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CLERK OF THE BOARD
OF COUNTY COMMISSIONERS
MIAMI-DADE COUNTY, FLORIDA

Memorandum

MIAMI-DADE COUNTY

Agenda Item No. 8(F)(1)(D)

R-1305-07

Date: December 4, 2007

To: Honorable Chairman Bruno A. Barreiro
and Members, Board of County Commissioners

From: George M. Burgess
County Manager

Subject: Amendment to Lease Agreement with Marina Hot Dogs Corp. for Food Service at the South Dade Government Center (SDGC) Located at 10710 SW 211 Street, Miami

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RECOMMENDATION:

It is recommended that the Board approve the attached resolution authorizing the execution of an Amendment to the Lease Agreement with Marina Hot Dogs Corp., modifying the original rental rate agreed upon for use of space at the South Dade Government Center (SDGC) to operate a snack bar. This Amendment has been prepared by the General Services Administration and is recommended for approval.

PROPERTY:	South Dade Government Center, 10710 SW 211 Street
COMMISSION DISTRICT:	District 8
COMMISSION DISTRICT(S) IMPACTED:	District 8 and 9
OWNER:	Miami-Dade County
COMPANY PRINCIPALS:	Elsa M. Flores, President
OWNER'S TRACK RECORD:	The County has no record of negative performance issues with Marina Hot Dogs Corporation.
USE:	Operation of a snack bar to provide food services to employees and visitors to SDGC and adjacent buildings.
JUSTIFICATION:	At its October 19, 2004 meeting, by Resolution R-1232-04, the Board approved a Lease Agreement with Marina Hot Dogs to operate its Snack Bar at the SDGC beginning in June of 2005. Shortly thereafter, during the month of August, the County initiated an ADA required construction and renovation project at the SDGC, resulting in traffic flow disruption to the space where the Snack Bar is located and a substantial decline to the income generated by the venue. Consequently, the operator is now unable to meet its current rent obligations with the County and has requested from staff an evaluation of the established rental rate in order to determine whether or not the described situation warrants a rent adjustment and abatement that will mitigate its current operational costs.

Following tenant's claim, GSA requested the County's Audit and Management Services Department to conduct an evaluation of the operator's profit and loss statements, which concluded that the current average monthly gross sales of $2,912 is well below our initial projections. Therefore, staff is recommending a rent adjustment and abatement to eliminate the existing financial hurdles that will likely lead to the operator's ceasing service.

PURPOSE OF AMENDMENT: Current rental rate is $1,200 per month. The Amendment seeks to adjust current monthly rent to $500 from its current rate of $1,200, resulting in a reduction of $700 monthly and enabling the operator to remain in business. Staff will re-evaluate the rental rate upon each subsequent renewal period and adjust it based on any future gross sale increases as the situation improves.

FINANCIAL IMPACT: The proposed rent adjustment will decrease the projected annual rental income to the County by $8,400.

EFFECTIVE DATE: Commencing upon approval by the Board and terminating as specified in the original lease agreement.

CURRENT LEASE: The initial Lease Agreement is for one year, commencing on June 1st, 2005 and terminating May 31st, 2006 with four one-year renewal option periods. This lease agreement is a result of a standard Competitive Bid Process, invitation to Bid # 7613-4/09, which was completed in October 2004. The current tenant was the highest bidder amongst a group of six applicants.

COMMENTS: The tenant is current with its rent obligation.

MONITOR: Victoria J. Johnson, Real Estate Officer

Director
General Services Administration

Memorandum

MIAMI-DADE COUNTY

Date: October 19, 2004

Agenda Item No. 7(F)(1)(E)

R-1232-04

To: Honorable Chairperson Barbara Carey-Shuler, Ed. D. and Members, Board of County Commissioners

From: George M. Burgess
County Manager

Subject: Lease Agreement for Food Service at the South Dade Government Center

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It is recommended that the Board of County Commissioners approve the accompanying resolution authorizing the County Manager to execute the attached lease agreement with Marina Hot Dogs, Corp. for the operation of a snack bar at the South Dade Government Center.

