



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

#23-0732

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

FROM: Greg Chavarria, City Manager

DATE: August 22, 2023

TITLE: Resolution Approving the Sub-Sublease Agreement between West Marine Products, Inc. and the City of Fort Lauderdale, in Substantially the Form Provided, Subject to Post-Condition Approvals, and Authorizing the City Manager to Execute the Sub-Sublease and Related Agreements - \$7,404,480 (64-Month Rent) - **(Commission District 2)**

Recommendation

Staff recommends the City Commission approve the sub-sublease agreement (“Agreement”) between West Marine Products, Inc. (“West Marine”) and the City of Fort Lauderdale (“City”) in substantially the form provided, subject to post-condition approvals, and authorizing the City Manager to execute related agreement documents, for 32,781 rentable square feet encompassing the first and second floor of the One East Broward building (“Premises”).

Background

Since the flooding incident in April 2023, City staff, along with Colliers International (“Colliers”), has worked diligently to find suitable space for the City Commission Chamber (“Chambers”) and office space for City staff. Throughout the search, it became apparent that options for Chamber space were limited. Only one plug-and-play Chamber option was found in the Premises of the One East Broward building, situated at 1 East Broward Boulevard, Fort Lauderdale, 33301. All other options either lacked a Chamber possibility or required buildout to accommodate a Chamber. To be specific the following Downtown spaces were visited and assessed, (1) Plaza 100, (2) Tower101, (3) 500 E Broward, and (4) 110 E Broward.

This Agreement, after post-condition approvals, would secure much needed Chamber space on the first floor of the Premises consisting of 12,583 square feet, and office space for City staff on the second floor consisting of 20,198 square feet. The Premises would provide a familiar space for the public and a City-Hall presence in Downtown.

Below are the required post-condition approvals and Agreement terms, in substantially the form provided.

The following is a chain of entities to the sub-sublease agreement. The property is owned by 1 East Broward Owner, LLC (“Landlord”). The Landlord leased the Premises to KEMET Corporation (“Kemet”), and Kemet, in turn, subleased the Premises to West Marine. Now, West Marine is subleasing a portion of the Premises to the City, As such, the following post-condition approvals apply:

- Consent. The Landlord, Landlord’s mortgage lender, and Kemet must provide consent to the executed Agreement between West Marine and the City.
- Estoppel Certificates. The Landlord, Kemet and West Marine must provide official documents confirming the status and details of the leases, including any agreements and obligations.
- Disclosure of Beneficial Interests. West Marine has provided the beneficial interest disclosures as required pursuant to Section 286.23, Florida Statutes.
- Term – Sixty-four (64) months. Commencing on October 1, 2023, and ending January 31, 2029
- Total Space at the Premises – 32,781 square feet
- Option to Renew – One two-year renewal
- Schedule C and will be provided no later than Sept 1, 2023
- Rate – Gross/Fixed Rent:

Term Year	Per Rentable SF	Rent	Monthly Rent
Commencement Date to January 31, 2024	\$ 39.50	\$323,712.38	\$107,904.13
February 1, 2024, to January 31, 2025	\$ 40.69	\$1,333,684.98	\$111,140.42
February 1, 2025, to January 31, 2026	\$ 41.91	\$1,373,705.83	\$114,475.49
February 1, 2026, to January 31, 2027	\$ 43.16	\$1,414,917.01	\$117,909.75
February 1, 2027, to January 31, 2028	\$ 44.46	\$1,457,364.52	\$121,447.04
February 1, 2028, to January 31, 2029	\$ 45.79	\$1,501,085.46	\$125,090.46

Resource Impact

As rent commences October 1, 2023, there is no FY 2023 fiscal impact.

Strategic Connections

This item supports the *Press Play Fort Lauderdale 2024* Strategic Plan, specifically advancing:

- The Internal Support Focus Area

- Goal 8: Build a leading government organization that manages all resources wisely and sustainably
- Objective: Maintain financial integrity through sound budgeting practices, prudent fiscal management, cost effective operations, and long-term planning

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

Attachments

Exhibit 1 – Proposed Sub-Sublease Agreement

Exhibit 2 – Resolution

Prepared by: Angela Salmon, Assistant to the City Manager,
City Manager's Office

Charter Officer: Greg Chavarria, City Manager