



# Pinellas County

## Staff Report

---

**File #:** 17-1176A, **Version:** 1

---

### **Subject:**

Lease Agreement with 2494 Bayshore Blvd., LLC for leased space for the Pinellas County Sheriff's Office.

### **Recommended Action:**

Approval and execution of the Lease Agreement (Lease) with 2494 Bayshore Blvd., LLC for relocation of the Pinellas County Sheriff's Office (Sheriff's Office) North District Station to 2496 Bayshore Boulevard, Dunedin.

### **Strategic Plan:**

Ensure Public Health, Safety, and Welfare

2.1 Provide planning, coordination, prevention, and protective services to ensure a safe and secure community

Deliver First Class Service to the Public and our Customers

5.1 Maximize partner relationships and public outreach

5.2 Be responsible stewards of the public's resources

5.3 Ensure effective and efficient delivery of county services and support

### **Summary:**

This action provides a modified full service Lease for the relocation of the Sheriff's Office existing North District Station. The Sheriff's Office requested relocation from their existing leased space. The initial term of the Lease is 10 years; with three (3) additional five-year renewal options.

### **Background Information:**

The Sheriff's Office engaged the Real Estate Management Department (REMD) in January 2017, seeking a new leased location in north County for the North District Station. The Sheriff's Office provided guidance to REMD regarding the desired geographic area, proposed size of the building, and operational requirements.

The Sheriff's Office existing North District Station, at 737 Loudon Avenue in Dunedin, no longer meets the requirements of the Sheriff's Office. The new Lease at 2496 Bayshore Boulevard provides occupancy of a standalone building consisting of 33,729 square feet of renovated office space, unconditioned secure parking under the building, and 90 surface parking spaces.

Rent is calculated based upon the conditioned portion of the building, or 21,496 square feet. The first year's annual rent is comprised of base rent in the amount of \$16.00 per square foot, plus operating expenses estimated to be \$5.73 per square foot, but not to exceed \$7.50 per square foot, plus tenant improvement costs in the amount of \$4.32 per square foot. The combined costs total \$26.05 per square foot for an initial annual cost of \$559,970.80.

The turn-key tenant improvement budget totals \$1,482,757.00, of which the landlord is contributing \$752,360.00. The landlord will fund the balance of the tenant improvement costs and the County will reimburse the landlord, estimated in the amount of \$730,397.00, amortized over the initial 10-year term at an interest rate of 5%. The tenant improvement reimbursement is part of the annual rent calculation equal to \$4.32 per square foot.

The initial base rent of \$16.00 per square foot is subject to a 2% annual increase. The initial operating expenses will be established based upon the actual controllable expenses incurred during the first year of occupancy, the actual cost of the landlord's insurance policy for the property, and the property taxes based upon the current Property Appraiser's assessment.

There are three (3) one-time capital costs associated with the Sheriff's Office relocation that total \$260,000.00; (1) fiber optic communications installation estimated to be \$50,000.00, (2) interior communications wiring estimated to be \$95,000.00, and the purchase and installation of an emergency power generator estimated to be \$115,000.00.

The County will be responsible for the following operating costs; leased building utilities, pest control, janitorial service, generator maintenance, light bulb replacements and air conditioning equipment preventive maintenance.

#### **Fiscal Impact:**

\$559,970.80 expense for first year rent. One-time capital costs totaling \$260,000.00.

The Sheriff's Office will be responsible for moving expenses and any furniture, fixtures and equipment (FF&E) in excess of the tenant improvement allowance.

The source of the funding is from the Real Estate Management Operating Budget within the General Fund. This expense is consistent with the Fiscal Year 2018 Budget. The current lease cost is rolled into the Sheriff's service contract with the City of Dunedin. Revenue from this contract is returned to the General Fund. It is estimated that the contract revenue will increase approximately \$194,000 once the lease is terminated.

#### **Staff Member Responsible:**

Andrew W. Pupke, Director, Real Estate Management

#### **Partners:**

Pinellas County Sheriff's Office

#### **Attachments:**

Lease Agreement  
Location Map