



**CITY OF FORT LAUDERDALE
City Commission Agenda Memo
REGULAR MEETING**

#23-1105

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

FROM: Greg Chavarria, City Manager

DATE: November 21, 2023

TITLE: Motion Approving the Lease Agreement between Cypress Corporate Center LLC and the City of Fort Lauderdale, in Substantially the Form Provided - \$779,438 (36-Month Rent) - **(Commission District 1)**

Recommendation:

Staff recommends that the City Commission approve a lease agreement with Cypress Corporate Center LLC ("Lessor") for leasing office space designated for Information Technology (IT) operations. The space, encompassing 9,378 square feet, is located on the 5th floor of 1901 W Cypress Creek, Fort Lauderdale, Florida 33309 ("Premises").

Background:

Following the flooding incident in April 2023, City staff, in collaboration with Colliers International, has been actively seeking appropriate office spaces. In October 2023, we identified and expressed our interest in leasing Suite 500 on the 5th floor of the Premises. This suite will serve as a workspace for approximately seventy (70) IT personnel from the City and will also provide a conference area for City staff located in the Uptown area of Fort Lauderdale.

The proposed lease agreement, which is subject to City Commission approval, includes the following key terms (detailed in Exhibit 2):

- **Lease Term:** The lease is for a period of thirty-six (36) months, starting from January 1, 2024, and concluding on December 31, 2026.
- **Lease Rate:** The annual lease rate is set at \$140,670 (\$15.00 per square foot), subject to an annual increase of three percent (3%).
- **Operating Expenses:** The annual operating expenses are fixed at \$114,880 (\$12.25 per square foot), with a stipulation that controllable operating expenses will not increase by more than three percent (3%) in any calendar year.
- **Space Size:** The total space being leased at the Premises is 9,378 square feet.
- **Renewal Option:** The agreement includes an option for two one-year renewals.
- **Landlord's Responsibilities:** The Lessor will provide a Welcome-Desk at the suite entrance, install 60 cubicles, and undertake renovations including painting, light-bulb replacement, and carpet shampooing.

In response to the operational challenges brought about by the April flash flood, which disrupted the essential collaborative workspace for City departments, staff recommends entering into a new lease agreement, specifically to address the immediate needs for IT office space. The unique demands of City operations, especially the need for real-time collaboration, make exclusive remote work impractical. This proposed lease agreement is a critical measure for restoring the IT staff's ability to efficiently coordinate City operations, embodying a proactive approach to an unforeseen natural disaster. It will not only provide adequate space for City staff amid the construction of a new city hall facility but also offers flexibility for future adjustments, ensuring that the evolving needs of the City are met.

Resource Impact

The lease commencement on January 1, 2024, will result in a fiscal impact of \$191,662 for FY 2024 in the account listed below.

<i>Funds available as of November 13, 2023</i>					
ACCOUNT NUMBER	COST CENTER NAME	CHARACTER CODE/ ACCOUNT NAME	AMENDED BUDGET (Character)	AVAILABLE BALANCE (Character)	AMOUNT
10-581-2201-516-30-3316	ITS Administration	Services/ Materials/ Building Leases	\$282,162	\$280,762	\$191,662
TOTAL AMOUNT →					\$191,662

Strategic Connections

This item supports the *Press Play Fort Lauderdale 2024* Strategic Plan, specifically advancing:

- The Internal Support Focus Area
- Goal 8: Build a leading government organization that manages all resources wisely and sustainably
- Objective: Maintain financial integrity through sound budgeting practices, prudent fiscal management, cost effective operations, and long-term planning

This item advances the *Fast Forward Fort Lauderdale 2035* Vision Plan: We Are United.

Attachments

Exhibit 1 – Location Map

Exhibit 2 – Proposed Lease Agreement

Prepared by: Angela Salmon, Assistant to the City Manager, City Manager's Office

Charter Officer: Greg Chavarria, City Manager