



CITY OF FORT LAUDERDALE
City Commission Agenda Memo
REGULAR MEETING

#23-0650

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

FROM: Greg Chavarria, City Manager

DATE: July 5, 2023

TITLE: Motion Approving the First Amendment to the Lease Agreement between
1 East Broward Owner LLC and the City of Fort Lauderdale, in
Substantially the Form Provided - \$2,158,189 (38-Month Rent) -
(Commission District 2)

Recommendation

Staff recommends the City Commission approve the first amendment to the lease agreement between 1 East Broward Owner LLC, as successor to One Broward Blvd Holdings LLC ("Lessor"), and the City of Fort Lauderdale ("City") for office space (16,178 square feet) on the 4th and 16th floors (Suite 444 and Suite 1605) of 1 East Broward.

Background

On January 24, 2017, the City entered into a lease agreement with the Lessor for suite 1605, which encompasses approximately 3,575 rentable square feet (the "Lease"). The suite is located at One East Broward Blvd, Fort Lauderdale, Florida ("1 East Broward"). The purpose of this Lease is to provide office space and conference rooms for the litigation section of the City Attorney's office. Since the flooding incident in April 2023, suite 1605 has served as temporary office space for the City Attorney's Office, which was previously housed in City Hall.

Considering that the Lease term is scheduled to expire on July 31, 2023, and taking into account the damage inflicted upon City Hall due to the April flood event, City staff explored the possibility of expanding the leased space at 1 East Broward. By including an additional 12,603 square feet in suite 444, there will be space for members of Charter Offices and City staff to progressively transition back into office space.

The proposed first amendment entails extending the Lease term for a duration of three (3) years and two (2) months. The intent of the amendment is to allow time to consider the longer-term outcome of City Hall. Below are the amendment terms in substantially the form presented (Exhibit 2).

- Term – Thirty-eight (38) months. Commencing on August 1, 2023, and ending September 30, 2026

- Existing Office Space – Suite 1605, 3,575 square feet
- Expansion Office Space – Suite 444, 12,603 square feet
- Total Office Space at 1 East Broward – 16,178 square feet
- Rate – Year one annual rate for suites 444 and 1605 will be \$622,919 (\$25.00 per square foot) with an annual three percent (3%) increases
- Operating Expenses – City's percentage share of the common area expenses at 4.71% is estimated at \$16.75 per rentable square foot for the calendar year 2023
- The City will receive two months' rent abatement for suite 444 only in the amount of \$52,512
- Option to Renew – Two one-year renewals
- Landlord shall not unreasonably withhold approval of any tenant request to sublease other space and landlord shall have the right to take back any signage rights with respect to the subleased space
- All other terms and conditions of the Lease remain unchanged and in full force and effect

Resource Impact

Expenses related to this agreement are included in the FY 2023 operating budget in the accounts listed below, contingent on approval of the July 5, 2023, Consolidated Budget Amendment CAM# 23-0315 related to Flash Flood April 2023.

Suite 1605:

<i>Funds available as of June 12, 2023</i>					
ACCOUNT NUMBER	COST CENTER NAME (Program)	ACCOUNT/ ACTIVITY NAME	AMENDED BUDGET (Character)	AVAILABLE BALANCE (Character)	AMOUNT
10-001-1202-514-30-3319	City Attorney	Services/Materials/ Office Space Rent	\$1,117,909	\$251,320	\$24,876.04
TOTAL AMOUNT ►					\$24,876.04

Suite 444:

<i>Funds available as of June 12, 2023</i>					
ACCOUNT NUMBER	COST CENTER NAME (Program)	ACCOUNT/ ACTIVITY NAME	AMENDED BUDGET (Character)	AVAILABLE BALANCE (Character)	AMOUNT
10-125-9300-525-30-3319-23FLOOD	Flash Flood April 2023	Services/Materials/ Office Space Rent	\$0	\$0	\$35,183.38
TOTAL AMOUNT ►					\$35,183.38

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 – Existing Lease

Exhibit 2 – Proposed First Amendment

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

Charter Officer: Greg Chavarria, City Manager