



CITY OF FORT LAUDERDALE
City Commission Agenda Memo
REGULAR MEETING

#17-1532

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

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

DATE: January 3, 2018

TITLE: Resolution Authorizing a Consent to Assignment of Ground Lease –
Cypress Concourse A, LLC to BOF FL 2001 NW 64 LLC for Lots 18 and
19 at Fort Lauderdale Executive Airport

Recommendation

It is recommended that the City Commission adopt a resolution authorizing the City Manager to execute a Consent to Assignment of Ground Lease from Cypress Concourse A, LLC to BOF FL 2001 NW 64 LLC for Lots 18 and 19 at Fort Lauderdale Executive Airport.

Background

Cypress Concourse A, LLC (CCA) leases Lots 18 and 19 in the Industrial Airpark by virtue of a lease agreement dated March 1, 1998 (Exhibit 1). The lease has a 50-year term with an option to extend for an additional 25 years. The leasehold consists of 4.27 acres of Airport Industrial Park (AIP) zoned property and has been improved with the construction of a 49,997 square foot first-class office building with automobile parking. The current annual rent is \$93,184.14 and is adjusted every five years, with the next adjustment scheduled for March 1, 2018.

CCA has requested to assign its ground lease for this property to BOF FL 2001 NW 64 LLC (BOF) per the attached letter from David J. Coviello of Shutts & Bowen LLP representing CCA (Exhibit 2). For the purposes of acquiring the Leasehold interest, BOF is requesting to mortgage its newly acquired interest under the Ground Lease to Piedmont Lending II, LLC.

According to the information provided, Seller and Lender are wholly owned subsidiaries of Piedmont Office Realty Trust, Inc. Piedmont is an owner, manager, developer, and operator of high-quality, Class A office properties in select submarkets located primarily within eight major Eastern U.S. office markets - Atlanta, Boston, Chicago, Dallas, Minneapolis, New York, Orlando, and Washington, D.C. with a total portfolio value of over \$5 billion (Exhibit 3).

An assignment of this type is permitted under the terms of the lease, subject to consent of the City, which shall not be unreasonably withheld.

Resource Impact

There is no fiscal impact associated with this action.

Strategic Connections

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

- Goal 7: Be a well-positioned City within the global economic and tourism markets of the South Florida region, leveraging our airports, port, and rail connections.
- Objective 4: Deliver best-in-class regional general aviation airport amenities and services to domestic and international.
- Initiative 1: Examine the highest and best use of airport property to stimulate economic development and create jobs.

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

Attachments

Exhibit 1 - Lots 18 & 19 Map

Exhibit 2 - Ground Lease Interest Letter

Exhibit 3 - Overview Presentation of Piedmont Realty Trust, Inc.

Exhibit 4 - Agreement

Exhibit 5 - Resolution

Prepared by: Rufus A. James, Transportation and Mobility

Department Director: Diana Alarcon, Transportation and Mobility