

EXPLANATION OF CONSENT AGENDA ITEM E.2.c.(9) June 7, 2017

ITEM:

Consideration of entering into a five (5) year Lease with Oceania Services, Inc. dba The UPS Store at Port Canaveral. The document has been reviewed and approved by General Counsel and Port Attorney. (Scott Shepard)

EXPLANATION:

The Port owns a 15,000 SF multi-tenant office/retail/warehouse building located at 720 Mullet Drive. The UPS Store would like to open a store on the Port that would provide various shipping, printing, and Post Office Boxes to service the other Tenants in the Port, immediate area residents, Cruise passengers, and Cruise Crew.

General Lease Summary:

Lease Space:	1750 SF
Term:	5 years
Rent:	Yr. 1: \$8.00/sf Yr. 2: \$10.00/sf Yrs. 3-5: 3% increase per annum
Port Infrastructure Fee (CAM):	\$1.00/sf
Option to Renew:	One (1) five(5) year term with a 10% increase in Yr. 6 and 3% annual increase thereafter
Early Termination:	Anytime after year three (3) with 180 day notice and a one-time payment of \$5,436
Capital Expense:	\$15,000 to purchase and install a new HVAC system and, if required, make necessary repairs to the electrical and plumbing systems

Note: In exchange for UPS funding all other renovation costs, the Port has agreed to provide four (4) months free rent.

Funding Review by Finance (Pat Poston): The total amount of \$15,000 is included in the FY17Capital Budget and no increase is required. [Budget item 2075 - Maritime Center / Tenant Improvement]

Staff recommends approval

Prepared by Scott Shepard

EXHIBIT "B"
(THE BUILDING)

