

M E M O R A N D U M

TO: Governing Board Members

FROM: Candida Heater, Administrative Services, Facilities Bureau

DATE: August 13, 2026

SUBJECT: Future Kids of West Palm Beach Corp, Daycare Lease Extension

Agenda Item Background:

On July 20, 2016, the South Florida Water Management District entered into a lease agreement with Future Kids of West Palm Beach Corp. for 6,216 square feet of office space at the District's Headquarters Complex in West Palm Beach to operate a childcare facility. The original lease term is ten years and expires on September 30, 2026. Pursuant to Article 28.1 of the lease, the Governing Board may approve the lease's single five-year extension option.

Future Kids has continuously operated the childcare facility throughout the initial lease term, providing a convenient on-site childcare option for District employees and employees of neighboring public agencies. The District has no operational need for the leased space during the proposed extension period, allowing the District-owned space to continue generating revenue while supporting a valued employee amenity.

Both parties desire to exercise the contractual option to extend the lease for an additional five-year period through September 30, 2031. The proposed extension continues to maximize the use of District-owned property by generating revenue from space not needed for District operations while maintaining uninterrupted childcare services at the Headquarters Complex. During the initial ten-year lease term, the District generated \$1,158,679.03 in lease revenue. Approval of the five-year extension, including the lease's contractual 3 percent annual rent increases, is expected to generate an additional \$721,153.36 in lease revenue, bringing the total revenue generated over the fifteen-year lease term to \$1,879,832.39.

Additional Item Background:

Core Mission and Strategic Priorities:

This proposed lease extension supports the District's goal of balancing our annual budget by fully utilizing underused facilities and generating revenue. The General Services Section of the Administrative Services Division will be responsible for implementing this contract.

Funding Source:

Revenue Contract

Staff Contact and/or Presenter:

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ATTACHMENTS:

[Resolution No. 2026-0802](#)