



CITY OF FORT LAUDERDALE
City Commission Agenda Memo
REGULAR MEETING

#15-0127

TO: Honorable Mayor & Members
Fort Lauderdale City Commission

FROM: Lee R. Feldman, ICMA-CM, City Manager

DATE: February 17, 2015

TITLE: Intent to Lease City-owned Property at 600 Seabreeze Boulevard – Oasis Café and to Proceed with Eviction Proceedings against the Current Tenant and Pursue Monetary Damages

Recommendation

It is recommended that the City Commission (1) adopt a Resolution pursuant to Charter Section 8.09 declaring the City's intent to lease the property located at 600 Seabreeze Boulevard, the legal description for which is described in Exhibit 1; (2) initiate eviction of the current tenant (615 Beach Oasis Corporation); and (3) authorize all necessary administrative and legal actions to recover past due rents, property taxes and other monies owed to the City.

Background

The property located at 600 Seabreeze Boulevard was originally acquired by Quit Claim Deed in 1947. It was leased to Universal Construction Company who sublet to Sinclair gas station in 1948. In the late 1970's, it was utilized as the quarters for beach patrol with a portion being leased to Voyager Sightseeing Train. In 1993, the City released a Request for Proposals (RFP) for a welcome and visitors' center and a restaurant. On March 3, 1994, the City entered into a lease agreement with Oasis to operate the center and the restaurant. The initial term of the lease was for a ten (10) year period, commencing on February 16, 1994, with two options to extend the term for a period of five (5) years each. On October 3, 1995, the City Commission approved amending the lease allowing lessee to cease welcome center activities housed within the location. The lease expired on February 15, 2014.

On December 23, 2014 and January 8, 2015, correspondence was sent to 615 Beach Oasis Corporation (Oasis) demanding payment in the amount of \$130,168.25 for past due rent and property taxes. Correspondence is attached as Exhibit 2. Oasis was provided a payment deadline of January 23, 2015, if not met; they were informed that it would result in legal action. Oasis has met with staff and provided their proposal to repay their outstanding balance, Exhibit 3. CBRE has provided a proposal comparison

matrix with a side-by-side comparison of their discussions with Oasis regarding a future lease. This matrix is attached as Exhibit 4.

Staff seeks authorization to initiate the process under Charter Section 8.09 toward leasing the property located at 600 Seabreeze Boulevard by adopting a Resolution declaring the City's intent to lease the property. The property is a 17,821 square foot irregularly shaped lot upon which is located a single story CBS-type constructed building. CBRE recommends a ground lease for the site without percentage rent. Although they have not determined the highest and best use for the site, they project annual rent from a ground lease at approximately \$150,000 to \$200,000. The previous lease provided an annual rent of \$50,627.

Under Charter Section 8.09 this is a three-resolution process. Section 8.09 of the Charter provides that City property may be leased for a term of twenty (20) years, plus two (2) five (5) year Options to Renew, such Options to Renew being subject to approval by the Landlord and Tenant. However, an alternative term may be proposed and considered in the City Commission's discretion where conditions might warrant such an alternative term, for example, if the bidder proposed to demolish the existing improvements and construct new improvements on the Property to be amortized over an alternative time. Charter Section 8.09 prohibits a lease term of more than fifty (50) years, plus such length of time, not to exceed five (5) years, as determined by the City Commission, to be a reasonably necessary period to complete construction of the improvements proposed for the Property. The competitive process will seek proposals from parties interested in leasing and operating the building.

Per the Charter, no less than thirty days and no more than sixty days after adoption of this first Resolution the property shall be offered upon competitive conditions for lease. Sealed bids shall be delivered to the City's Procurement Division on or before 2:00 PM April 3, 2015. The sealed bids must be accompanied by cash, cashier's check or certified check payable to the City in an amount equal to at least ten (10) percent of the first year's rental. The City Commission will meet on May 19, 2015 at 6:00 PM for the purpose of reviewing all bids and determining the proposal which, in its judgment, is the most advantageous lease for the City, but the City Commission may reject any and all bids at any time. A second resolution will be adopted at that meeting selecting the successful proposal and authorizing the preparation and negotiation of a lease agreement. The third resolution adopts the final lease which will be presented to Commission for approval.

Resource Impact

There is a no fiscal impact to the city associated with this item.

Strategic Connections:

This item is a Press Play Fort Lauderdale Strategic Plan 2018 initiative, included within the Internal Support Cylinder of Excellence, specifically advancing:

- Goal 12: Be a leading government organization, managing resources wisely and sustainably

- Objective 1: Ensure sound fiscal management
- Initiative 1: Achieve a structurally balanced budget through viable revenue sources, smart financial management, comprehensive financial forecasting, and results-oriented and efficient services

Attachments

Exhibit 1 – Legal Description

Exhibit 2 – Correspondence regarding past due rent

Exhibit 3 – Oasis' proposal

Exhibit 4 – Proposal comparison matrix

Exhibit 5 – Resolution

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