



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

#24-0546

TO: Honorable Mayor & Members
Fort Lauderdale City Commission

FROM: Susan Grant, Acting City Manager

DATE: June 18, 2024

TITLE: Resolution Accepting Bid of Urban Street Development, LLC and Halmos Holdings, Inc for the Leasing, Development, and Improvement of City-Owned Property Located at 330 SW 2 Street, Fort Lauderdale, Florida, 33301, Commonly Known as "New River Trading Post" and Authorizing Negotiation and Preparation of a Lease Pursuant to Section 8.09 of the City Charter – **(Commission District 2)**

Recommendation

Staff recommends that the City Commission adopt a resolution under Section 8.09 of the City Charter, selecting Urban Street Development, LLC and Halmos Holdings, Inc ("Bidder") as the successful bidder for leasing, developing, and improving the City-owned property at 330 SW 2 Street, Fort Lauderdale, Florida, 33301, known as the "New River Trading Post." Additionally, the resolution will authorize the negotiation and preparation of a lease agreement in accordance with Section 8.09 of the City Charter.

Background

The New River Trading Post ("the Property"), formerly the New River U.S. Post Office, is located at 330 SW 2nd Street (Exhibit 1). A ground lease agreement between the City of Fort Lauderdale and New River Trading Post, LLC was initiated on December 24, 2003 (Exhibit 2). This ground lease detailed the lease terms, including the necessity for a maritime museum and other specific provisions. Subsequently, on January 4, 2005, the City Commission approved the rezoning of the Property from the Historic Preservation (H-1) Zoning District to the Regional Activity Center – Arts & Science (RAC-AS) Zoning District. This rezoning was intended to facilitate a mixed-use project consisting of live/work units, a restaurant, retail units, office spaces, and museum facilities. The ground lease was later amended by a first amendment on December 23, 2005 (Exhibit 3). The lease is set to expire in February 2058.

On April 16, 2024, the City Commission approved Resolution 24-78 (Exhibit 4) authorizing City staff and Colliers International South Florida, LLC ("Colliers") to market a master lease for the development and improvement of the Property. In April 2024, Colliers began a marketing campaign to secure a long-term master lessee. Specifically, marketing materials encouraged experienced operators to submit bids for mixed-use properties, with a preference for developers that own and manage similar properties. The vision for the Property is to have a concept that aligns with the ongoing

revitalization efforts of Himmarshee Street while respecting the area's historical significance.

On May 16, 2024, one bid was received for the Property (Exhibit 5). The Bidder met the minimum requirements as outlined in the Submittal Procedures per the City's Resolution, which required a certified check in the amount equal to 10% of the first year's rent or \$375,000, whichever is greater.

Colliers reviewed the bid and provided City staff with an Executive Summary of the proposal (Exhibit 6). The Bidder, the current tenant of the property, is a South Florida-based developer with substantial local development experience, high qualifications, and strong financial backing. Additionally, the Bidder has expressed a commitment to the City of Fort Lauderdale and a desire to be a good community partner. After reviewing the proposal, both staff and Colliers recommend that the City award a master lease agreement to the Bidder. The proposed terms for the master lease include:

- **Term:** 50-year lease, plus 5-years for construction
- Project discounted at today's costs will be approximately \$120 million.
- **Base Rent:** Annual base rent of \$1,342,223 starting in year one (1), with ten percent (10%) escalation every five (5) years. Total rent over fifty (50) years is \$107 million.
- **Community Contribution:** Bidder will invest \$1 million in Esplanade Park improvements within five (5) years of the project.
- **Improvements:** Development will be a high-rise mixed-use apartment building with ground-level retail and potential restaurant amenities.

The Bidder's detailed proposal demonstrates their commitment to a project that will harmonize with the revitalization efforts of Himmarshee Street. The project offers a community benefit, limits the City's operating risk, and improves the City's fiscal position. After further negotiations, the final lease agreement will be presented to the City Commission for consideration.

Resource Impact

There is no fiscal impact associated with this item at this time.

Strategic Connections

This item supports the *Press Play Fort Lauderdale Strategic Plan 2029*, specifically advancing:

- Guiding Principle: Fiscal Responsibility

This item advances the *Fast Forward Fort Lauderdale Vision Plan 2035*: We are Prosperous.

Attachments

Exhibit 1 – Property Map

Exhibit 2 – Lease Agreement

Exhibit 3 – First Amendment

Exhibit 4 – Resolution 24-78

Exhibit 5 – Urban Street Development, LLC and Halmos Holdings, Inc Bid

Exhibit 6 – Colliers Executive Summary

Exhibit 7 – Resolution

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Charter Officer: Susan Grant, Acting City Manager