



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

#19-0338

TO: Honorable Mayor & Members
Fort Lauderdale City Commission

FROM: Chris Lagerbloom, ICMA-CM, City Manager

DATE: April 2, 2019

TITLE: Motion Authorizing Execution of a First Amendment to the Lease Agreement between the City of Fort Lauderdale and MBR of Fort Lauderdale, LLC for Shops 108 & 112 in the Central Business District Parking Garage Shop (a/k/a Riverwalk Center)

Recommendation

It is recommended that the City Commission adopt a motion authorizing execution of a First Amendment to the Lease Agreement between the City of Fort Lauderdale, as Landlord, and MBR of Fort Lauderdale, LLC ("MBR") for Shops 108 & 112 in the Central Business District Parking Garage also known as the Riverwalk Center.

Background

On November 7, 2017, the City Commission approved a lease agreement with the E & J Dining Inc. d/b/a Mr. Nick's Sub Shoppe ("E & J Dining") to lease shops 108 & 112 in the Riverwalk Center. The lease has a five (5) year term with an option to extend for an additional five (5) years. At the March 19, 2019 City Commission Meeting, Commission authorized execution of the Landlord's Consent to an Assignment and Assumption of the Lease Agreement from E & J Dining to MBR.

The Landlord's Consent to Assignment of Lease was with the understanding that upon the sale and purchase of the business on March 22, 2019, the City and MBR would amend the Lease to reflect the following:

- Amending Section 9(b) of the lease to reflect the new security deposit to be in the amount of \$6,788.32 or two months of the current 2019 rent amount. The current security deposit of \$5,728.00 will be returned to E & J Dining.
- Adding a prepayment of base rent, Lessor and Lessee agree that the Lessee had prepaid to Lessor, in escrow, the base rent for the months of April, May, June, and July of 2019 in the monthly amount of \$3,394.16. Lessor shall withdraw each monthly payment on the first day of such month.
- Amending Section 17 of the lease, "Assignment and Subleasing" to reflect that any sublessee or assignee of the Lease must have financial resources equal to or greater than that of the new Lessee, MBR.

Resource Impact

There will be a net impact of \$1,060.32 in the escrow account, upon the approval of the City Commission.

<i>Funds available as of March 19, 2019</i>					
ACCOUNT NUMBER	INDEX NAME (Program)	CHARACTER CODE/ SUB- OBJECT NAME	AMENDED BUDGET	AVAILABLE BALANCE	AMOUNT
001-FD001.01-219-006300	CPM 108-12 E&J Dining Nick's Sub Shop Deposit	N/A	N/A	\$5,728.00	(\$5,728.00)
001-FD001.01-219-006306	CPM 108 MBR FTL Nick's Sub Shop Sec Deposit	N/A	N/A	\$0	\$6,788.32
				TOTAL AMOUNT ►	\$1,060.32

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 – Nick's Sub Shoppe Lease Agreement

Exhibit 2 – First Amendment

Prepared by: Luisa Agathon, City Manager's Office

Department Director: Chris Lagerbloom, ICMA-CM, City Manager