

FACILITIES AD HOC COMMITTEE TELECONFERENCE

Tuesday, June 2, 2020

MEETING DETAILS

Meeting Details

Meeting Agenda

Welcome

Roll Call

Public Comment

Approval of Minutes

Information / Discussion / Action Items

Other Business

Adjournment

What: Facilities Ad Hoc Committee Teleconference

When: Tuesday, June 2, 2020
1:30 p.m. – 2:30 p.m.

Where: Teleconference

GoToMeeting:

Link: <https://global.gotomeeting.com/join/322064389>

Dial In: **(Toll Free) 1 (866) 899-4679 or 1 (224) 501-3316**

Access Code: 322-064-389

6/2/20 FACILITIES AD HOC COMMITTEE TELECONFERENCE AGENDA

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Agenda Item	Topic	Presenter	Action Item
1.	Welcome	Matt Walton	
2.	Roll Call / Establishment of Quorum	Kaz Kasal	
3.	Public Comment		
4.	Approval of Minutes A. <u>4/1/20 Facilities Ad Hoc Committee Meeting</u>	Matt Walton	X
5.	Information / Discussion / Action Items A. <u>CSCF Office Leases</u>	Committee Discussion	X
6.	Other Business		
7.	Adjournment		

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► Welcome

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WELCOME

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ROLL CALL / ESTABLISHMENT OF QUORUM

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► **Public Comment**

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PUBLIC COMMENT

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APPROVAL OF MINUTES



DRAFT
Facilities Ad Hoc Committee Teleconference
Wednesday, April 1, 2020
2:30 p.m.

MINUTES

MEMBERS PRESENT: Matt Walton, Andrew Albu, Paul Bough, Jim Sullivan, Larry Walter and Fred Winterkamp

MEMBERS ABSENT: Dr. Kathleen Plinske

STAFF PRESENT: Pam Nabors, Leo Alvarez and Kaz Kasal

GUEST PRESENT: John Doran

Agenda Item	Topic	Action Item / Follow Up Item
1	Welcome Mr. Walton, Committee Co-Chair, called meeting to order at 2:31 p.m.	
2	Roll Call / Establishment of Quorum Ms. Kasal reported a quorum present.	
3	Public Comment None offered.	
4	Information and Discussion Committee reviewed lease and renewal options for CSCF's Admin and Seminole office locations. Committee concurred renewing both leases would be most viable option, provided lease costs are in line with or lower than current market rates. Additionally, the Committee noted office moves would be disruptive and put a strain on CSCF's service delivery, as the organization continues to contend with the influx of career seekers and businesses in need during the ongoing COVID-19 crisis situation. Committee agreed to have a follow up meeting late May / early June for updates from Mr. Alvarez as he further negotiates the lease renewals.	
7	<u>Other Business</u> None offered.	
8	Adjournment Meeting adjourned at 3:12 p.m.	

Respectfully submitted,

Kaz Kasal
 Executive Coordinator

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INFORMATION / DISCUSSION / ACTION ITEMS



LEASE OPTIONS SUMMARY – ADMIN OFFICE
CURRENT LOCATION - 390 N. ORANGE AVENUE
 390 N. Orange Avenue, Ste 700, Orlando, FL 32801

CURRENT BUILDING DETAILS

LANDLORD: SWVP ORLANDO OFFICE, LLC

LEASE SIZE: 14,932 +/- SF

BUILDING SIZE: 421,069 +/- SF

VACANCY RATE: TBD - Approximately 18% (3.1.2020)

OPTION 1 - RENEWAL - 390 N. ORANGE AVENUE

TERM: 5 Years, 3 Months (63 Months Total) - 5.1.21 - 7.31.2026

RATE: \$27.46/sf (3% Annual Escalation)

RENT CONCESSION: 3 Months Free Rent

TI ALLOWANCE: \$7.00/sf (\$104,524)

PARKING: 51 Spaces \$90/sf (3% Annual Escalation, 30 spaces in lease, 21 spaces subject to recapture)

OPTION 2 - RELOCATE - SUNTRUST CENTER - 200 S. ORANGE AVENUE

TERM: 5 Years, 6 Months (66 Months Total) - 5.1.21 - 10.30.2026

RATE: \$27.00/sf (3% Annual Escalation)

