

**INDIAN RIVER COUNTY, FLORIDA  
MEMORANDUM**

**TO:** Board of County Commissioners  
**THROUGH:** John A. Titkanich, Jr., County Administrator  
**FROM:** Richard B. Szyrka, P.E., Public Works Director  
**SUBJECT:** Colliers International Lease Compensation for North County Office  
**DATE:** June 29, 2023

**DESCRIPTION AND CONDITIONS**

On November 2, 2021, the Board of County Commissioners entered into an Agreement with Colliers International Florida, LLC, (Colliers) to provide brokerage, marketing, advisory and other associated services for the sale of properties owned by the County based on the terms and subject to the conditions in the agreement.

Colliers was essential in establishing a lease agreement with Five Guys in the North County Office Complex. Five Guys is currently working on renovations in the lease space.

Upon review of the Original Agreement with Colliers, it was discovered that the agreement did not address compensation for lease transactions. Colliers has requested a rate of 6% for the total base rent for the initial lease term. The Original Agreement has a maximum compensation rate of 4% for the sale of County property.

The initial lease is for 10-years and the calculated value of the lease term is \$480,000 for the 10-year period. This calculation includes the first six month of rent abatement with a value of zero dollars included in the overall calculation. The total compensation for the lease term at 6% is \$28,800 which staff believes is fair compensation for the work that went into the Five Guys lease agreement. Staff made an initial payment to Colliers in the amount of \$14,400 (3%) and it was when the second invoice was processed it was discovered that the Agreement did not address compensation for leasing property which is different than compensation for selling or buying property.

**FUNDING**

Funding in the amount of \$14,400 is available from General Fund/Facilities Management/Other Contractual Services-Sebastian Corners, Acct # 00122019-033490-17018.

**RECOMMENDATION**

Staff recommends the Board approve the compensation rate of 6% for lease agreements through Colliers International Florida, LLC.

**AGENDA ITEM FOR JULY 11, 2023**