



UPDATE: CITY HALL RELOCATION SOLUTIONS

November 21, 2023

PRESENTATION OVERVIEW

1. Space Needs Recap
2. Update on West Marine Products, Inc. Sub-sublease
 - a) Current Status/Brief Timeline of Events
3. Alternative Relocation Solutions
 - a) Tower 101 and 1901 W Cypress Creek
 - b) Overview of Terms Compared to West Marine
 - c) Options for Chamber Space

RECAP: TOTAL SQUARE FEET (SF) UTILIZED BEFORE FLOODING EVENT



Location	SF	Notes
City Hall	61,800	100,000 ±, but only 61,800 is usable office space
Tower101	19,320	11 th and 14 th floors
TOTAL SF	81,120	

Primary Needs:

1. Chamber Space
2. Office Space for Staff
3. Parking

Number of Employees Displaced from City Hall: 300 ±

WHY WEST MARINE SUB-SUBLEASE?



- Colliers and staff did extensive research of Downtown leasing options and presented to City Commission on June 20, 2023.
- On August 22, 2023, City Commission approved sub-sublease between West Marine and City for floors 1 & 2 (32,781 SF). West Marine is a sub-tenant of Kemet, and Kemet holds the master lease with 1 E Broward building ownership.
- The proposed sub-sublease provided a plug-and-play Chamber option and contiguous workspace needed for staff. All other downtown options either lacked a Chamber possibility or required substantial buildout to accommodate a Chamber/office space.
- No cost for employee parking adjacent to 1 E Broward (current City garage).

UPDATE: WEST MARINE SUB-SUBLEASE



Date	Action
August 22	City Commission approved sub-sublease between West Marine and City for floors 1 & 2 for a rate of \$39.50 per square foot (gross) annually for 64 months.
August 30	West Marine emailed Kemet and Master Landlord omnibus consent documentation for sub-sublease.
September 9	City receives notification from West Marine that Kemet and Master Landlord request rate increase to \$41.75 per square foot (gross) annually to consider consent to sub-sublease.
September 26	City made repeated requests to hold a meeting with all concerned parties to address the evolving terms and complexities of the agreement, no such meeting took place, hindering City's ability to ensure that the terms were mutually agreeable.
October 12	City received an unexpected proposal with revised terms outlining the sub-sublease of floors 1 through 4 (53,127) at \$41.75 per square foot (gross) for 64 months.
October 13	City's last attempt to open a dialogue with all concerned parties, meeting never materialized.
October 27	West Marine informed the City that it is unable to reach a resolution concerning Kemet's consent to the sub-sublease, prompting its decision to withdraw from the agreement.

TOWER 101 AND 1901 W CYPRESS



- At the beginning of October, City staff received word from Colliers International that 27,443 SF of space in Tower 101 on the 16th and 21st floors would be available for leasing February 2024, or potentially sooner if a termination can be reached with current tenant. City staff requested a proposal from Tower 101 for consideration.
- To meet all City space needs, City staff also requested a proposal from 1901 W Cypress Creek for 9,378 SF to have some City operations (IT) in Uptown.

OVERVIEW OF TERMS COMPARED TO WEST MARINE

	West Marine	Tower 101	1901 W Cypress
Location	Downtown	Downtown	Uptown
Term	64 Months	54 Months	36 Months
Rate	\$41.75	\$47.56	\$27.25
Square Footage	53,125	Expansion - 27,443 Renewal - 19,320	9,300
City Chamber Space	Yes	No	No
Avg. Annual Lease Cost	\$2.2M	\$1.9M	\$260k
Total Lease Cost	\$12.1M	\$8.6M	\$780k

Note: Tower 101 floors 16 and 21 will add 27,443 SF additional space for staff. Staff originally on 14th floor such as budget, structural innovation, and strategic communications would resume occupancy. To supplement additional space needs, City is negotiating a lease for 9,378 SF in Uptown for IT. The additional 27,443 SF in Tower 101 plus 9,378 SF in Uptown would total 36,821 SF

OPTIONS FOR CHAMBER SPACE

City staff is currently exploring two options in collaboration with NSU and Marine Industries Association of South Florida

NSU Art Museum Auditorium

256 seat facility with stage.



Marine Industries Association of South Florida Building

150 seat capacity.
Second floor open space.



OPTIONS



- **OPTION 1:** Leases for Tower 101 and 1901 W Cypress Creek can be provided for City Commission consideration which will provide immediate relief/occupancy for staff/space needs.
- **OPTION 2:** Colliers International and City staff can initiate a new search based on feedback/direction from City Commission.