



CITY OF FORT LAUDERDALE
City Commission Agenda Memo
CONFERENCE MEETING

#26-0166

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

FROM: Rickelle Williams, City Manager

DATE: February 17, 2026

TITLE: City Hall Update – Overview of Proposed Interim Agreement Term Sheet –
City Manager’s Office (**Commission Districts 1, 2, 3, and 4**)

The intent of this City Commission Conference Meeting presentation is to provide the City Commission with a high-level overview of the proposed City Hall Interim Agreement Term Sheet. City staff will be seeking City Commission feedback on the proposed terms, which will be utilized to inform the development of the Interim Agreement.

On May 15, 2025, the City received an unsolicited proposal from Meridiam Infrastructure North America (Fort Lauderdale Civic Partners) for the design, development, financing, construction, operation, and maintenance of a new City Hall (Commission Memorandum No. 25-064).

Following City Commission direction at the June 3, 2025, City Commission Regular Meeting, a sixty (60)-day competitive period was established via Resolution No. 25-96 (CAM #25-0664), under Section 255.065, Florida Statutes. The competitive period started on June 6, 2025, and closed August 5, 2025 (Commission Memorandum No. 25-087).

On or before August 5, 2025, the City received a total of six (6) proposals. The proposals included five (5) new proposals and one (1) revised proposal from Fort Lauderdale Civic Partners.

Jacobs, as the City’s Owner’s Representative, conducted a preliminary evaluation of the unsolicited proposals based on firm qualifications and experience. Jacobs presented its findings at the October 7, 2025, City Commission Conference Meeting (CAM #25-0868).

After the presentation, the City Commission recommended advancing four (4) of the proposers—Balfour Beatty, Fort Lauderdale Civic Partners, FTL Beacon Collaborative, and FTL City Hall Partners—for further review. The City Commission also requested that City staff update the City Hall building needs and provide additional information to the proposers. The City Commission approved a motion (CAM #25-1039) on October 7, 2025, at the City Commission Regular Meeting to advance the four (4) proposers.

On October 21, 2025, the City issued a Supplemental Information Request Package for Shortlisted Proposers (Request Package). The Request Package included project considerations, building components, building gross square footage, instructions, response expectations, and evaluation criteria.

On October 23, 2025, at the City Commission Conference Meeting, the City Commission heard a brief presentation on the project status. The City Commission provided feedback and requested that specific information be included in the evaluation process.

On October 28, 2025, City staff issued Version 2 of the Supplemental Information Request Package (Letter to the Commission (LTC) #25-218), requiring proposers to provide detailed financial, technical, safety, litigation, bonding, and facilities management information, along with updated construction cost assumptions and baseline program alignment.

On October 29, 2025, the shortlisted proposers submitted approximately fifty (50) questions, by the established deadline, regarding the Request Package. On October 31, 2025, City staff provided the shortlisted proposers with responses to address each of the questions that were submitted (LTC #25-229).

On November 7, 2025, the City Commission adopted Resolution No. 25-187 to appoint the law firm Bilzin Sumberg as Special Counsel to represent the City of Fort Lauderdale in connection with the construction of City Hall (CAM #25-0897).

On November 10, 2025, before the established Request Package deadline, the City received Request Package responses from the four (4) shortlisted proposers. The original proposal materials and the Request Package responses were evaluated by City staff and its consultants.

At the November 18, 2025, City Commission Conference Meeting, the City Manager provided an update on the City Hall project as part of the City Manager Report. During the report, the City Commission discussed the December 2, 2025, presentation structure.

At the December 2, 2025, City Commission Special Meeting and Conference Meeting presentations were delivered by City staff, the City's financial advisor (PFM Financial Advisors), the City's owner's representative (Jacobs Project Management Co.), and each of the four (4) shortlisted proposers. The presentations addressed financial, technical, and project delivery considerations and supported the City Commission's evaluation of the proposed City Hall project. Following these presentations and discussion, the City Commission adopted a resolution authorizing the City Manager to negotiate an Interim Agreement with the shortlisted proposer to construct, operate, and maintain a new City Hall facility on City-owned property located at 100 N. Andrews Avenue.

