



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

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

DATE: July 7, 2015

TITLE: Motion Authorizing Execution of (i) Landlord's Consent to Termination and
(ii) Lease with Joe's Old School Pizza 2, Inc. for Shops 108 & 112 to
Commence August 1, 2015

Recommendation

It is recommended the City Commission terminate a lease agreement with Stephanick G., Inc. (Stephanick), a Florida corporation; and approve a lease agreement with Joe's Old School Pizza 2, Inc. (Joe's), a Florida corporation, for Central Business District Parking Garage Shops 108 and 112, effective July 8, 2015.

Background

On September 7, 2011, Stephanick G., Inc. (Stephanick) entered into Assignment of Lease and Assumption Agreement for Shops 108 and 112 for the operation of Slice Pizzeria. The lease expires September 30, 2015. On June 16, 2015, Arlete Bedran, president, notified the City in writing that she wished to terminate the lease with the City.

On June 4, 2015, Stephanick entered into a purchase agreement with Joe's for the sale of Slice Pizzeria. The closing is scheduled for July 31, 2015. The sale of the business is contingent upon an executed lease agreement with Joe's and the City for Shops 108 and 112.

Shops 108 and 112 of the City Park Mall are located at 108 SE 1st Street and are 1,432 square feet.

A summary of the terms of lease are as follows:

- Lease Term - 5 years with one additional five year renewal option;
- Effective Date - July 8, 2015;
- Rent - \$20 triple net - \$28,640/annually with 3% annual increases
- Tenant to pay a brokerage commission to CBRE, the broker for the City, of 2.0% of the gross rentals over the initial term of the lease.

In addition to the annual cost of the lease there are other expenses associated with occupancy that include utilities (electrical, telephone, and cable), janitorial, and property taxes.

Joe's is requesting three months free rent to build out the space. Improvements include replacement of the ceiling, new signage, painting, new furniture and kitchen equipment.

Resource Impact

There is no current fiscal year impact to the City.

Strategic Connections

This item is a *Press Play Fort Lauderdale Strategic Plan 2018* initiative, included within the Public Places Cylinder of Excellence, specifically advancing:

- Goal 3: Be a community that finds opportunities and leverages partnerships to create unique, inviting, and connected gathering places that highlight our beaches, waterways, urban areas, and parks.

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

Attachments:

Exhibit 1 – Lease Agreement with Stephanick G., Inc.

Exhibit 2 – Landlord's Consent to Termination of Lease

Exhibit 3 – Purchase Agreement

Exhibit 4 – Proposed Lease with Joe's Old School Pizza 2, Inc.

Exhibit 5 – Charter Section 8.12

Prepared by: Stacey Daley, Administrative Assistant

Department Director: Phil Thornburg, Parks and Recreation