



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

**#25-0356**

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

**FROM:** Rickelle Williams, City Manager

**DATE:** May 6, 2025

**TITLE:** Motion Approving a Third Amendment to the Lease Agreement between Camelot of Ft. Lauderdale, LLC and the City of Fort Lauderdale for the Wellness Center at 4750 North Federal Highway, Suite 300, Fort Lauderdale, FL 33308 - Total 60-Month Rent: \$436,834 - **(Commission District 1)**

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**Recommendation**

Staff recommends that the City Commission authorize the execution of a third amendment to the lease agreement with Camelot of Ft. Lauderdale, LLC (“Landlord”), extending the lease for 4750 North Federal Highway, Suite 300 (“Premises”) for an additional 60-months.

**Background**

The City’s Wellness Center, operated by Marathon Health, provides comprehensive primary, preventive, and family care services including, but not limited to, annual physicals, chronic condition management, sick visits, lab testing, immunizations, mental health support, and health coaching. Over the past 12-month period, the Wellness Center recorded 7,545 total appointments including 76% (5,766) for employees, 18% (1,349) for spouses, and 6% (430) for dependents. The Wellness Center facility currently consists of ten (10) essential spaces including three (3) exam rooms, one (1) lab, three (3) offices, two (2) restrooms, and one (1) conference room.

The City of Fort Lauderdale (“City”) initially entered into a lease agreement with the Landlord on June 11, 2019, for the Premises, to accommodate the City’s Wellness Center. The original lease was set to expire on December 31, 2019, and has since been modified through the following amendments:

- First Amendment (November 5, 2019): Extended the lease to June 30, 2020.
- Second Amendment (May 5, 2020): Extended the lease term to August 31, 2025.

The City’s Office of Real Estate worked with the City’s real estate broker (Colliers International), the City’s Risk Management division, and the City’s Internal Benefits Committee to identify and evaluate alternative medical office spaces closer to the City Hall site. However, due to limited medical facility availability, higher market rates in

downtown, and the costs associated with relocation, City staff recommends extending the existing lease for an additional term while preserving flexibility to relocate to a new City Hall at a future date.

To ensure the City can maintain uninterrupted wellness services, the third amendment incorporates the following terms:

- **Premises:** 2,688 square feet (Suite 300)
- **Lease Term:** 60-months (Five (5) years: September 1, 2025 - August 31, 2030)
- **Gross Base Rent:** Includes a 3% annual escalation over the five (5)-year term, starting at \$6,856.64/month and increasing as follows:
  - Year 1: \$6,856.64/month (\$30.61/square feet annually)
  - Year 2: \$7,062.34/month
  - Year 3: \$7,274.21/month
  - Year 4: \$7,492.44/month
  - Year 5: \$7,717.21/monthIncludes electricity, water/sewer, ad valorem taxes, insurance, common area maintenance, and operating expenses.
- **Termination Rights:**
  - A termination fee is only owed if the City chooses to end the lease early — specifically during the fourth lease year (September 1, 2028 - August 31, 2029) or the fifth lease year (September 1, 2029 - August 31, 2030) following the lease commencement date.
  - If the City allows the lease to run its full term through August 31, 2030 and chooses not to renew, no fee is owed.
  - If the City wishes to terminate early — for example, giving notice around March 2029 (about 180 days (six months) before the end of the fifth lease year) — it would need to provide written notice and pay a termination fee of \$3,773.
  - Similarly, if the City gave notice around March 2028 to terminate after the fourth lease year, the fee would be \$3,628.
- **Renewal Option:** One (1) three (3)-year option to renew at market rent, subject to a survey of comparable Class B medical office rents within two miles.
- **Brokerage:** Berger Commercial Realty Corp. (Berger) represents the Landlord; Colliers represents the City. The Landlord shall be solely responsible for payment of broker commissions per a separate agreement between Berger and Colliers.

### **Resource Impact**

The commencement date of September 1, 2025, will result in a fiscal impact of \$6,856 in rent for FY 2025 in the account listed below.

**Funds available as of April 14, 2025**

<b>ACCOUNT NUMBER</b>	<b>INDEX NAME (Program)</b>	<b>CHARACTER CODE/ SUB-OBJECT NAME</b>	<b>AMENDED BUDGET</b>	<b>AVAILABLE BALANCE</b>	<b>AMOUNT</b>
10-545-9070-519-30-3319	Self-Insured Health Benefits	Service & Materials/ Office Space Rent	\$418,850	\$61,578	\$6,856
				<b>TOTAL AMOUNT ►</b>	\$6,856

**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

**Attachments**

- Exhibit 1 – Lease Agreement
- Exhibit 2 – Third Amendment
- Exhibit 3 – Location Map

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