RENT CONCESSION: None

TI ALLOWANCE: \$50/sf (\$700,000 based on 14,000 sf)

PARKING: 35 Spaces On Site (\$140/month unreserved, \$200/month reserved)
 15 Spaces Off Site (\$130/month unreserved)



LEASE OPTIONS SUMMARY – ADMIN OFFICE
CURRENT LOCATION - 390 N. ORANGE AVENUE
 390 N. Orange Avenue, Ste 700, Orlando, FL 32801

OPTION 3 - RELOCATE - CAPITOL PLAZA II - 301 E. PINE STREET - SUBLEASE

TERM:	5 Years (6 Months Total) - 5.1.21 - 4.30.2026
RATE:	\$25.00/sf (3% Annual Escalation)
RENT CONCESSION:	None
TI ALLOWANCE:	\$5/sf (\$70,000 based on 14,000 sf) Estimated Cost to Reconfigure TBD \$25/sf used in financial analysis
PARKING:	50 Spaces Unreserved (\$75.61/month subject to Master Lease).

ADDITIONAL COMMENTS

Due to the pandemic, touring of several options have not occurred. This has reduced some leverage that may be used to negotiate better renewal terms with current landlord.

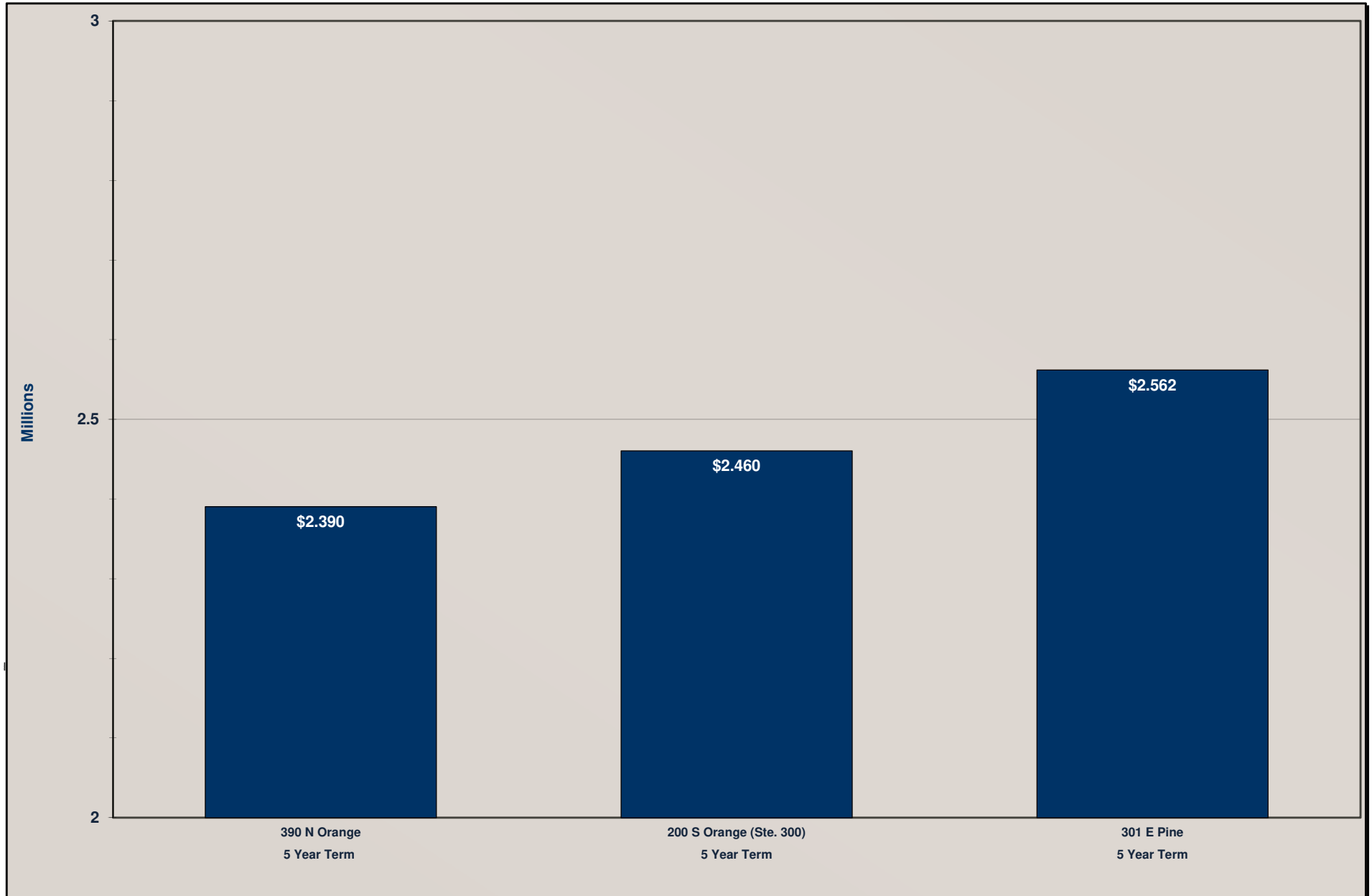
We have reached out to some of the landlord market representatives to determine if the current pandemic conditions have affected their position on their proposed rates and conditions. Currently they are taking a wait and see approach and have not offered any lower rates or concessions.

