



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

#22-0022

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

FROM: Chris Lagerbloom, ICMA-CM, City Manager

DATE: February 15, 2022

TITLE: Motion Approving First Amendment to the Lease Agreement Between Red Ginger Group, LLC and the City of Fort Lauderdale and Authorizing a Consent to Assignment of the Lease - Red Ginger Group, LLC d/b/a Ichimora Restaurant to Red Bridge, LLC for Shop 116 - 124 at the Riverwalk Center Garage - (**Commission District 4**)

Recommendation

Staff recommends the City Commission approve the first amendment to the lease agreement between Red Ginger Group, LLC (“Lessee or Assignor”) and the City of Fort Lauderdale (“Lessor”); and authorize a consent to assignment of the lease from Red Ginger Group, LLC d/b/a Ichimora Restaurant to Red Bridge, LLC (“Assignee”) for Shop 116-124 at the Riverwalk Center Garage.

Background

On June 7, 2016, Red Ginger Group, LLC entered into a lease agreement (“Lease”) with the City of Fort Lauderdale for Shop 116 - 124 at the Riverwalk Center Garage, located at 155 SE 2 Street, Fort Lauderdale, Florida 33301, Folio# 504210230150 (Exhibit 1 and 2). The effective commencement date of the lease following restaurant renovations began on July 1, 2017 (Exhibit 3). The lease has a five (5) year term with an option to extend for three (3) additional five (5) year terms for the 2,337 square foot space.

The current lease will expire on June 30, 2022. On January 8, 2022, City staff received an Assignment and Assumption of Lease agreement between Red Ginger, LLC (“Assignor”) and Red Bridge, LLC (“Assignee”). The Assignor would like to exercise the renewal option and assign the lease to the Assignee with the City’s consent (Exhibit 4).

A summary of the amended terms is as followed:

- Lease Term – Five (5) year term with two additional five (5) year renewal options.
- Effective Date – July 1, 2022, through June 31, 2027.
- Rent – \$25.00 NNN, \$58,410.27 annually with 3% annual increases.
- Parking – Two (2) spaces in the garage.
- Reopening – Restaurant will reopen February 1, 2022, due to economic hardships during COVID the restaurant has been closed since March 2020.

- Go Dark Period – If operations discontinue for sixty (60) consecutive days, the City may elect to terminate the lease.
- Waiver of Standards – For an assignment of the lease, Assignor is requesting a waiver of standards for financial and operational experience requirements according to the Lease.

Resource Impact

Revenue related to this agreement is included in the FY 2022 operating budget in the accounts listed below.

<i>Funds available as of January 19, 2022</i>					
ACCOUNT NUMBER	INDEX NAME (Program)	CHARACTER CODE/ SUB-OBJECT NAME	AMENDED BUDGET (Character)	AVAILABLE BALANCE (Character)	AMOUNT
001-PKR100101-N153	Real Estate	Misc Revenues/Shops 116/120/124	\$748,025	(\$240,765)	\$14,602.57
TOTAL AMOUNT ►					\$14,602.57

Strategic Connections

This item is a Press Play Fort Lauderdale Strategic Plan 2024 initiative, specifically advancing:

- 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 Vision Plan 2035: We Are United*.

The item advances the *Advance Fort Lauderdale 2040 Comprehensive Plan* specifically advancing:

- The Neighborhood Enhancement Focus Area
- The Future Land Use Element
- Goal 2: The City shall encourage sustainable, smart growth which designates areas for future growth, promotes connectivity, social equity, preservation of neighborhood character and compatible uses.

Attachments

- Exhibit 1 – Location Map
- Exhibit 2 – Lease Agreement
- Exhibit 3 – Commencement Date Letter
- Exhibit 4 – Entity Consent to Assignment of Lease
- Exhibit 5 – First Amendment

Exhibit 6 – City Consent to Assignment of Lease

Prepared by: Angela Salmon and Luisa Agathon, City Manager's Office

Department Director: Chris Lagerbloom, ICMA-CM, City Manager