



CITY OF FORT LAUDERDALE
City Commission Agenda Memo
REGULAR MEETING

#22-0108

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

FROM: Chris Lagerbloom, ICMA-CM, City Manager

DATE: February 15, 2022

TITLE: Resolution Authorizing a Consent to Assignment of Lease Agreements from
EastGroup Properties, L.P. to Cypress Creek Flex, LLC for Lots 1, 2 and
0.275 Acre of Property Adjacent to Lots 1 and 2 at the Fort Lauderdale
Executive Airport – **(Commission District 1)**

Recommendation

Staff recommends the City Commission adopt a resolution authorizing the City Manager to execute a Consent to Assignment of Lease Agreements from EastGroup Properties, L.P. to Cypress Creek Flex, LLC for Lots 1, 2 and 0.275 Acre of Property Adjacent to Lots 1 and 2 at the Fort Lauderdale Executive Airport (FXE).

Background

EastGroup Properties, L.P. leases Lots 1 and 2 by virtue of a lease dated October 19, 1984. The lease term is 50 years with an option to extend for an additional 35 years. The property consists of 4.98 acres of AIP zoned property and has been improved with the construction of 56,000 square feet of single-story office service facilities (Exhibit 1). The annual rental payments for the property are \$167,094.36 and are subject to adjustments every 3 years using the Consumer Price Index (CPI) method. The next adjustment is scheduled for May 2023.

EastGroup Properties, L.P. also leases a 0.275-acre portion of property adjacent to Lots 1 and 2 by virtue of a lease dated October 13, 1988. The property serves as an automobile parking area for Lots 1 and 2. The annual rental payments for the property are \$7,803.84 and are subject to adjustments every five years in accordance with the Consumer Price Index. The next adjustment is scheduled for April 2024.

EastGroup Properties, L.P. has requested to assign the Lease for Lots 1 and 2 and assign the Lease for the 0.275 acre of property adjacent to Lots 1 and 2 to Cypress Creek Flex, LLC, a Florida limited liability company (Exhibit 2). Cypress Creek Flex is a newly registered entity in the State of Florida and is associated with Adler Group under Adler Realty Services (ARS) (Exhibit 3). ARS is a South Florida real estate company headquartered in Miami, offering a network of services designed to maximize the value of real estate assets and is an existing Lessee of Parcel 21A (Exhibit 4)

ARS properties include a range of multi-tenant industrial, flex, office, retail, and multifamily assets. ARS owns and manages over 1.5 million square feet of commercial properties located throughout the major markets of the Southeastern United States and has approximately 2,000 multifamily units in various stages of development. An assignment of this type is permitted under the terms of the Lease, subject to consent of the City.

Staff recommends that the City consent to the requested Assignment of the Lease Agreements from EastGroup Properties, L.P. to Cypress Creek Flex, LLC for Lots 1, 2 and the 0.275 acre of property adjacent to Lots 1 and 2 at the Fort Lauderdale Executive Airport. At its meeting of January 27, 2022, the Aviation Advisory Board supported staff's recommendation to approve this Assignment of Lease Agreement.

Resource Impact

There is no new fiscal impact associated with this action.

Strategic Connections

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

- The Business Development Focus Area
- Goal 5: Build an attractive global and local economic community marketplace.
- Objective: Provide the best-in-class regional general aviation airport amenities and services
- Objective: Create a responsive and proactive business climate to attract emerging industries

This item advances the *Fast-Forward Fort Lauderdale Vision Plan 2035: We are Prosperous*.

This item supports the *Advance Fort Lauderdale Comprehensive Plan*, specifically advancing:

- The Business Development Focus Area
- The Economic Development Element
- Goal 3: Recognize and include in economic development planning the role of Port Everglades and the Fort Lauderdale-Hollywood International Airport and Fort Lauderdale Executive Airports.

Attachments

Exhibit 1 – Lots 1, 2 and Strip

Exhibit 2 – EastGroup Properties, L.P. Package

Exhibit 3 – ARS – Cypress Creek Flex, LLC Package

Exhibit 4 – Parcel 21A Aerial

Exhibit 5 – Resolution

Exhibit 6 – Consent to Assignment of Lease Agreements

Prepared by: Rufus A. James, Airport Director – City Manager's Office

Charter Officer: Chris Lagerbloom, ICMA-CM, City Manager