It is likely that any potential market corrections that may occur due to the pandemic and increased unemployment rates will not occur within the notice period of 7.31.20. Expiration for the 390 N. Orange Avenue rate renewal option terms, as defined in the current lease, will expire at that time.

ORLANDO
TENANT COST ANALYSIS
Proposed Terms



60 MONTH TOTAL



**ORLANDO
TENANT COST ANALYSIS**

SUMMARY OF ALTERNATIVES

		390 N. Orange 2/1/2015 6 Year Term Current Lease			390 N Orange 5/1/2021 5 Year Term Landlord's Initial Proposal			200 S Orange (Ste. 300) 5/1/2021 5 Year Term Initial Proposal (Suntrust)			301 E Pine 5/1/2021 5 Year Term Initial Proposal			50
Year Beg.	Year	Square Footage	Cost PSF	Aggregate Cost	Square Footage	Cost PSF	Aggregate Cost	Square Footage	Cost PSF	Aggregate Cost	Square Footage	Cost PSF	Aggregate Cost	
May-15	1	14,763	\$26.01	\$383,936										
May-16	2	14,763	\$26.87	\$396,738										
May-17	3	14,763	\$27.76	\$409,888										
May-18	4	14,763	\$25.26	\$372,846										
May-19	5	14,763	\$28.28	\$417,428										
May-20	6	14,763	\$26.26	\$387,717										
May-21					14,932	\$24.21	\$361,525	15,000	\$26.95	\$404,220	15,000	\$48.02	\$720,366	
May-22					14,932	\$32.20	\$480,802	15,000	\$32.55	\$488,179	15,000	\$29.06	\$435,925	
May-23		<u>72-MONTH TERM</u>			14,932	\$33.35	\$498,052	15,000	\$33.67	\$505,110	15,000	\$30.13	\$451,929	
May-24		TOTAL			14,932	\$34.54	\$515,797	15,000	\$34.84	\$522,527	15,000	\$31.23	\$468,391	
May-25				\$2,368,554	14,932	\$35.77	\$534,051	15,000	\$36.03	\$540,443	15,000	\$32.35	\$485,324	
May-26					14,932	\$55.63	\$138,454	15,000	\$223.93	\$559,826				
					<u>60-MONTH TERM</u>			<u>60-MONTH TERM</u>			<u>60-MONTH TERM</u>			
					TOTAL			TOTAL			TOTAL			
					<u>62-MONTH TERM</u>			<u>62-MONTH TERM</u>						
					TOTAL			TOTAL						
					<u>63-MONTH TERM</u>			<u>63-MONTH TERM</u>						
					TOTAL			TOTAL						
								<u>72-MONTH TERM</u>						
								TOTAL						

**ORLANDO
TENANT COST ANALYSIS**


SCENARIO: Landlord's Initial Proposal
390 N Orange
5/1/2021
5 Year Term

Lease Terms		Initial Basic Costs	Rate	Escalator	Capital	Required	Provided
Square Feet	14,932	Rent Rate ¹	\$27.46	3.0%	Tenant Improvements ⁴		\$7.00
Lease Begin	5/1/2021	Op Exp Stop 2015 ²	\$11.97	2.5%	IT		
Lease End	6/30/2026	Parking ³	\$3.62		Moving		
Term (Years)	5.16						
Term (Months)	62						
		Total Rate	\$31.08		Aggregate Shortfall/(Credit)	\$7.00	\$104,524

