



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

#23-1063

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

FROM: Greg Chavarria, City Manager

DATE: November 21, 2023

TITLE: Motion Approving Eleventh Amendment to the Lease Agreement between Ivy Tower 101 Property, LLC and the City of Fort Lauderdale, in Substantially the Form Provided - \$8,661,000 (54-Month Rent) - **(Commission District 2)**

Recommendation

Staff recommends the City Commission approve an eleventh amendment to the lease agreement between Ivy Tower 101 Property, LLC (“Lessor”) and the City of Fort Lauderdale (“City”) for a renewal of office space on the 11th and 14th floors and an expansion on the 16th and 21st floors of property located at 101 NE 3 Avenue, Fort Lauderdale, Florida 33301, commonly known as “Tower 101” (Exhibit 1).

Background

Since 1997, the City of Fort Lauderdale has occupied office space at Tower 101. Currently, the City utilizes 19,320 square feet of space, serving as a central hub for staff, particularly those displaced by the flash flood in April 2023 and original occupants. Original occupants include various City departments, comprising the City Auditor’s Office, the Office of Management and Budget, Strategic Communications, the Public Works Department Division of Sustainability, the Consent Order Team, and the Stormwater and Water/Sewer teams.

In October 2023, in anticipation of the current lease's expiration on December 31, 2025 (detailed in Exhibit 2), City staff and Colliers International initiated discussions with the Lessor to renegotiate the lease. The renegotiation aims to renew our existing space, acquire additional office space, and extend the lease term until July 31, 2028. The expansion of 27,443 square feet on the 16th and 21st floors will accommodate the needs of both the staff displaced from City Hall and the original occupants.

Subject to City Commission approval, the proposed eleventh amendment includes the following terms (elaborated in Exhibit 3):

- Lease Term – Extension of four (4) years and six (6) months, from January 15, 2024, to July 31, 2028.
- Total Renewal Office Space – 19,320 square feet
- Total Expansion Office Space – 27,443 square feet

- Rate – The lease rate for the 11th and 14th floors will remain unchanged until December 31, 2025. Starting January 1, 2026, the rate will align with the new office space at \$30.00 per square foot, subject to an annual increase of three percent (3%).
- Rent Abatement – One (1) month of base rent abatement for the new office space on the 16th and 21st floors.
- Operating Expenses – Fixed at \$17.56 per square foot annually, with a cap that controllable expenses will not exceed a five percent (5%) increase per calendar year.
- Landlord Modifications – The Landlord will make the following turn-key modifications to the leased space:
 - 11th floor suite: Conversion of 1,603 square feet into a large conference space by removing all walls.
 - 21st floor: Construction of a kitchenette/pantry to accommodate various appliances and equipment, including a kitchen sink and ample counter space, with capacity for two refrigerators and two microwaves.

In response to the operational challenges posed by the April flash flood, which disrupted the collaborative workspace essential for City departments, staff recommends amending the lease agreement to include additional workspace. The unique requirements of City operations, which necessitate real-time collaboration, render exclusive remote work unsuitable. This proposed amendment is a crucial step in restoring the staff's ability to efficiently coordinate City operations and reflects a proactive response to an unforeseen natural disaster. The amendment will provide adequate space for City staff during the anticipated construction of a new city hall facility.

Resource Impact

The lease commencement on January 1, 2024, will result in a fiscal impact of \$870,126.08 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
10-001-9003-519-30-3316	Other General Government	Services/ Materials/ Building Leases	\$3,440,814	\$3,439,314	\$870,127
TOTAL AMOUNT →					\$870,127

Strategic Connections

This item is a Press Play Fort Lauderdale Strategic Plan 2024 initiative, specifically advancing:

- 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 Vision Plan 2035: We are United*.

Attachments

Exhibit 1 – Property Map

Exhibit 2 – Tenth Amendment

Exhibit 3 – Proposed Eleventh Amendment

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Charter Officer: Greg Chavarria, City Manager