



EXECUTIVE SUMMARY

On April 16, 2024, the City Commission approved a Notice of Intent to lease City-owned property located at 330 SW 2nd Street, Fort Lauderdale, commonly known as the New River Trading Post (“Property”). Currently, the Property is leased to New River Trading Post LTD (“Lessee”) until February 2058. The property is currently a 2-story office/flex building and the Lessee is paying \$83,137 in annual rent, with 2.5% increases every year. The City’s appraisal prepared by G. Adrian Gonzalez, ASA, MRICS, valued the property at \$15,153,000,

Colliers International Florida, LLC (“Colliers”) has been actively marketing the Property since April 17th 2024, on behalf of the City of Fort Lauderdale. Colliers’ marketing strategy aimed to secure innovative proposals for a long term ground lease commencing March 1, 2058. Colliers sought concepts that align with the revitalization efforts of Himmarshee Street, while honoring the area’s historical character. Colliers was particularly interested in proposals from experienced operators of mixed-use properties.

The property was marketed through various commercial listing sites such as Costar, Loopnet, Crexi and Colliers.com, in addition to direct/targeted eblasts and personal outreach to proprietary investor groups. Sealed bids were due to the City on May 16, 2024, and one (1) bid was received from Urban Street Development/ Halmos Holdings (current lease holder).

Urban Street Development / Halmos Holdings - Overview/Past Experience

FAT Village, Fort Lauderdale- Under construction- \$500M Mixed-use development, 1M total SF, 858 residential units, 176,655 SF Class A office, 83,638 SF retail

CollegeTown at Florida State University- Tallahassee, FL- 580,000 SF Mixed-use development, 78,000 SF retail, 318 residential units

Hotel Indigo, Tallahassee, FL-100,000 SF Hotel, restaurant and meeting space, 6,000 SF retail, 143 keys

The Queue- Fort Lauderdale- 300,000 SF multi-family building, 191 units

The Avenue Lofts, The Forge Lofts, The Foundry Lofts, The Mill Lofts- Flagler Village, Fort Lauderdale- 575,000 SF multi-family buildings, 12,000 SF retail

Deal Structure

Lease Term	50 years commencing 3/1/58
Starting Rent	\$1,342,223 annually
Escalation	10% every five (5) years
Total Rent over 50 years	\$106,957,904.44
Additional Payment	\$1M upfront investment towards Esplanade Park

Scope of Project

The project will be a high-rise mixed-use apartment building featuring ground-level signature neighborhood retail and potential restaurant amenities. Additionally, the proposal includes a \$1 million investment in a new and improved Esplanade Park, to be completed within 5 years of the project’s start. These amenities and the investment in Esplanade Park are designated to cater thoughtfully to the future patrons of the Himmarshee neighborhood. The project will be elegant and modern, aligning with other approved projects in the vicinity and supporting the future vision of a revitalized Himmarshee district.



Development Timeline

The Proposer intends to begin the design phase immediately upon the execution of the lease and construction would likely start within 2 ½ years from execution.

Design Development	6 months
DRC Process	8 months
Working Drawings	6 months
Building Permit Approvals	12 months
Construction	28 months
Total Development/Construction	60 months

Total Project Cost

Project discounted at today's costs will be approximately \$120,000,000
Private Equity of \$54,000,000
Financing of \$66,000,000
This proposal does not include any capital contribution from the City.

Conclusion

After reviewing the proposal, we recommend proceeding with lease negotiations with Urban Street Development / Halmos Holdings. The proposal is projected to generate an additional \$106,957,904 over the 50-year lease term, plus approximately \$104 million in potential future property tax revenue. Additionally, it includes a \$1 million investment in the enhancement of Esplanade Park. This project is expected to become a cornerstone of the revitalized district and will serve as a catalyst for the development of one of the most important neighborhoods in the downtown.