



# CITY OF FORT LAUDERDALE City Commission Agenda Memo REGULAR MEETING

- TO: Honorable Mayor & Members of the Fort Lauderdale City Commission
- **FROM**: Rickelle Williams, City Manager
- **DATE**: June 17, 2025
- TITLE: Motion Amending a Lease Agreement Between MI-3 Property, LLC and the City of Fort Lauderdale for the Community Court Program at 18 NW 1<sup>st</sup> Avenue, Fort Lauderdale, FL 33301 (Commission District 2)

## **Recommendation**

Staff recommends that the City Commission approve an amendment, in substantially the form attached as Exhibit 2, to the lease agreement between MI-3 Property, LLC and the City of Fort Lauderdale for the use of approximately 3,115 square feet of space located at 18 NW 1<sup>st</sup> Avenue for the City's Community Court program, or such related public purpose activities.

## **Background**

On April 15, 2025, the City Commission by unanimous vote approved a motion for the City Manager to execute a lease between the City and MI-3 Property, LLC for use of approximately 3,115 square feet out of a total of approximately 6,380 square feet of a building located at 18 NW 1<sup>st</sup> Avenue.

As outlined in the approved lease agreement, key provisions include:

- **Term**: Five (5) years from April 1, 2025 through February 28, 2030. The lease is retroactive to April 1, 2025, to ensure continuity of services and immediate applicability of maintenance obligations, as needed.
- **Renewal Options:** After completion of the initial five (5) year term, two (2) one-year Tenant options at market rate.
- **Termination Clause**: If relocating to a City-owned building, the City may terminate the agreement after thirty-six (36) months by providing notice nine (9) months in advance. The City may terminate the agreement if any Landlord repairs or maintenance needs are not cured within a sixty (60) day period. The lease is also subject to the City Commission's annual budget appropriation. If the City Commission does not appropriate funds necessary to satisfy the monetary

obligations of the lease for any fiscal year, the City will have the right to terminate the lease.

**Update:** Following the City Commission's approval of the lease agreement, members of the nearby community and neighboring property owners expressed concerns with the length of the lease. Issues communicated included the potential negative impact to the value of private investment, the effect on future development, and adding to blighted conditions. Staff believes there is value to the location for the stability of the Community Court Program as well as its proximity to public transportation, adequate City-owned parking, and an established operational plan between City staff and partners that participate in Community Court.

Based on conversations with stakeholders, including the owner of 18 NW 1<sup>st</sup> Avenue, and in consideration of the Community Court program's needs, staff recommends an amendment to Section 1.06 of the lease agreement titled, Termination Option.

Tenant shall have the right to terminate the Lease, by providing <u>nine (9)</u> months written Notice to the Landlord in the event that this division is moving into City owned property, however a termination of the lease shall not occur prior to the thirty-seventh (37<sup>th</sup>) twenty-fifth (25<sup>th</sup>) month of the initial lease term.

Termination provisions related to maintenance obligations and City Commission annual budget appropriations remain unchanged in the lease agreement.

## Primary Use of 18 NW 1<sup>st</sup> Avenue

In 2019, the City of Fort Lauderdale launched the first Community Court Program in Florida to address low-level misdemeanor offenses and municipal ordinance violations. Designed as a holistic, service-based alternative to incarceration, the program aims to reduce both recidivism and homelessness. Since its inception, Community Court has expanded to include multiple support services to those experiencing homelessness or are at risk of homelessness.

Community Court connects participants with tailored support services, including:

- Assistance obtaining a state identification;
- Referrals to medical and mental health providers;
- Detoxification and rehabilitation services;
- Case management for housing and shelter;
- Transportation assistance; and
- On site health and hygiene services.

Community Court convenes each Wednesday from 9:00 AM to 12:00 PM at 18 NW 1 Avenue. The lease agreement allows the City to use the space as needed and staff is evaluating additional uses to activate the space, such as supporting Housing Navigation, the Homeless Outreach Team, and other related services, when it is not being used for Community Court.

## Site History and Current Lease

18 NW 1<sup>st</sup> Avenue has been the site of the City's Community Court Program since November 2023 under a Facility Use Agreement, followed by a First Amendment which converted the arrangement into a month-to-month lease at \$5,000 per month. The current agreement expires on September 30, 2025, and may be terminated by either party with 60 days' notice. Therefore, on April 15, 2025, staff recommended the City Commission approve a five (5)-year lease to provide long-term security for the program and obligate the landlord to complete the needed repairs.

### Site Search and Alternatives Considered

The City, through its contracted real estate broker Colliers, explored multiple alternatives, including:

- City-owned spaces at Riverwalk Center parking garage were deemed to be too small (1,600 SF) for Community Court needs.
- Landlords at 2551 NW 4th Court, 837 NW 8th Avenue, and 15-21 NW 9th Avenue did not entertain leasing space for this use.
- Acquiring property was cost prohibitive.
- Existing commercial space at 15 NW 7<sup>th</sup> Avenue. This site requires internal buildout and is limited by the amount of parking on site. Staff explored nearby parking facilities, however, could not secure a long-term commitment. Proximity to the Performing Arts Center garage was also considered.

Staff will continue to explore opportunities to permanently house Community Court including at existing or newly constructed City facilities as well as opportunities to purchase or lease an alternative location.

### Resource Impact

There is no additional fiscal impact associated with this action. The lease, as approved by the City Commission on April 15, 2025, included a retroactive commencement date of April 1, 2025. As a result, a fiscal impact of \$57,627 was incurred for Fiscal Year 2025 and accounted for in the funding source identified in CAM #25-0357.

### Strategic Connections

This item is a FY 2025 Commission Priority, advancing the Homelessness initiative.

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

### **Attachments**

Exhibit 1 – Colliers Community Court Site Search Memo Exhibit 2 – First Amendment to the Lease Agreement Exhibit 3 – April 15, 2025, Approved Lease for 18 NW 1<sup>st</sup> Avenue

06/17/2025 CAM #25-0653 Exhibit 4 – Location Map Exhibit 5 – CAM #25-0357 Prepared by: Christopher Cooper, Acting Assistant City Manager

Charter Officer: Rickelle Williams, City Manager