Fiscal Year	2021	2022	2023	2024	2025	2026
Start Date	5/1/2021	5/1/2022	5/1/2023	5/1/2024	5/1/2025	5/1/2026
End Date	4/30/2022	4/30/2023	4/30/2024	4/30/2025	4/30/2026	7/31/2026
Months	12	12	12	12	12	3

Cash Flow Analysis							Average Rate Per Annum (5Yr)	\$32.01
Rent Expense	TOTAL							
Net Rent	\$2,193,246	\$410,033	\$422,334	\$435,004	\$448,054	\$461,495	\$118,835	
Abatement 3 Months	-\$102,508	(102,508)						
Op Exp. Pass Thru	\$51,934		4,468	9,049	13,743	18,555	6,118	
Parking	\$283,500	54,000	54,000	54,000	54,000	54,000	13,500	
Pre-Tax Rental Expense \$/SF		\$24.21	\$32.20	\$33.35	\$34.54	\$35.77	\$37.09	
Advanced Rent								
Sales Tax @								
Rent Expense Total	\$2,426,172	\$361,525	\$480,802	\$498,052	\$515,797	\$534,051	\$138,454	
NPV Rent @ 5%	\$1,968,234							
Capital Expense	TOTAL							
Advanced Rent								
TI								
Capital Expense Total								
Grand Total	\$2,426,172	\$361,525	\$480,802	\$498,052	\$515,797	\$534,051	\$138,454	
NPV @ 5.0%	\$2,156,753							
Total Occupancy Cost per SF		\$24.21	\$32.20	\$33.35	\$34.54	\$35.77	\$37.09	

Notes:

- 1) Rate based on renewal option in lease and proposal option, escalated 3% thereafter.
- 2) Operating Expense Stop estimated at \$11.97/sf.
- 3) 50 Spaces at a cost of \$90/month each.
- 4) No tenant improvement allowance required. Proposal is offering \$7.00/sf.
- 5) Downsize option to reduce space by 2,000 sf during first lease year, subject to unamortized costs and tenant perform its own demising construction.

All information regarding property for sale, rental or financing is from sources deemed to be reliable. No express representation can be made nor is any to be implied as to the accuracy thereof and is submitted subject to errors, omissions, change or price, rental or other conditions, prior sale, lease or financing or withdrawal, without notice. The sale of a property will probably result in an increase in real estate taxes. Projections, if any, as to the rate of inflation, real estate taxes, operating expenses, and other variables are necessarily estimates only. No warranties or representations can be made as to the condition of the property or any hazards contained therein nor are any to be implied.

**ORLANDO
TENANT COST ANALYSIS**


SCENARIO: *Initial Proposal (Suntrust)*
200 S Orange (Ste. 300)
5/1/2021
5 Year Term

Lease Terms		Initial Basic Costs	Rate	Escalator	Capital	Required	Provided
Square Feet	15,000	Rent Rate ¹	\$27.00	3.0%	Tenant Improvements ⁴		\$50.00
Lease Begin	5/1/2021	Op Exp Stop 2021 ²	\$11.49	2.5%	IT		
Lease End	6/30/2026	Parking On Site ³	\$3.92		Moving		
Term (Years)	5.16	Parking Off Site ³	\$0.53				
Term (Months)	62						
		Total Rate	\$30.92		Aggregate Shortfall/(Credit)	\$50.00	\$750,000

Fiscal Year	2021	2022	2023	2024	2025	2026
Start Date	5/1/2021	5/1/2022	5/1/2023	5/1/2024	5/1/2025	5/1/2026
End Date	4/30/2022	4/30/2023	4/30/2024	4/30/2025	4/30/2026	4/30/2027
Months	12	12	12	12	12	12

