



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

**#23-0461**

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

**FROM:** Greg Chavarria, City Manager

**DATE:** October 3, 2023

**TITLE:** Resolution Approving an Exchange Agreement with the United States  
General Services Administration for the Fort Lauderdale Federal  
Courthouse - **(Commission District 4)**

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**Recommendation**

Staff recommends the City Commission adopt a resolution authorizing the City Manager to execute an Exchange Agreement with the United States General Services Administration, in substantially the form attached.

**Background**

The Federal Courthouse, through the General Services Administration (GSA), is planning to relocate from its current building located at 299 East Broward Boulevard to an area near the intersection of SE 4<sup>th</sup> Avenue and SE 11<sup>th</sup> Street. The proposed Fort Lauderdale Federal Courthouse is a 251,000 square foot facility that will include 12 courtrooms, 17 chambers, and 50 secured parking spaces. The \$190,000,000 project is expected to be substantially completed by January 2026.

On July 5, 2022, the City of Fort Lauderdale City Commission authorized the City Manager to execute a Letter of Intent with the United States General Services Administration regarding a proposed exchange agreement. The Letter of Intent was executed on July 8, 2022 and since that time, the parties have been negotiating the exchange agreement and related documents.

As defined in the Letter of Intent, The City of Fort Lauderdale was required to improve City infrastructure that would support the Federal Courthouse relocation effort. Specifically, the City committed to relocate and replace the A-16 pump station and to relocate a 30" water main. The proposed improvements are part of an existing capital improvement project which is currently in the construction phase. The City Commission has approved rights-of-way vacations in the nearby area to maximize the buildable footprint.

GSA identified that a public purpose parking facility would need to be constructed on, or near the future courthouse site. As the cost to construct a parking garage exceeds the GSA budget, GSA contacted the City to determine if the City would be willing to construct

a parking garage on 1.25 acres of the future courthouse parcel. The City procured Walker Consulting to conduct a parking study to determine the financial feasibility of a potential ground lease with a 350-space parking garage. The study determined it was financially viable for the City to finance, design, build, and operate a parking garage with a 20-year, zero-dollar ground lease. At the end of the lease agreement, the ground and parking garage improvements would revert back to GSA. The Walker Consulting study was updated in July 2023 to incorporate inflationary factors and confirms financial viability based on the model.

In order for the City to receive the equivalent of a zero-dollar ground lease, the City and GSA need to enter into an Exchange Agreement where the value of the City's infrastructure improvements and rights-of-way vacations would offset the fair market rental value of the GSA land. The exchange agreement is for 22-years, and a subsequent ground lease will be required to further define the site improvements (parking garage) and other business terms. City staff plan to bring the ground lease, a reimbursement resolution, and a 30% design consulting agreement for City Commission consideration by the end of 2022.

### **Resource Impact**

There is a fiscal impact associated with this action that is funded through existing Community Investment Projects (CIP) in the amount of \$4,607,313 for the A-16 pump station and water pipe relocation. In addition, City Commission approved the right-of-way vacations (CAM 23-0830 and 23-0832) with an appraised value of \$2,027,000.

Upon execution of the associated Ground Lease, the City will be obligated to fund the design, construction, and operation of the parking garage.

### **Strategic Connections**

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

### **Attachments**

Exhibit 1 – Exchange Agreement  
Exhibit 2 – 2021 Walker Consulting Parking Study  
Exhibit 3 – 2023 Walker Consulting Parking Study  
Exhibit 4 – Resolution

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Prepared by: Ben Rogers, Director, Transportation and Mobility

Department Director: Ben Rogers, Transportation and Mobility