



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

FROM: Lee Feldman, ICMA-CM, City Manager

DATE: May 7, 2013

TITLE: Motion Authorizing execution by the proper City officials of a Lease for a
Police Sub-station at 1291 & 1295 Sistrunk Boulevard

Recommendation

It is recommended the City Commission adopt a motion authorizing execution of a lease by the proper City officials between the City of Fort Lauderdale and Mizell-Kurtz Funeral Home for a Police Sub-station at 1291 & 1295 Sistrunk Boulevard.

Background

As part of a long-term effort to reduce crime and facilitate private capital investment along the Sistrunk corridor, the NPF CRA proposes to partner with the Fort Lauderdale Police Department (FLPD) on leasing 1,600 square feet of commercial space at 1291& 1295 Sistrunk Boulevard as a new police substation. Initial approval from the CRA Board to secure a lease at 1291 & 1295 Sistrunk Boulevard was done at the CRA Board meeting on November 20, 2012 (CAM 12-2551).

The property to be leased was recently renovated, but additional renovation is needed prior to the space being occupied by the FLPD. The building is CBS construction with a full glass window facing Sistrunk Blvd, and is physically connected to the Mizell-Kurtz funeral home building. There are four parking spaces available in the parking lot and additional parking is available on Sistrunk Boulevard adjacent to the property.

The landowner – Roy Mizell & Kurtz Funeral Home, Inc., (Richard Kurtz, President) has proposed renting the facility to Fort Lauderdale PD for \$1,601 per month or \$19,212/annually. The lease also includes the costs of the water service at the building.

A summary of the terms of lease are as follows:

- Initial Lease Term – 5 years; (1) 5-year renewal option

- Effective Date – 1st day of the month after the “move-in” period
- Year 1 Rent - \$19,212 increasing 3% per annum through year #5; thereafter escalation based on increase in the Consumer Price Index, not to exceed 3% per annum

In addition to the annual cost of the lease there are other expenses associated with occupancy that include utilities (electrical, telephone, and cable), furniture, office equipment, and security upgrades. Expenses are expected to include approximately \$128,000 in one-time expenses associated with furnishings and equipment, while monthly expenses, in excess of rent, should be around \$700. A breakdown of the estimated costs is detailed below.

- Security upgrades (shatter proof glass or bars, alarm system, etc.) - \$18,000
- Office equipment (phones, computers, printer, etc.) - \$12,500
- Furniture costs (desks, chairs, conference table, filing cabinets, etc.) - \$5,500
- Signage cost - \$2,000
- Automatic License Plate Reader - \$40,000.
- Interior improvement (doors, walls, locks, electrical, HVAC, permits, labor, etc.) costs are estimated at \$25,000.
- IT connections - \$25,000.
- Utilities & Expenses (cable, phone, internet, monitoring, janitorial) - \$700/mo.

Based on the estimated initial investments, monthly expenses (3 months) and rent expense (3 months) the start-up expenses associated with leasing space at 1291 & 1295 Sistrunk Blvd, is approximately \$140,000. Rental expense for the Police Sub-station will continue to be funded from the NPF CRA funds each year as part of the annual operating budget. Funding for the initial and the on-going monthly expenses until the end of FY 2013 will come from NPF CRA funds.

Consistency with Redevelopment Plan

The NPF CRA Redevelopment Plan, in general, was formulated to assist the needs of all neighborhoods within the target area of the district. Since the inception of the Redevelopment Plan in 1995, a number of development regulations and initiatives have been carried out to promote development while preserving and protecting the integrity of the abutting neighborhood areas from the progress of redevelopment. For example, in the neighborhoods abutting the Sistrunk corridor a variety of traffic calming investments have been done with roundabouts, road closures, narrowing lanes and speed tables.

These types of physical improvements have been installed to create an environment necessary to preserve the strong residential quality of life that exists within the district.

The partnership between the FLPD and the NPF CRA on operating a police substation is considered to be another physical improvement to assist in the preservation of our commercial development investments, aid in business retention and provide a valuable asset in attracting more sound business and commercial activity.

City staff believes that this partnership with FLPD to open a sub-station at 1291 & 1295 Sistrunk Boulevard is consistent with the Redevelopment Plan and is an important part of the success of the overall redevelopment implementation strategy for the district.

Resource Impact

Funding for this activity is available in NPF CRA Operating Budget DSD060601, subobject 3319. Rental expenses for the Police Substation during the remaining period of the lease will be set up in the NPF CRA operating budget for the duration of the 5-year term of the lease with the exact rental amount to be appropriated listed below.

Future expenditures are contingent upon approval and appropriation of the FY 2014, 2015, 2016 and 2017 annual budgets.

FUNDS AVAILABILTY LOCATION:

FISCAL		SUB				SUB	SUBJECT	
YEAR	FUND	FUND	FUND NAME	INDEX #	INDEX NAME	OBJECT #	NAME	AMOUNT
2013	106	02	Ft, Lauderdale CRA	DSD060601	Ft, Lauderdale CRA	3319	Office Space Rent	\$16,012.00
2014	106	02	Ft, Lauderdale CRA	DSD060601	Ft, Lauderdale CRA	3319	Office Space Rent	\$19,788.46
2015	106	02	Ft, Lauderdale CRA	DSD060601	Ft, Lauderdale CRA	3319	Office Space Rent	\$20,382.01
2016	106	02	Ft, Lauderdale CRA	DSD060601	Ft, Lauderdale CRA	3319	Office Space Rent	\$20,993.47
2017	106	02	Ft, Lauderdale CRA	DSD060601	Ft, Lauderdale CRA	3319	Office Space Rent	\$21,624.06
							TOTAL	\$98,800.00

Related CAM: 12-2551 and 13-0603

Attachments:

Exhibit 1 – Proposed Lease and Floor Plan

Exhibit 2 – Picture of Location

Exhibit 3 – Map of Location

Prepared by: Al Battle Jr., Economic & Community Reinvestment Manager

Department Director: Greg Brewton, Sustainable Development