



Purchasing & Contract Management Division

May 19, 2014

Mr. John Clark Bills
President
John C. Bills Properties, LLC
3920 RCA Boulevard, Suite 2002
Palm Beach Gardens, Florida 33410

Dear Mr. Bills:

Thank you for your most recent letter dated May 5, 2014 responding with a counter offer for the lease renewal of City Offices at City Marketplace. The City is looking for a temporary location from November 1, 2014 through October 31, 2015 until our City Hall is ready for occupancy. City Marketplace has served as City Offices since November 1, 2008 and we desire to continue that relationship in the short-term. Your one year counter offer of \$17.00 per square foot at the current square footage of 22,221, represents a 57% increase or \$377,757 annually as opposed to the City's current annual cost of \$240,000. While the City would like to minimize disruption of City operations, the proposed increase and associated costs compel the City to research alternatives.

City staff will present your counter offer along with alternative(s) to City Council at the May 27, 2014 workshop for discussion. To ensure your counter offer is competitive, I wanted to provide you another opportunity to provide your best offer, especially in light of the City researching alternatives. City staff is willing to recommend to City Council a 10% increase to the current lease terms for a one-year lease extension beginning November 1, 2014 equal to \$22,000 per month all inclusive. If you agree with these lease extension terms, this offer will be submitted for Council review along with other alternatives. If this lease extension is not acceptable, please provide your best and final lease rate offer for the two (2) options below:

1. One-Year Lease of Current Offices (22,221 square feet), including the Flagler County Sheriff's Office Suite
2. One-Year Lease of Suites B106, 107, 108, 109, and 110.

Please provide a response by Noon, Thursday, May 22, 2014. Thank you in advance for your timely response.

Sincerely,

Dianne E. Torino, RMPE
Manager, Risk & Contracts

cc: Jim Landon, City Manager
William Reischmann, City Attorney
Dean Rosenbach, Esq.