



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

#22-0859

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

FROM: Greg Chavarria, City Manager

DATE: October 3, 2022

TITLE: Motion Authorizing the Withdrawal from Negotiations for Lease Agreement
with Midgard Group Inc. for Lot 20/21 in the Airport Industrial Park at Fort
Lauderdale Executive Airport - **(Commission District 1)**

Recommendation

Staff recommends the City Commission approve the withdrawal from negotiations with Midgard Group Inc. for Lot 20/21 in the Airport Industrial Park at Fort Lauderdale Executive Airport (FXE) and return of the deposit of \$33,000.

Background

FXE has several vacant non-aeronautical properties available for development. In accordance with the City Charter, advertising or solicitation for public bid is not required for Airport properties. However, to maximize the number of proposals submitted, staff coordinated with the City's real estate broker, Colliers International (Colliers), to prepare a solicitation for bid on Lot 20/21. The vacant site is in the Airport Industrial Park (AIP) and consists of approximately 5.42 Acres.

The site is designated as an Employment Center area by Broward County's Comprehensive Land Use Plan (BCCLUP). Employment Center areas are designed to encourage non-residential development compatible with less-intensive land uses and supports the tourist-oriented segment of the economy, as well as high technology and service-based activities. Principle uses permitted by zoning in areas designated as Employment Center are light manufacturing, office uses, research and assembly facilities, hotels, restaurants, community facilities, communication facilities and non-residential agricultural uses.

Colliers advertised the solicitation for bids in July 2021, and sealed bids were opened on August 19th, 2021, with a proposal submitted by one firm:

Firm

Midgard Group Inc. (Midgard)

Location

Fort Lauderdale, FL

The Midgard Group submitted a proposal for the development of Lot 20/21, which has been reviewed by Colliers and City staff. An Executive Summary and lease proposal matrix has been prepared by Colliers for review (Exhibit 2).

After reviewing the proposal, staff determined that Midgard provided a favorable proposal consisting of a minimum annual rent of \$330,000 for the combined development of Lot 20/21, which includes economic terms that are advantageous to the City.

Negotiations began and Midgard paid \$33,000 as a deposit. Subsequent to negotiations beginning, Midgard performed a detailed proforma and realized the cost to construct their proposed project was a miscalculated estimate submitted in the bid packet. Realizing the error, Midgard requested to withdraw their proposal and have their deposit fully refunded.

Staff recommends the withdrawal from negotiations with Midgard Group Inc. and returning the deposit of \$33,000.

Resource Impact

There will be no fiscal impact associated with the proposed 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 – Location Map

Exhibit 2 – Colliers' Solicitation Summary

Exhibit 3 – Midgard Group Inc. Proposal

Exhibit 4 – Colliers' Solicitation

Prepared by: Rufus A. James, Airport Director

Charter Officer: Greg Chavarria, City Manager