PROPERTY:	South Dade Government Center 10710 SW 211 Street, Miami, Florida
OWNER:	Miami-Dade County
PROPOSED TENANT:	Marina Hot Dogs, Corp.
COMPANY PRINCIPAL:	Elsa M. Flores, President
USE:	Miami-Dade County is seeking to contract with Marina Hot Dogs, Corp. to operate, maintain and manage a 180 square foot snack bar situated in the lobby level of the South Dade Government Center. The snack bar will offer a variety of snacks and beverages to the employees and visitors of the South Dade Government Center.
COMPETITIVE PROCESS UTILIZED:	Invitation to Bid Number IB7613-4/09-OTR
JUSTIFICATION:	Currently there is no other food service offered at the South Dade Government Center. Having some type of food service at the South Dade Government Center will be of benefit to the many visitors and employees of the Center.
LEASE TERM:	The lease is for one (1) year and contains four (4) one-year renewal option periods. The rent will increase five percent (5%) per renewal period.

x 3

RENTAL RATE: Guaranteed Minimum Rent of $14,400.00 per annum to be paid in monthly installments of $1,200.00.

EFFECTIVE DATE: Commencing upon approval by the Board of County Commissioners, unless vetoed by the Mayor, and if so, shall become effective only upon an override of this Board and acceptance by tenant; and terminating one year thereafter.

CANCELLATION PROVISION: The County has the right to cancel by giving ten (10) days written notice if the tenant defaults in any of the provisions specified in the lease agreement.

COMMENTS: There were 77 notices of the Invitations to Bid mailed out to prospective vendors. None were down loaded from the Miami-Dade County website. Bids were received as follows:

Marina Hot Dogs, Corp.	$1,200.00
Ricky's Arepas	$1,100.00
Majail Yamils	$1,100.00
Edna Padon	$ 800.00
Karlen Foods	$ 675.00
West Palm Sub and Salad Entrepreneurs	$ 650.00

Assistant County Manager

MEMORANDUM

(Revised)

TO: Honorable Chairman Bruno A. Barreiro and Members, Board of County Commissioners

DATE: December 4, 2007

FROM: R. A. Cuevas, Jr. County Attorney

SUBJECT: Agenda Item No. 8(F)(1)(D)

Please note any items checked.

_____ **"4-Day Rule" ("3-Day Rule" for committees) applicable if raised**

_____ **6 weeks required between first reading and public hearing**

_____ **4 weeks notification to municipal officials required prior to public hearing**

_____ **Decreases revenues or increases expenditures without balancing budget**

_____ **Budget required**

_____ **Statement of fiscal impact required**

_____ **Bid waiver requiring County Manager's written recommendation**

_____ **Ordinance creating a new board requires detailed County Manager's report for public hearing**

_____ **Housekeeping item (no policy decision required)**

_____ **No committee review**

Approved _____ Mayor
Veto _____
Override _____

Agenda Item No. 8(F)(1)(D)
12-04-07

RESOLUTION NO. **R-1305-07**

RESOLUTION AUTHORIZING EXECUTION OF AN AMENDMENT TO LEASE AGREEMENT WITH MARINA HOT DOGS, CORP., FOR PREMISES LOCATED AT THE SOUTH DADE GOVERNMENT CENTER, 10710 SW 211TH STREET, MIAMI, UTILIZED AS A SNACK BAR; AND AUTHORIZING THE COUNTY MAYOR OR HIS DESIGNEE TO EXERCISE ANY AND ALL OTHER RIGHTS CONFERRED THEREIN

WHEREAS, this Board desires to accomplish the purposes outlined in the accompanying memorandum, a copy of which is incorporated herein by reference,

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that this Board hereby approves the Amendment to Lease Agreement between Miami-Dade County and Marina Hot Dogs, Corp., for premises located at the South Dade Government Center, 10710 SW 211 Street, Miami, utilized as a snack bar, in substantially the form attached hereto and made a part hereof; authorizes the County Mayor or his designee to execute same for and on behalf of Miami-Dade County; and authorizes the County Mayor or his designee to exercise any and all other rights conferred therein.

The foregoing resolution was offered by Commissioner Jose "Pepe" Diaz, who moved its adoption. The motion was seconded by Commissioner Joe A. Martinez and upon being put to a vote, the vote was as follows:

Bruno A. Barreiro, Chairman aye
Barbara J. Jordan, Vice-Chairwoman aye

Jose "Pepe" Diaz	aye	Audrey M. Edmonson	aye
Carlos A. Gimenez	aye	Sally A. Heyman	absent
Joe A. Martinez	aye	Dennis C. Moss	aye
Dorrin D. Rolle	aye	Natacha Seijas	aye
Katy Sorenson	absent	Rebeca Sosa	aye
Sen. Javier D. Souto	absent		

The Chairperson thereupon declared the resolution duly passed and adopted this 4th day of December, 2007. This resolution shall become effective ten (10) days after the date of its adoption unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.