Subsequently, the City Commission adopted Resolution No. 25-231 (CAM #25-1125). The resolution authorized the City Manager to proceed with the unsolicited proposal submitted by FTL City Hall Partners (FCHP) for the design, development, financing, construction, operation, and maintenance of a new City Hall and authorized negotiations

of a proposed interim and/or comprehensive agreement in accordance with Section 255.065, Florida Statutes.

On December 24, 2025, LTC #25-279 was published advising the City Commission of the next steps for the City Hall project. The LTC memorialized that City staff, outside counsel, and consultants met on December 18, 2025, to determine the roles, responsibilities, timelines, legal forms, and other key considerations related to the next phase of the City Hall project. The discussion focused on establishing the framework for upcoming negotiations and identifying project opportunities. The LTC also established that working groups were being created to align subject matter experts with the review of specific project areas.

On January 8, 2026, the City hosted a kick-off meeting with FCHP to establish negotiation protocols and discuss the framework of the Interim Agreement, including prioritization of key business items, legal structure, timelines, roles, and responsibilities. Subsequently, the City and FCHP have held multiple negotiation sessions to advance the City Hall space program, financial considerations, and the development of a proposed Interim Agreement Term Sheet.

The Interim Agreement Term Sheet is a non-binding document that summarizes the principal business and legal terms anticipated for inclusion in a future binding agreement, consistent with the City Commission's prior authorization and subject to final City Commission review and approval. The proposed Interim Agreement Term Sheet outlines the key terms and conditions that would govern a limited pre-development phase of the City Hall project while negotiations toward a Comprehensive Agreement continue.

The Interim Agreement is intended to define the scope, duration, and conditions under which FCHP would perform specified pre-development activities, including due diligence, design development, cost refinement, schedule development, financing exploration, and other preparatory work necessary to evaluate project feasibility and advance Comprehensive Agreement negotiations. The Interim Agreement will establish roles and responsibilities, cost allocation principles, reimbursement provisions, termination rights, and protections designed to safeguard the City's interests during this pre-development period.

Key elements defined in the proposed Interim Agreement Term Sheet include:

1. Entities. Identifies the parties entering into the agreement. The developer has formed a special purpose entity, FTL City Hall Partners, LLC, for purposes of delivering the Project.
2. Project Location. The proposed site of the Project is located at 100 N. Andrews Avenue.
3. Interim Agreement Term. The Interim Agreement would commence upon execution and continue for twelve (12) months, or until execution of a Comprehensive Agreement, whichever occurs first. The term may be

extended for up to an additional twelve (12) months upon mutual written consent of the parties to allow for completion of pre-development activities and continued negotiations.

4. Pre-Development Work. Subject to City approval and as necessary to support negotiations toward a potential fixed-price Comprehensive Agreement, FCHP would undertake defined pre-development activities, including reasonable investigation and evaluation of existing site conditions relevant to the proposed Project. Prior to execution of the Interim Agreement, FCHP would provide the City with a detailed schedule and budget for the Pre-Development Work, including architectural, engineering, and other professional design services. FCHP is responsible for the cost of the Pre-Development Work up to financial close or City-initiated termination (“Pre-Development Expenses”). Any material changes to the scope of the Pre-Development Work, particularly those that could increase cost exposure to the City, would require prior City approval. The schedule and budget are intended for informational and coordination purposes only and, standing alone, do not establish any compensation or reimbursement rights.
5. Due Diligence. FCHP and its agents, consultants, and contractors may access the Project Site with prior City authorization, as reasonably necessary to conduct investigations, inspections, and testing, including title examination, soil testing and borings, environmental studies, and surveying. All site access shall be coordinated with the City and performed in compliance with any safety, operational, and security procedures established by the City. To the extent that due diligence activities identify hazardous materials requiring remediation under applicable law, the Interim Agreement would establish procedures for prompt notification to the City and for determining responsibility for such remediation, whether by FCHP or the City, as appropriate.
6. Site Remediation. The City has advised FCHP of certain known environmental conditions at the Project Site which must be remediated prior to the commencement of construction. During the Interim Agreement phase, the City will be responsible for the cost of such remedial work, which FCHP will perform subject to City approval of the scope, schedule, and budget and ongoing City oversight. City payments for the remedial work will be made in accordance with the approved budget and milestone schedule to be incorporated into the Interim Agreement, ensuring cost visibility and control throughout the process. FCHP shall remain responsible for the means and methods of the remedial work, compliance with applicable environmental laws and regulations, and any risk or liability arising from its performance of the work. FCHP would be obligated to complete the agreed-upon remedial work, and its responsibility for such risk and liability, shall survive expiration or earlier termination of the Interim Agreement.

