

**INDIAN RIVER COUNTY, FLORIDA  
MEMORANDUM**

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**TO:** Jason E. Brown, County Administrator  
**THROUGH:** Richard B. Szpyrka, P.E., Public Works Director  
**FROM:** Andrew Sechen, Land Acquisition Specialist  
**SUBJECT:** MedFast Urgent Care Center Letter of Intent for Lease  
**DATE:** September 22, 2022

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**DESCRIPTION AND CONDITIONS**

The County purchased Sebastian Corners Retail Center, LLC located at 1919-1931 US Highway 1, Sebastian, Florida on September 5, 2017. The purchase was for the relocation of the North County Offices of the Tax Collector, Property Appraiser, Clerk of the Court, Utilities Department and Veteran Services. Staff has been listing the vacant property with Colliers International, a commercial real estate company, who has a contract with the County to represent us as our realtor for the vacant property.

Las Palmas Cuban Restaurant was a tenant at the retail center and they rented a 3,200 square foot unit. The lease term was a month-to-month at will lease that terminated on January 31, 2020. The tenant did not remove the kitchen equipment when they vacated the unit. Staff is asking for the Board to declare the following equipment surplus so that it can be disposed of. The equipment consists of a walk-in cooler, commercial smoker, commercial dishwasher, several food preparations tables, commercial stove hood system, and a raised bar area. This equipment has not been operated since the Las Palmas lease was terminated. MedFast Urgent Care Centers, Inc. (MedFast) has submitted a Letter of Intent to Lease Space (LOI) through Colliers to lease the 3,200 sq. ft. unit formerly leased by Las Palmas. MedFast operates 17 urgent care centers mainly in Brevard County but also a clinic in Edgewater and Port Orange. MedFast proposes to remove all existing interior contents and remodel the unit for use as a MedFast clinic. Staff recommends MedFast's renovation contractor be authorized to properly dispose of the equipment, at a cost to the County to be determined as described in the attached Letter of Intent (LOI) if the County is not able to sell/dispose of the equipment through the normal surplus disposal process administered through the Purchasing Division.

MedFast has requested the following in the attached Letter of Intent.

- A lease for a (5) five-year term with two (2) options to extend the term of the lease term for two (2) five (5) year periods. Tenant shall give nine (9) months prior notice of its intention to exercise said option(s) to extend the lease.
- Tenant shall be responsible for all utility bills (water, sewer, electric, garbage etc.)
- Tenant shall pay \$15.00/Rentable square footage plus sales tax on a Triple Net (NNN) Basis (real estate taxes, building insurance and maintenance) with 3% annual increases. Option term rent shall be at Fair Market Value, with a minimum increase of 3% of prior years' rental.
- Tenant shall pay an annual additional Common Area Maintenance (CAM) charge estimated at \$3.50 per square foot to cover its pro rata share of lawn, parking lot, and other property operating expenses.
- Tenant shall have four (4) months of Base Rent abatement at the onset of the lease but shall pay for all utility bills and CAM during this time.

- Tenant shall receive a direct payment of (cost to be determined) for removal of restaurant equipment and select demolition. Payment to be provided by Landlord to Tenant upon receipt of work provided by licensed contractor and after property has been inspected by the County to ensure work has been completed.

**FUNDING**

The annual base rental income from Las Palmas was \$53,268 compared to the projected annual base rental income from MedFast, which is \$59,200. Funding for the removal and disposal of the kitchen equipment will be made available with a budget amendment from the Sebastian Corners-Reserve Account to General Fund/Facilities Maintenance/ Other Contractual Services-Sebastian Corners, Account # 00122019-033490-17018.

**RECOMMENDATION**

Staff recommends the Board approve the Letter of Intent as proposed for MedFast Urgent Care Center and authorize the Chairman to execute a final Lease Agreement on behalf of the Board once finalized and approved by the County Attorney's Office. Staff also recommends that the Board declare the kitchen equipment as surplus, and authorize its disposal as proposed.

**ATTACHMENTS**

Letter of Intent

**APPROVED AGENDA ITEM FOR: October 11, 2022**