



CITY OF FORT LAUDERDALE
City Commission Agenda Memo
REGULAR MEETING

#25-0489

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

FROM: Rickelle Williams, City Manager

DATE: May 6, 2025

TITLE: Resolution Approving a Ground Lease with the United States of America, through the General Services Administration, for the Purpose of Constructing, Operating, and Maintaining a Multi-Story Public Parking Garage for the Fort Lauderdale Federal Courthouse Located at 1000 SE 3rd Avenue; Delegating Authority to the City Manager to Execute the Ground Lease and Ancillary Documents; and Amending Resolution No. 23-225 - **(Commission District 4)**

Recommendation

Staff recommends the City Commission adopt a resolution authorizing the City Manager to execute a ground lease with the United States of America through the General Services Administration (GSA), in substantially the form attached, for the purpose of constructing, operating, and maintaining a multi-story public parking garage for the Fort Lauderdale Federal Courthouse.

Background

GSA is currently constructing a new federal courthouse building in Fort Lauderdale at 1000 SE 3rd Avenue. The new Fort Lauderdale Federal Courthouse will serve as a public facility with courtrooms, chambers, and limited secured parking spaces. The project is expected to be substantially completed by January 2026.

On July 5, 2022, the City of Fort Lauderdale City Commission authorized the City Manager to execute a Letter of Intent with the United States General Services Administration regarding a proposed exchange agreement. The Letter of Intent was executed on July 8, 2022. Per the Letter of Intent, the City was required to improve City infrastructure that would support the Federal Courthouse relocation effort. Specifically, the City committed to vacate existing rights-of-way, relocate and replace the A-16 pump station, and relocate a 30" water main. The right-of-way vacations and the infrastructure improvements have been completed. Preliminary design development is in progress.

GSA identified that a public purpose parking facility would need to be constructed on, or near the future courthouse site. As the cost to construct a parking garage exceeded the GSA project budget, GSA contacted the City to determine if the City would be willing to construct a parking garage on 1.25 acres of the courthouse parcel.

The City procured Walker Consulting to conduct a parking study to determine the financial feasibility of a potential ground lease with a 350-space parking garage. The study determined it was financially viable for the City to finance, design, build, and operate a parking garage with a 20-year, zero-dollar ground lease, with the ground and parking garage improvements reverting to GSA at the end of the term. The Walker Consulting study was updated in July 2023 to incorporate inflationary factors and confirm financial viability based on the updated model.

On October 3, 2023, the City and GSA entered into a 22-year Exchange Agreement where the value of the City's infrastructure improvements and rights-of-way vacations would offset the fair market rental value of the GSA-owned land.

The proposed parcel size was 1.25 acres but was modified based on site conditions and the installation of an unforeseen, newly-installed AT&T utility duct bank. The proposed ground lease will provide the City with full control of a .6225-acre parcel. The term was modified from the Exchange Agreement (22-year term to a 30-year term), which commences on the date a Certificate of Occupancy is issued for the garage improvements. The rent requirements were satisfied through the Exchange Agreement resulting in no additional rent for the use of the parcel during the 30-year term. The lease obligates the City to develop, operate, and maintain a parking garage with no less than 275 parking spaces.

The City's Transportation and Mobility Department will be responsible for the ongoing operations and maintenance obligations.

Resource Impact

The fiscal impact associated with this action is the cost to design, construct, operate, and maintain a parking garage during the 30-year term. The initial construction cost estimates range from \$10,729,330 to \$13,940,573. The Federal Courthouse Parking Garage project (P12687) currently has \$6,781,563 allocated from the City's Parking Fund.

Staff are evaluating various financial scenarios, including fully funding the construction cost from the Parking Fund or issuing debt, to fund the remaining needs. If debt is issued, the Parking Fund will be responsible for debt service payments. The Federal Courthouse Parking Garage revenue is expected to cover the debt service, operating, and maintenance costs on an annual basis. If the garage revenues don't cover the cost, the citywide parking revenues, i.e. the Parking Fund, will be utilized to fund the obligations.

<i>Funds available as of April 22, 2025</i>					
ACCOUNT NUMBER	PROJECT NAME (Program)	CHARACTER/ ACCOUNT NAME	AMENDED BUDGET (Character)	AVAILABLE BALANCE (Character)	AMOUNT
10-463-8999-545-60- 6599-P12687	Federal Courthouse Parking Garage	Capital Outlay /Construction	\$6,832,429.60	\$6,781,563.60	\$6,781,563.60
TOTAL ►					\$6,781,563.60

Strategic Connections

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

Attachments

Exhibit 1 – Ground Lease

Exhibit 2 – Location Map

Exhibit 3 – Exchange Agreement

Exhibit 4 – 2021 Walker Consulting Report

Exhibit 5 – 2023 Walker Consulting Report

Exhibit 6 – Resolution No. 23-225

Exhibit 7 – Resolution

Prepared by: Ben Rogers, Acting Assistant City Manager, City Manager's Office

Charter Officer: Rickelle Williams, City Manager