



TO: Honorable Mayor & Members of the
Fort Lauderdale City Commission

FROM: Lee R. Feldman, ICMA-CM, City Manager

DATE: April 7, 2015

TITLE: Amendment to Agreement and Addendum with CBRE for Real Estate
Brokerage and Lease Management Services

Recommendation

It is recommended that the City Commission approve a motion authorizing execution of First Amendment to Agreement and Addendum with CBRE for Real Estate Brokerage and Lease Management Services - Contract 535-11231.

Background

At its November 19, 2013 Regular Meeting (CAM 13-1460), the City Commission approved a one-year contract for real estate brokerage services. Subsequent to approval, CBRE requested changes be made to the contract to more accurately reflect the provisions for management fees and brokerage commissions. The revised contract and addendum were approved at the June 17, 2014 Regular Commission Meeting. Further revisions have been agreed upon. Revisions include the following:

- Removes the exclusion for airport leases for both management fees and brokerage commission. Brokerage Commission on airport leases will be governed by Resolution No. 12-227, as same may be amended from time to time. The additional leases include 36 from Fort Lauderdale Executive Airport with projected annual revenue of \$5,570,013. The three (3%) percent management fee collected by CBRE will be \$69,625 for services to be provided through the end of this fiscal year.
- Provides for collection of rents into an escrow account.
- Provides for the payment of brokerage fees from 50% of rents collected until paid in full.
- Lowers brokerage commissions to 3% when there is co-broker involved.

- Lowers brokerage commissions to 2% when leases are renewed.
- Creates a new paragraph, Financial Advisory Services Fee, for Complex Development Transactions. These services will be at the request of the City and will be used to implement the Strategic Plan and reduce facility costs. Compensation shall be market-based and with mutual agreement by both CBRE and the City Commission once the scope of work has been defined and funded through the transaction proceeds.

These changes require revisions to the addendum to the contract (Exhibit 1).

CBRE’s resources, proven public-sector track record and best practices offer a reliable, transparent, and market-tested approach that supports City operations and benefits taxpayers. By partnering with CBRE, the City has access to the largest global commercial real estate network, most advanced resources and service platform, and unparalleled market data, research, and analysis – all of which will help the City make informed real estate decisions. CBRE has local market experts (based in South Florida) who have a deep knowledge of Fort Lauderdale as well as its Washington D.C.-based Public Institutions and Education Solution Group (PIES). PIES have extensive experience performing real estate services on behalf of cities around the country. This integrated team of experts will ensure City representatives have access to the most experienced personnel and resources to assist them.

Resource Impact

Funds available as of March 26, 2015					
ACCOUNT NUMBER	INDEX NAME (PROGRAM)	OBJECT CODE/ SUB-OBJECT NAME	AMENDED BUDGET (Object Code)	AVAILABLE BALANCE (Object Code)	PURCHASE AMOUNT
468-TAM070101-3199	Executive Airport	Services Materials / Other Professional Services	\$2,678,875	\$1,486,961	\$69,625

Strategic Connections:

This item is a Press Play Fort Lauderdale Strategic Plan 2018 initiative, included within the Internal Support Cylinder of Excellence, specifically advancing:

- Goal 12: Be a leading government organization, managing resources wisely and sustainably
- Objective 1: Ensure sound fiscal management
- Initiative 1: Achieve a structurally balanced budget through viable revenue sources, smart financial management, comprehensive financial forecasting, and results-oriented and efficient services

Attachments

Exhibit 1 –Executed Contract and Addendum

Exhibit 2 – First Amendment to CBRE Contract

Exhibit 3 – Resolution

Prepared by: Stacey Daley, Administrative Assistant

Department Director: Phil Thornburg, Parks and Recreation