7. Pre-Development Expenses. Throughout the Term of the Interim Agreement, FCHP shall report to the City on a monthly basis all Allowable Pre-Development Expenses incurred to date. Allowable Pre-Development Expenses shall not include fees paid to advocates or political advisors, or other fees not expressly identified in the Interim Agreement as allowable or otherwise approved by the City. In the event the Project achieves financial close following execution of the Comprehensive Agreement, all costs and expenses incurred by FCHP and approved by the City for the Pre-Development Work shall be included in the total cost of development.
8. Developer Irrevocable Letter of Credit. The City will incur expenditures as part of the negotiation of the Interim Agreement and Comprehensive Agreement. Consistent with the requirements established in the City's Request Package, FCHP will be required to provide funding for the associated City expenditures in the amount of Three Hundred Fifty Thousand Dollars (\$350,000) at the outset of the Interim Agreement. FCHP shall deliver an irrevocable letter of credit in a form acceptable to the City. The utilization of the letter of credit is subject to reaching an executed Comprehensive Agreement and may be returned to the Developer upon certain conditions, such as a City termination for convenience.
9. Project Design. FCHP shall prepare and submit to the City for approval a conceptual plan for the City Hall development. The conceptual plan shall be consistent with the City's master plan, zoning codes, and programmatic objectives and, to the extent feasible, incorporate elements of the design aesthetic previously presented by FCHP during the evaluation process. Upon the City's approval, the conceptual plan shall serve as the basis for the development of buildable plans and specifications for the project. FCHP shall prepare and submit design and construction plans to the City for review, coordination, and approval at the stages of design completion required by the Pre-Development Timeline. The City will retain final approval authority over all design phases to ensure consistency with the City's plans, operational needs, and long-term priorities. The design process will include ongoing engagement with City and stakeholders to ensure the facility reflects the community's needs and long-term civic vision.
10. Project Financing. The parties shall evaluate financing structures available for the development of the Project, subject to City review and approval. The City shall retain approval authority over the ultimate financing structure, including the composition of debt and equity, with consideration given to the following:
 - (a) the commitment of a minimum of seven and one-half percent (7.5%) of the Project's capital requirement from equity or subordinated debt provided by FCHP; or, in the event the City elects to issue debt for the Project, the commitment of ten percent (10%) of the Project's capital requirement;

- (b) maximum rate of return of eleven and one-half percent (11.5%) on FCHP's equity investment in the Project; and
- (c) if the Project includes tax-exempt 501(c)(3) debt financing, the ability for FCHP to assign its right to enter into the Comprehensive Agreement to a 501(c)(3), subject to City approval.

11. Termination. Consistent with standard default and termination rights customary for a public project of this complexity and scale, the Interim Agreement will include termination rights to provide both parties with appropriate flexibility during the pre-development phase, including:

- (a) City Termination Rights. The City may elect to terminate the Interim Agreement either in the event of a Developer default, including failure to achieve a Major Milestone, or through the exercise of a termination for convenience.
- (b) FCHP Termination Rights. FCHP may elect to terminate the Interim Agreement in the event of a City default or within the first ninety (90) days following the Effective Date if it determines, based on its due diligence, that the Project is not technically or financially feasible.
- (c) Impasse. During the first eight (8) months following the Effective Date, either party may declare an impasse if material business terms relating to the Comprehensive Agreement cannot be agreed upon. If the impasse remains unresolved after a thirty (30) day negotiation period, either party may elect to terminate the Interim Agreement.

11. Reimbursement Framework Following Termination. Reimbursement of Allowable Pre-Development Expenses will be governed by the Interim Agreement and subject to defined eligibility criteria, limitations, and caps. In general, the City's reimbursement obligations will correspond to the circumstances giving rise to termination and the value received by the City at that stage of the Project.