Cash Flow Analysis							Average Rate Per Annum (5Yr)	\$32.81
Rent Expense	TOTAL							
Net Rent	\$2,552,206	\$405,000	\$417,150	\$429,665	\$442,554	\$455,831	\$469,506	
Abatement 3 Months	-\$67,500	(67,500)						
Op Exp. Pass Thru	\$67,778		4,309	8,725	13,252	17,892	23,599	
Parking	\$400,321	66,720	66,720	66,720	66,720	66,720	66,720	
Pre-Tax Rental Expense \$/SF		\$26.95	\$32.55	\$33.67	\$34.84	\$36.03	\$223.93	
Advanced Rent								
Sales Tax @								
Rent Expense Total	\$2,952,805	\$404,220	\$488,179	\$505,110	\$522,527	\$540,443	\$559,826	
NPV Rent @ 5%	\$2,206,841							
Capital Expense	TOTAL							
Advanced Rent								
TI								
Capital Expense Total								
Grand Total	\$2,952,805	\$404,220	\$488,179	\$505,110	\$522,527	\$540,443	\$559,826	
NPV @ 5.0%	\$2,535,183							
Total Occupancy Cost per SF		\$26.95	\$32.55	\$33.67	\$34.84	\$36.03	\$37.32	

Notes:

- 1) Rate based on proposal, escalated 3% thereafter.
- 2) Operating Expense Stop estimated at \$11.49/sf per proposal. Escalation assumed to be 2.5% thereafter.
- 3) 35 Spaces at a cost of \$140/month on site and 15 space at a cost of \$135/month off site.
- 4) No tenant improvement allowance required. Proposal is offering \$50.00/sf. Total cost to reconfigure is TBD.

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**ORLANDO
TENANT COST ANALYSIS**


SCENARIO: *Initial Proposal*
301 E Pine
5/1/2021
5 Year Term

Lease Terms		Initial Basic Costs	Rate	Escalator	Capital	Required	Provided
Square Feet	15,000	Rent Rate ¹	\$25.00	3.0%	Tenant Improvements ⁴	\$25.00	\$5.00
Lease Begin	5/1/2021	Op Exp Stop 2021 ²	\$11.49	2.5%	IT		
Lease End	4/30/2026	Parking On Site ³	\$3.02		Moving		
Term (Years)	5.00						
Term (Months)	60						
		Total Rate	\$28.02		Aggregate Shortfall/(Credit)	-\$20.00	-\$300,000

Fiscal Year	2021	2022	2023	2024	2025
Start Date	5/1/2021	5/1/2022	5/1/2023	5/1/2024	5/1/2025
End Date	4/30/2022	4/30/2023	4/30/2024	4/30/2025	4/30/2026
Months	12	12	12	12	12

Cash Flow Analysis						Average Rate Per Annum (5Yr)	\$30.16
Rent Expense		TOTAL					
Net Rent	\$1,990,926	\$375,000	\$386,250	\$397,838	\$409,773	\$422,066	
Abatement Months							
Op Exp. Pass Thru	\$44,178		4,309	8,725	13,252	17,892	
Parking	\$226,830	45,366	45,366	45,366	45,366	45,366	
Pre-Tax Rental Expense \$/SF		\$28.02	\$29.06	\$30.13	\$31.23	\$32.35	
Advanced Rent							
Sales Tax @							
Rent Expense Total	\$2,261,934	\$420,366	\$435,925	\$451,929	\$468,391	\$485,324	
NPV Rent @ 5%	\$1,718,971						
Capital Expense		TOTAL					
Advanced Rent							
TI	300,000	300,000					
Capital Expense Total	\$300,000	\$300,000					
Grand Total	\$2,561,934	\$720,366	\$435,925	\$451,929	\$468,391	\$485,324	
NPV @ 5.0%	\$2,237,463						
Total Occupancy Cost per SF		\$48.02	\$29.06	\$30.13	\$31.23	\$32.35	

Notes:

- 1) Rate based on proposal, escalated 3% thereafter.
- 2) Operating Expense Stop estimated at \$11.49/sf per proposal. Escalation assumed to be 2.5% thereafter.
- 3) 50 Spaces at a cost of \$75.61/month on site.
- 4) Proposal is offering \$5.00/sf. Total cost to reconfigure is TBD. An assumption of \$25/sf is used.
- 5) Space may be able to be reduced by co-utilizing Gray Robinson's large conference room.

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ADJOURNMENT

THANK YOU!

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