

STAFF REPORT UTILITY MEETING

AGENDA DATE: August 27, 2024

DEPARTMENT: City Attorney

TITLE:

Lease Agreement with Lutheran Services Florida, Inc.

SUMMARY:

The current lease agreement between the City and Lutheran Services Florida, Inc. was previously extended through August 30, 2024, as established in the previous City Manager's letter to the tenant dated October 17, 2023. The new agreement would commence on August 31, 2024.

BACKGROUND AND JUSTIFICATION:

On November 5, 2019, the City and the Tenant entered into a Lease Agreement for the use of City-owned property located at 1699 Wingfield Street, Lake Worth Beach (the "Lease"). The Lease had a term beginning on November 5, 2019 and expiring on November 5, 2020. The parties entered into multiple amendments to the Lease Agreement to continue to extend the Lease, the last of which (Fourth Amendment) extended the Lease through November 5, 2023. Upon the request of the Tenant, the City issued a letter to the Tenant, dated October 17, 2023, offering to extend the Lease through August 30, 2024, with the understanding that a new Lease would be negotiated prior to that date.

The initial term of the new Lease would be for three years commencing on August 31, 2024 through August 31, 2027. Thereafter, there shall be an option for two additional one-year renewals. In terms of rent, while the previous agreement was only \$1/year, if approved the new agreement includes the following negotiated costs:

- Year 1: \$2,000/month
- Year 2: \$2,100/month
- Year 3: \$2,200/month
- Year 4 (if renewed): \$2,300/month
- Year 5 (if renewed): \$2,400/month

The item was moved to the utility meeting from the August 20 regular meeting as the lease was received on August 19 and had to go through the approval process.

MOTION:

Move to approve/disapprove the new Lease Agreement with Lutheran Services Florida, Inc.

ATTACHMENT(S):

Fiscal Impact Analysis
Lease Agreement

FISCAL IMPACT ANALYSIS

Five Year Summary of Fiscal Impact:

Fiscal Years	2024	2025	2026	2027	2028
Inflows/Revenues					
Appropriated (Budgeted)	0	0	0	0	0
Program Income	\$2,000	\$24,100	\$25,300	\$24,200	0
Grants	0	0	0	0	0
In Kind	0	0	0	0	0
Outflows/Expenditures					
Appropriated (Budgeted)	0	0	0	0	0
Operating	0	0	0	0	0
Capital	0	0	0	0	0
Net Fiscal Impact					
<i>(If not budgeted)</i>	0	0	0	0	0
No. of Addn'l Full-Time					
Employee Positions	0	0	0	0	0

New Appropriation (Not Budgeted) Fiscal Impact:		
	Revenue Source	Expenditure
Department	General Fund	N/A
Division	Recreation	N/A
GL Description	Leased properties	N/A
GL Account Number	001-0000-362.10-00	N/A
Project Number	N/A	N/A
Requested Funds	See above	N/A
Remaining Balance	N/A	N/A