



Broward County

Legislation Details (With Text)

File #: 20-1631 **Version:** 1

Status: Agenda Ready

In control: County Attorney

On agenda: 9/22/2020 **Final action:** 9/22/2020

Title: MOTION TO AUTHORIZE County Administrator to approve and execute a Separation Agreement and Mutual Release (“Separation Agreement”) between Broward County (the “County”) and Young At Art of Broward, Inc. (“YAA”), provided the Separation Agreement is approved as to legal sufficiency by the Office of the County Attorney, includes the terms set forth in the Term Sheet (attached hereto as Exhibit 1), and is executed by YAA and the County by September 27, 2020; or, if the County and YAA are unable to agree upon and execute a Separation Agreement consistent with the Term Sheet by September 27, 2020, to (i) authorize the County Administrator to immediately terminate the Revised Lease Agreement between County and YAA (“Revised Lease”) pursuant to Section 3.4 thereof, and (ii) upon such termination, to authorize the Office of the County Attorney to pursue all available rights and remedies under the Revised Lease including, if determined appropriate, through the commencement of litigation.

Sponsors:

Indexes:

Code sections:

Attachments: 1. Exhibit 1 - Term Sheet, 2. Exhibit 2 - Additional Material distributed for the September 10, 2020, County Commission, 3. Additional Material - Information

Date	Ver.	Action By	Action	Result
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Broward County Commission Regular Meeting

Director's Name: Andrew J. Meyers

Department: County Attorney

Information

Requested Action

MOTION TO AUTHORIZE County Administrator to approve and execute a Separation Agreement and Mutual Release (“Separation Agreement”) between Broward County (the “County”) and Young At Art of Broward, Inc. (“YAA”), provided the Separation Agreement is approved as to legal sufficiency by the Office of the County Attorney, includes the terms set forth in the Term Sheet (attached hereto as Exhibit 1), and is executed by YAA and the County by September 27, 2020; or, if the County and YAA are unable to agree upon and execute a Separation Agreement consistent with the Term Sheet by September 27, 2020, to (i) authorize the County Administrator to immediately terminate the Revised Lease Agreement between County and YAA (“Revised Lease”) pursuant to Section 3.4 thereof, and (ii) upon such termination, to authorize the Office of the County Attorney to pursue all available rights and remedies under the Revised Lease including, if determined appropriate, through the commencement of litigation.

Why Action is Necessary

Board approval is required to authorize the County Administrator to execute a Separation Agreement or to terminate the Revised Lease, and is required to commence litigation regarding this matter.

What Action Accomplishes

Authorizes the County Administrator to approve and execute a Separation Agreement consistent with the Term Sheet by September 27, 2020, or, if the parties are unable to agree upon such Separation Agreement, to immediately terminate the Revised Lease pursuant to Section 3.4 thereof. In the event of termination, the County Attorney would also be authorized to commence any appropriate litigation.

Is this Action Goal Related

No

Previous Action Taken

Summary Explanation/Background

This item was initially on the Board's September 10, 2020, meeting agenda but was withdrawn by the County Attorney based on the request of Young At Art of Broward, Inc. ("YAA"), and the resulting Board discussion. The County owns a 56,000 square foot building located at 751 SW 121st Avenue, Davie, FL 33325 ("County Building"). On July 1, 2018, the County and YAA entered into a Revised Lease Agreement ("Revised Lease"), pursuant to which the County agreed to lease a portion of the County Building to YAA for certain limited uses, including as a children's art museum. Prior to and continuing during the Covid-19 declared emergency, YAA failed to fulfill its financial obligations under the Revised Lease. In the hope of avoiding litigation, the parties are in the process of negotiating a Separation Agreement and Mutual Release ("Separation Agreement") consistent with the Term Sheet (attached hereto as Exhibit 1), pursuant to which YAA must vacate and turn over possession of the leased property to the County within sixty (60) days (unless extended for certain limited reasons) after the effective date of the Separation Agreement. The County and YAA are also discussing other potential terms that might expedite YAA's vacation of the leased property; if a conceptual resolution is achieved on terms inconsistent with the Term Sheet, the matter will be presented for the Board's later consideration.

If the parties are unable to conclude a mutually acceptable Separation Agreement by September 27, 2020, this item would give the County Administrator the authority to immediately terminate the Revised Lease pursuant to Section 3.4 thereof. Upon termination, the County Attorney's Office would be authorized to take all appropriate actions in connection with the County's rights and remedies under the Revised Lease, including, if required, through the filing of a lawsuit. Nothing in the item prevents the parties from continuing to negotiate after September 27, 2020, if a mutually acceptable Separation Agreement is not reached by that date.

Exhibit 2 to this item is a compilation of all of the documents that were distributed as additional material to the item in connection with the Board's September 10, 2020, meeting agenda.

Source of Additional Information

Michael J. Kerr, Deputy County Attorney, 954 357-7600

Fiscal Impact

Fiscal Impact/Cost Summary

None unless litigation is required. If litigation is required, litigation expenses in the range of \$10,000 - \$25,000 would likely be incurred. All legal services would be performed in-house by the County Attorney's Office.