- (a) City-Driven Termination or City Default. If the Interim Agreement is terminated for the City's convenience or due to a City default, the City would reimburse FCHP one hundred percent (100%) of Allowable Pre-Development Expenses together with a developer fee of five percent (5%) of such expenses.
- (b) Impasse Following Good-Faith Negotiations. If the parties declare an impasse that remains unresolved following the negotiation period contemplated in the Interim Agreement, the

City would reimburse FCHP one hundred percent (100%) of Allowable Pre-Development Expenses.

- (c) Expiration Without Execution of a Comprehensive Agreement. If the Interim Agreement expires without execution of a Comprehensive Agreement, the City would reimburse FCHP one hundred percent (100%) of Allowable Pre-Development Expenses attributable to Project design and fifty percent (50%) of all other Allowable Pre-Development Expenses.
 - (d) Developer Failure to Achieve a Major Milestone. If termination results from the Developer's failure to achieve a Major Milestone, the City would reimburse FCHP fifty percent (50%) of Allowable Pre-Development Expenses attributable to Project design.
12. Step-In Rights. The Interim Agreement is expected to establish a structured approach to step-in rights designed to preserve the City's strategic flexibility during key phases of the Project if it cannot advance as anticipated. This framework will allow the City, under defined circumstances, to assume certain Project rights and continue advancing the Project while minimizing disruption. The availability and scope of step-in rights are anticipated to correspond to the level of project advancement at the time such rights are exercised, recognizing that the value of the underlying Work Product (as defined further below) increases as the Project progresses. Any financial parameters associated with the exercise of step-in rights would be subject to defined limitations and negotiated caps. The Interim Agreement is also expected to secure the City's rights to access, use and rely upon Work Product, together with any necessary assignments, licenses, and reliance rights so as to support Project continuity under a range of transition scenarios, including the exercise of step-in rights. This framework is intended to balance prudent financial management with the City's need to retain operational flexibility as the Project advances.
13. Ownership of Documents. All plans, studies, reports, drawings, specifications, and other work product prepared by FCHP during the Interim Agreement (collectively, the "Work Product") shall be made available to the City and maintained in a manner that supports continuity of the Project. In the event of step-in, termination, or other Project transition, the City will receive ownership of, and sufficient rights to use, the Work Product for purposes of continuing the planning, procurement, and delivery of the Project. The Interim Agreement will also address the City's step-in rights, which would allow the City to assume control of the Work Product and advance the Project under defined circumstances. The Interim Agreement will require FCHP to ensure that its architects, engineers, consultants, and other professionals grant any assignments, licenses, and reliance rights necessary to allow the City to use the Work Product without interruption,

including in the event of a transition, replacement, or assumption of the Project. The detailed legal mechanics governing ownership, licensing, and reliance will be addressed in the Interim Agreement.

14. Business Participation. FCHP represented throughout the solicitation and evaluation process that participation by local, small, and community-based businesses would be an integral component of its project delivery approach. The parties anticipate that local and small business participation will be incorporated across all phases of the Project, including the pre-development activities contemplated under the Interim Agreement and any subsequent development phases. The Interim Agreement will reflect the parties' shared expectation that these participation commitments remain a meaningful element of the Project's execution, with further implementation details to be mutually established in the definitive agreements.
15. General Risk Allocations; Standard Protections. The Interim Agreement will incorporate usual and customary contractual terms for public-private partnership (P3) projects of this nature, including insurance, indemnification, risk allocation, and other standard protections designed to safeguard the City during the pre-development phase. These provisions will be further developed in the definitive Interim Agreement consistent with established public-sector contracting standards for projects of this scale and complexity.

The Interim Agreement does not obligate the City to proceed with construction, financing, or long-term operations of the Project. Any advancement beyond the interim phase will occur only following the successful negotiation of a Comprehensive Agreement addressing the full scope of design, development, financing, construction, operation, and maintenance of the City Hall facility, and subsequent consideration and approval by the City Commission.

Strategic Connections

This item is a Fiscal Year (FY) 2026 Commission Priority, advancing the Economic Development initiative.

Attachments

Exhibit 1 – Presentation

Exhibit 2 – Interim Agreement Term Sheet

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