MIAMI-DADE COUNTY, FLORIDA
BY ITS BOARD OF
COUNTY COMMISSIONERS

HARVEY RUVIN, CLERK

By: Kay Sullivan
Deputy Clerk

Approved by County Attorney as
to form and legal sufficiency. MR

Monica Rizo

Memorandum

MIAMI-DADE COUNTY

Date: July 31, 2007

To: Wendi Norris, Director
General Services Administration (GSA)

From: Cathy Jackson, Director
Audit and Management Services (AMS)

RECEIVED
JUL 31 2007
G. S. A.
DIRECTOR'S OFFICE

Subject: Marina Hot Dogs, Corp.

In response to your request, we reviewed the Marina Hot Dogs, Corp. (the Tenant) gross sales reports and sales tax payments for the period June 1, 2005 to August 31, 2006, as well as the Lease Agreement. During this period, gross sales averaged $2,913 monthly and lease payments were $1,200 or 41% of sales.

AMS conducted a site visit to observe the Tenant's patronage on July 6, 2007 from 12:18 pm to 1:25 pm at the South Dade Government Center. During this period, 12 customers were observed and cash receipts averaged $5 or less per transaction. We understand you have also authorized the Tenant to operate a hot dog concession outside of the building to supplement gross sales. Based on this, and prior GSA observations, actual sales may be well below the Tenant's initial projections.

In addition, AMS was advised that the assigned GSA Real Estate Officer had not forwarded for deposit the Tenant's most recent payment pending a final decision as to whether or not rent should be reduced. This decision should be made by management in consultation with the Office of the County Attorney to assure County procurement policies are not compromised. Based on our review of the bid documents, other companies offered lower rents but were not awarded the contract because this Tenant proposed much higher financial returns. Staff should not defer rents without appropriate contract modifications and supervisor approvals. We understand that you instructed staff to immediately deposit the held check once the matter was brought to your attention.

Please contact Andrea Beamer, Audit Supervisor, at 305-349-6100 if you should have any questions or require further information. No reply is required and thus, this audit has been closed.

CJ:zg

c: Honorable Harvey Ruvin, Clerk of the Courts
George M. Burgess, County Manager
Robert A. Cuevas, Acting County Attorney
Jennifer Glazer-Moon, Director, Office of Strategic Business Management
Miriam Singer, Director, Department of Procurement Management
Jerry S. Hall, Director, Facilities Management, General Services Administration
Charles Anderson, Commission Auditor

AMENDMENT TO LEASE

THIS AGREEMENT made this day of , 2007, by and between, MIAMI-DADE COUNTY, a political subdivision of the State of Florida, hereinafter called the "LANDLORD," and MARINA HOT DOGS CORP., a Florida corporation, hereinafter called the 'TENANT",

WITNESSETH:

WHEREAS, effective October 19, 2004, adopted by the Board of County Commissioners adopted Resolution No. R-1232-04 approving a Lease Agreement (the "Lease") between Miami-Dade County and Marina Hot Dogs Corp. for the operation of a snack bar located at the South Dade Government Center, 10710 SW 211th Street; and

WHEREAS, by Resolution No. , adopted , 2007, the Board of County Commissioners has authorized the amending of said Lease;

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, COUNTY and LESSEE agree as follows:

Section 5. Option to Renew: The paragraph shall be deleted in its entirety and the following inserted in its place:

The County shall have the option to renew for an additional three (3) years on a one year term basis. At that time the County will consider an adjustment to the rental rate based on the gross sales data, per year.

Section 6. Minimum Rental Guarantee: The paragraph shall be deleted in its entirety and the following inserted in its place:

Lessee in consideration of the use and occupancy of the premises does hereby covenant and agree with the County to pay to the County without deduction or set off of any kind the sum of $6,000.00 per year, as Minimum Rental Guarantee in monthly installments of $500.00, plus applicable State Taxes as may be required by law, on the first day of the month without billing or demand.

In all other respects the said Lease shall remain in full force and effect in accordance with the terms and conditions specified therein.

9

IN WITNESS WHEREOF, the LANDLORD and TENANT have caused this Lease Agreement to be executed by their respective and duly authorized officers the day and year first above written.

(CORPORATE SEAL)

MARINA HOT DOGS CORP.

_____
WITNESS

By: _____
Elsa M. Flores (TENANT)
President

_____
WITNESS

(OFFICIAL SEAL)

ATTEST:

HARVEY RUVIN, CLERK

By: _____
Deputy Clerk

MIAMI-DADE COUNTY

By: _____
George M. Burgess
County Manager (LANDLORD)

Approved by County Attorney as to
form and legal sufficiency: _____

Date: 10-23-07

10