by Landlord of any right or remedy to collect Rent or enforce its rights under this Lease will not be a waiver of or preclude the exercise of any other right or remedy afforded Landlord by this Lease or by Applicable Laws. The failure of Landlord in one or more instances to insist on strict performance or observation of one or more of the covenants or conditions of this Lease or to exercise any remedy, privilege, or option conferred by this lease on or reserved to Landlord shall not operate or be construed as a relinquishment or future waiver of the covenant or condition or the right to enforce it or to exercise that remedy, privilege, or option; that right shall continue in full force and effect. The receipt by Landlord of Rent or any other payment or partial payment required to be made by the Tenant shall not act to waive any additional Rent or other payment then due. Even with Landlord's knowledge of the breach of any covenant or condition of this Lease, receipt of Rent will not operate as or be considered to be a waiver of this breach, and no waiver by Landlord of any of the provisions of this lease, or of any of Landlord's rights, remedies, privileges, or options under this Lease, will be considered to have been made unless made by Landlord in writing.
20. **Assignment and Subletting.** Tenant may assign this Lease or sublet all or a portion of the Premises without Landlord's prior written consent, but shall not do so without notifying the Landlord. No assignment or sublease will relieve the Tenant of any obligation under this Lease. Each assignee or subtenant, by assuming such status, will become obligated to perform every covenant of this Lease to be performed by Tenant, except that a sub-Tenant shall be obligated to perform such covenants only as they relate to the portion of the Premises and the Rent covered by the sublease. The subtenant will be obligated to pay Rent directly to Landlord only after Tenant's default in payment and written demand from Landlord to sub-Tenant to pay Rent directly to Landlord.
21. **Addresses for Payments and Notices.**
- 21.1. **Notices to Landlord.** Rent payments and notices to Landlord shall be mailed or delivered to the address set forth on the first page of this Lease, unless Landlord changes the address by written notice to Tenant.
- 21.2. **Notices to Tenant.** Notices to Tenant shall be mailed or delivered to the Premises and to Tenant's address set forth on the first page of the Lease, unless Tenant changes the address by written notice to Landlord.

- 21.3. **Mailing of Notice.** All notices required under this Lease shall be sent either by (a) certified or registered mail, return receipt requested; (b) hand-delivery with a receipt evidencing delivery, or (c) Federal Express or other nationally recognized overnight mail service.
22. **Radon Gas Notification.** Radon is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time. Levels of radon that exceed Federal and state guidelines have been found in buildings in Florida. Additional information regarding radon and radon testing may be obtained from the county health department.
23. **Miscellaneous Provisions.**
- 23.1. **Captions.** The captions appearing in this Lease are inserted only as a matter of convenience and in no way define, limit, construe, or describe the scope or intent of the sections or articles of this Lease or affect this Lease in any way.
- 23.2. **Governing Law.** This Lease will be governed by the laws of the state of Florida, as to both interpretations and performance.
- 23.3. **Entire Agreement.** This Lease sets forth all of the promises, agreements, conditions, and understandings between Landlord and Tenant relative to the Premises. There are no other promises, agreements, conditions, or understandings, either oral or written, between them. No amendment, change, or addition to this Lease will be binding on Landlord or Tenant unless in writing and signed by both of them.
- 23.4. **Successors and Assigns.** The terms of this Lease will be binding on the respective successors, representatives, and assigns of the parties.

IN WITNESS WHEREOF, Landlord and Tenant have duly executed this Lease Agreement
on _____, 2016

“TENANT”:

Signed, Sealed and Witnessed
In the Presence of:

**POMPANO BEACH COMMUNITY
REDEVELOPMENT AGENCY**

Print Name: _____

By: _____
Lamar Fisher, Chairman

Print Name: _____

ATTEST:

Margaret Gallagher, Secretary

EXECUTIVE DIRECTOR:
Redevelopment Management Associates, LLC
a Florida limited liability company

Print Name: _____

By: _____

(Print Name),
a managing member

STATE OF FLORIDA
COUNTY OF BROWARD

The foregoing instrument was acknowledged before me this _____ day of _____, 2016 by LAMAR FISHER as Chairman of the Pompano Beach Community Redevelopment Agency, who is personally known to me.

NOTARY’S SEAL:

NOTARY PUBLIC, STATE OF FLORIDA

(Name of Acknowledger Typed, Printed or Stamped)

Commission Number

STATE OF FLORIDA
COUNTY OF BROWARD

The foregoing instrument was acknowledged before me this _____ day of _____, 2016 by MARGARET GALLAGHER, Secretary of the Pompano Beach Community Redevelopment Agency, who is personally known to me.

NOTARY'S SEAL:

NOTARY PUBLIC, STATE OF FLORIDA

(Name of Acknowledger Typed, Printed or Stamped)

Commission Number

STATE OF FLORIDA
COUNTY OF BROWARD

The foregoing instrument was acknowledged before me this _____ day of _____, 2016, by _____, as Managing Member of Redevelopment Management Associates, LLC on behalf of the limited liability company. He/she is personally known to me or who has produced _____ (type of identification) as identification.

NOTARY'S SEAL:

NOTARY PUBLIC, STATE OF FLORIDA

(Name of Acknowledger Typed, Printed or Stamped)

Commission Number

"LANDLORD":

Signed, Sealed and Witnessed

In the Presence of:

Nguyen Tran
Print Name NGUYEN TRAN

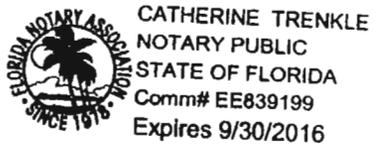
Emily Marcus
Print Name Emily Marcus

STATE OF FLORIDA
COUNTY OF BROWARD

The foregoing instrument was acknowledged before me this 13th day of Sept, 2016 by _____ of _____

He/she is personally known to me or who has produced type of identification) as identification.

NOTARY'S SEAL:



T E P M, Inc.
a Florida for profit corporation

By: *Thomas McMahon*

Print Name Thomas McMahon

Title: Pres

Catherine Trenkle
NOTARY PUBLIC, STATE OF FLORIDA
CATHERINE TRENKLE
(Name of Acknowledger Typed, Printed or Stamped)
EE839199
Commission Number