



CITY OF FORT LAUDERDALE
City Commission Agenda Memo
REGULAR MEETING

#19-0297

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

FROM: Chris Lagerbloom, ICMA-CM, City Manager

DATE: April 16, 2019

TITLE: Motion to Approve Lease Agreement with 10 New River, LLC for
Property Located at 2 South New River Drive, Suites 102 & 103 -
\$186,748.85 (60-month gross rent)

Recommendation

It is recommended that the City Commission approve the execution of a lease agreement for property located at 2 South New River Drive to be used by the Parks and Recreation Department to house the Marine Facilities Administration Office.

Background

Since 1993, the City of Fort Lauderdale has rented suites 102 & 103 at 2 South New River Drive to house the Marine Facilities Administrative Office. Lease agreements were extended for additional terms from 2001 until 2010 on a yearly basis. In 2011, the City entered into an Amendment of the Lease Agreement to establish a three-year term, and in 2014, it was further amended to provide a five-year term with Azorra Properties, LLC. Upon the sale of the property to 10 New River, LLC and culmination of the current lease agreement (April 30, 2019) City staff have negotiated a new five-year lease.

The proposed lease is structured for \$33.50 per square feet (1,050) in Year 1 for a 60-month term. The Base Rent will increase by three (3) percent annually. The City has the right to renew the lease for an additional term of three (3) years. The Landlord will make improvements to the leased premises by repairing the air conditioning unit and cosmetic repairs. The base rent is inclusive of electricity, water and sewer, Ad Valorem Taxes, Insurance Premiums, Common Area Maintenance Expenses, and Operating expenses.

A summary of the terms of the lease extension are as follows:

- Lease Term – 60 months or five-year lease
- Commencement Date – May 1, 2019

- Base Rent – \$33.50 per square foot (1050 sq/ft) in Year 1 with an annual increase of 3%
- Property Expenses – included as part of the base rent

Resource Impact

There will be fiscal impact in the amount of \$14,656.25 in Fiscal Year 2019 for five-months of rent. Future fiscal year expenditures are contingent upon Commission adoption of annual operating budgets.

<i>Funds available as of March 21, 2019</i>					
ACCOUNT NUMBER	INDEX NAME (Program)	CHARACTER CODE/ SUB- OBJECT NAME	AMENDED BUDGET	AVAILABLE BALANCE	AMOUNT
001-PKR090101-3319	Marine Facilities Administration	Service & Materials/ Office Space Rent	\$157,766	\$82,074	\$14,656.25
TOTAL AMOUNT ►					\$14,656.25

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

Attachment

Exhibit 1 – Proposed Lease Agreement

Prepared by: Luisa Agathon, City Manager’s Office

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