

Minutes



Executive Committee Meeting

2/11/2021

4:00 p.m.

Attendees: Scott Watson, Beth Cicchetti, Holly Henderson, Cristina Paredes, Amy Geiger, Kevin Vaughn, and Tom Eisel.

Members Absent: Nina Self

Staff Present: Jim McShane, Matt Salera, Ginger Boyd, Dee Robinson, Charlotte Brown, Trish Yahn,

RECORDING: Patricia McCray

I. Call To Order

Chair Watson welcomed everyone and called the meeting to order at 3:34pm. He explained that if anyone is attending from the public, they are allowed to participate; however, public comment is held to a three (3)-minute limit.

II. Administration Building Lease – Jim McShane

Jim provided the Executive Committee an overview of the interactions that transpired over the last two months in unsuccessfully negotiating a lease. Attached is a detailed report of the discussions with the two agents that worked on CareerSource Capital Regions' behalf to secure a new lease with 2639 N. Monroe Street, Bldg. C. Ste. 100 property owner.

The lease at the Innovation Park - Morgan Bldg. is for a three-year lease at \$16 per sq. ft. for 4,900 sq. ft., \$235,000. The lease cost is below the threshold of \$250,000 and does not require an RFP (Request for Proposal).

The staff recommendation:

- Reject the three-year lease offered by the current landlord (\$19.40 sq. ft.).
- Approval to accept the Innovation Park – Morgan Bldg. three-year lease at \$16 sq. ft.. This action would be under the \$250,00 threshold for the requirement to do an RFP.

MOTION: Chair Watson entertained a motion to accept staff recommendation to reject the three-year lease offered by the current landlord (\$19.40 sq. ft.). To approve and accept the Innovation Park – Morgan Bldg. three-year lease at \$16 sq. ft.. This action would be under the \$250,00 threshold for the requirement to do an RFP.

Kevin Vaughn made the motion to accept the staff recommendation, and Cristina Paredes seconded the motion. **Motion Approved.**

Chair Watson thanked the Committee members for participating and Jim and the staff for successfully securing a lease. He asked if anyone had any further discussions. There were none.

III. Adjourn

Chair Watson entertained a motion to adjourn the meeting, and Kevin seconded the motion. Meeting adjourned at 4:19pm.

Next Meeting
March 4th, 2021



MEMO

From: Jim McShane, CEO
To: Executive Committee
Date: February 9, 2021
RE: Administration Building Lease

Executive Committee Members

Our senior staff began to discuss reviewing and renewing our lease at our current location starting in September. I initiated discussions in November, knowing that we had a timeline of January 18, 2021. There was very little communication back to us from George Banks and Daniel Wagon, who are the two agents that worked to get us the current office space. Matt and I continued to email back and forth with George and Daniel over the past two months that eventually went past the Lease expiration date of January 18, 2021.

We requested a six-month lease extension to sort out what the future of our space needs might be as the pandemic winds down. Currently, we have about 4-6 staff working most days in the office while the rest of the staff is working remotely.

In our January discussions, we suggested reducing the space we currently occupy from 9,333 sq. ft. to 5,146 sq. ft. only staying on the floor's left side. This allows the owner to rent out the right-hand side. They did allow us to keep the copier room and the storage room in the proposed lease. What we received is the same offered rate for three years. We expected a good faith decrease.

The negotiations have been disappointing. The owner will not work with us in good faith. A letter from the owners' attorney stated that CSCR would have to be out by February 18, 2021. At that point, we engaged Ginger to help us with this dilemma. We again requested a 6-month extension and paid February's rent with the 25% (over \$4000) penalty prescribed in the previous lease.

We still believe that if there is no signed lease by the 18th, we will be locked out since we still have nothing in writing that is signed stating otherwise.

On Monday, we requested George and Daniel seek a two-year lease as an extension of the current lease. The owner refused that offer and returned with a three-year lease offer to consider as a new lease.

A couple of issues to consider:

1. Currently, we have only 6-8 people in the office at any one time. The rest of the staff is working from home.
2. COVID19 will not be the issue it is today, six months down the road.
3. A likelihood down the road, a year or two from now, another pandemic – may come along, and we need to be ready.
4. Matt and I scouted out Innovation Park and the Morgan Building on the second floor.
 - a. It is slightly less space 4900 sq. ft.
 - b. We don't have to move any walls
 - c. Every person can have a separate office (thereby safer from the next pandemic)
 - d. All that is needed is new carpet, painting, and LVP, and we are ready to move in
 - e. The building is owned by the county, our ultimate fiduciary by WIOA law
 - f. It would be an excellent political move with a very supportive county
 - g. Innovation Park is going to grow with more businesses and jobs
 - h. Plenty of parking nearby
 - i. \$3.40 less per square foot
 - j. Likely a much longer-term location -no one will throw us out

Downside

- a) Longer drive for most of the staff

What we are still investigating:

1. Can we get moved out by February 18 – Yes, Movers start Friday packing
 - a. Mover did a walkthrough on Tuesday afternoon
 - b. Will we be able to store our furniture in the new location on the second floor that is currently vacant until our space is remodeled? Yes, we will have access to the building starting Friday
 - c. Can the BES team use some of those offices in the unrented space? Yes, Friday we will determine their temporary offices

Senior staff agrees that moving is our best option, and signing a three-year lease at the current location is not in our best interest. The owner has failed multiple times in the past two months to negotiate in good faith, and still, at this point, we have no assurance in writing that he won't lock us out on the 18th. I have given a heads up to CareerSource Florida that the administration office will likely be moving.

Our attorney, Ginger Berry Boyd, has been part of our efforts to respond to the many attempts to negotiate this lease. She will be on the Zoom tomorrow to answer any questions you may have.

Staff Recommendation

Rejection of the three-year lease offer by the current landlord (\$19.40 sq. ft.) for three years. Approval to negotiate with Innovation Park for a multi-year lease at \$16.00 sq. ft. (This action would put us under the \$250,000 threshold for the requirement to go out for an RFP)