

#22-0410

TO: Honorable Mayor & Members of the

Fort Lauderdale City Commission

FROM: Chris Lagerbloom, ICMA-CM, City Manager

DATE: July 5, 2022

TITLE: Resolution Authorizing the City Manager to Execute a Letter of Intent and

Authorizing Negotiations of a Proposed Exchange Agreement with the United States Government General Services Administration -

(Commission District 4)

Recommendation

Staff recommends the City Commission adopt a resolution authorizing the City Manager to execute a Letter of Intent and authorizing negotiations of a Proposed Exchange Agreement with the United States Government General Services Administration.

Background

The Federal Courthouse, through the General Services Administration (GSA), is planning to relocate from its current building located at 299 East Broward Boulevard to an area near the intersection of SE 4th Avenue and SE 11th Street. The proposed Fort Lauderdale Federal Courthouse is a 251,000 square foot facility that will include 12 courtrooms, 17 chambers, and 50 secured parking spaces. The \$190,000,000 project is expected to be substantially completed by January 2026.

The City of Fort Lauderdale identified improvements to City infrastructure that would support the Federal Courthouse relocation effort. Specifically, the City anticipates to relocate and replace the A-16 pump station and to relocate a 30" water main, both of which currently conflict with the courthouse site plan. The proposed improvements are part of an existing capital improvement project which is currently going through the procurement process to onboard a firm for design/build services. In addition, the City plans to vacate the existing roadways and rights-of-way in the nearby area to maximize the buildable footprint.

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 exceeds the GSA budget, GSA contacted the City to determine if the City would be willing to construct a parking garage on 1.25 acres of the future 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. At the end of the lease agreement, the ground and parking garage improvements would revert back to GSA.

In order for the City to receive the equivalent of a zero-dollar ground lease, the City and GSA would need to enter into an 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 land. The recommended Letter of Intent will memorialize these actions and allow the City to make the improvements in advance of the Exchange Agreement.

The Letter of Intent includes, but is not limited to:

- Defining the Premises
- Defining the Exchange and Exchange Valuations
- Scope of Work for Infrastructure Improvements
- Identifying City and GSA Roles & Responsibilities
- Administrative Considerations

The proposed action would authorize the City Manager to execute a Letter of Intent with GSA and to authorize him to negotiate the development of a draft Exchange Agreement. The final Exchange Agreement will require City Commission approval.

Resource Impact

There is no direct fiscal impact associated with this action, however, upon execution of the Letter of Intent, the City will begin expending the funds associated with the infrastructure improvements and relocations.

Strategic Connections

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

Attachments

Exhibit 1 – Location Map

Exhibit 2 – Walker Consulting Parking Study

Exhibit 3 – Letter Of Intent

Exhibit 4 – Resolution

Prepared by: Ben Rogers, Director, Transportation and Mobility

Department Director: Ben Rogers, Transportation and Mobility