



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

#15-0323

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

FROM: Lee R. Feldman, ICMA-CM, City Manager

DATE: March 17, 2015

TITLE: Cost Recovery Agreement with Midgard Management Inc.

Recommendation

It is recommended that the City Commission authorize the City Manager to execute a Cost Recovery Agreement with Midgard Management, Inc. (Midgard).

Background

Midgard is one of South Florida's premier commercial property management companies with over 2.5 million square feet under management. Midgard manages properties including office buildings, retail centers, industrial buildings and commercial condominium associations. Midgard is seeking to collaborate on financing infrastructure improvements including, but not limited to, a multi-level parking garage creating an additional 250-400 parking spaces located on land presently owned by Fort Lauderdale Executive Airport (FXE) and leased to Crown Land Trust, Inc.

As a condition to the City incurring fees and costs associated with the due diligence required to determine the appropriate financing structure for the project, staff recommends that Midgard place funds in an account to cover the expenses related to legal and financial consultants. Midgard is evaluating the benefits of financing the project using the U.S Housing and Urban Development Section 108 Loan Guarantee Program or issuing another form of City issued debt. The Cost Recovery Agreement requires Midgard to pay and reimburse the City for any and all past, present and future costs paid or incurred by the City in connection with this project and the financing thereof, whether through a 108 Loan or other City issued debt irrespective of whether the project is actually completed or a 108 Loan is received or debt obligations are issued to finance the project.

Execution and delivery of this Agreement by the City does not and shall not mean or imply that the City has or will assume any liability whatsoever for the cost of the project or the financing thereof. Midgard shall be solely responsible for any and all costs of the project and the financing thereof; provided, however, that all or a portion of such costs

of the project may be defrayed through the issuance of debt obligations payable through the imposition of special assessments on the real property benefitted by the project; provided further, however, that the City shall not be obligated to pay any such special assessments.

Resource Impact

There is no fiscal impact to the City.

Strategic Connections:

This item is a *Press Play Fort Lauderdale Strategic Plan* initiative, included within the Business Development Cylinder of Excellence, specifically advancing:

Goal 7: Be a well-positioned City within the global economic and tourism markets of the South Florida region, leveraging our airports, port, and rail connections.

Objective 2: Facilitate a responsive and proactive business climate.

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

Attachment:

Exhibit 1 – Cost Recovery Agreement

Prepared by: Julie Leonard, Deputy Director Transportation and Mobility

Department Director: Diana Alarcon, Transportation and Mobility