



CITY OF FORT LAUDERDALE
City Commission Agenda Memo
REGULAR MEETING

#18-0934

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

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

DATE: October 9, 2018

TITLE: Motion to Authorize the City Manager to Commence Negotiations for a
Lease Agreement with First Industrial Realty Trust of Tampa, FL for the
Development of Parcels B, C, & D in the Airport Industrial Park at Fort
Lauderdale Executive Airport

Recommendation

It is recommended that the City Commission authorize the City Manager to commence negotiations for a Lease Agreement with First Industrial Realty Trust of Tampa, FL for the development of Parcels B, C, & D in the Airport Industrial Park at Fort Lauderdale Executive Airport.

Background

The Fort Lauderdale Executive Airport (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 of Airport properties. However, in an effort 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 Parcels B, C, D, 8D, 12A/B, and Lot 21 (Exhibit 1).

The sites are designated employment center 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 which supports the tourist-oriented segment of the economy as well as high technology and service-based activities. Principle uses permitted in areas designated employment center as permitted by zoning are light manufacturing, office uses, research and assembly, hotels, restaurants, community facilities, communication facilities and non-residential agricultural uses.

Colliers advertised the solicitation for bids in July, and sealed bids were opened September 5, 2018 with proposals submitted by the following firms:

<u>Firm</u>	<u>Location</u>
East Group Properties, L.P. (East Group)	Jackson, MS
First Industrial Realty Trust (First Industrial)	Tampa, FL

First Industrial and East Group submitted proposals for Parcels B, C, & D, and Midgard submitted a proposal for the development of Parcel C (Exhibits 2 – 4). The proposals were reviewed by Colliers and City Staff, with an Executive Summary and lease proposal matrix prepared by Colliers (Exhibits 5 and 6).

East Group is a real estate investment trust focused on the development, acquisition, and operation of industrial properties. As an existing long term tenant at the Airport, East Group has developed industrial facilities in the Airport Industrial Park, and plans to construct five distribution buildings with rear loading bays. The development being proposed by East Group is to meet the growing demands of their existing tenants that are looking to expand.

First Industrial is an owner, operator, and developer of industrial real estate, providing service to multinational corporations, and regional customers. In the submitted proposal, First Industrial plans to construct a five building, multi-tenant, industrial development to attract companies in the aviation and aerospace industry, and other industries such as global logistics, marine industries, and various manufacturing sectors.

Midgard is a real estate development and management company specializing in office, residential, industrial, and hotel projects. As a long term tenant along the Cypress Creek corridor, Midgard has continuously made significant improvements to their Airport leasehold property by promoting sustainable practices that reduce environmental impacts, using green building techniques for efficient use of natural resources. Midgard is proposing to develop Parcel C with two buildings that will include high end office space with flex warehouse, distribution space, and adequate parking.

After reviewing the proposals, it was determined that First Industrial provided a favorable bid for the combined development of Parcels B, C, & D which included economic terms that are more advantageous to the City.

At its meeting of September 27, 2018 the Aviation Advisory Board supported staff's recommendation to commence negotiations for a Lease Agreement with First Industrial Realty Trust of Tampa, FL for the development of Parcels B, C, & D in the Airport Industrial Park.

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 stakeholders.

- 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 – Parcel Map

Exhibit 2 – First Industrial Proposal

Exhibit 3 – East Group Proposal

Exhibit 4 – Midgard Proposal

Exhibit 5 – Colliers Executive Summary

Exhibit 6 – Colliers Lease Proposal Matrix

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