



**CITY OF FORT LAUDERDALE
City Commission Agenda Memo
CRA BOARD MEETING**

#21-0351

TO: CRA Chairman & Board of Commissioners
Fort Lauderdale Community Redevelopment Agency

FROM: Chris Lagerbloom, ICMA-CM, Executive Director

DATE: May 4, 2021

TITLE: Motion Approving First Lease Amendment with FPA II, LLC for Property Located at 914 NW 6th Street, Fort Lauderdale, FL 33311 – **(Commission District 3)**

Recommendation

Staff recommends the Community Redevelopment Agency (CRA) Board of Commissioners approve the execution of a first lease amendment between FPA II, LLC (Landlord) and the Fort Lauderdale Community Redevelopment Agency for the building located at 914 NW 6th Street, Fort Lauderdale, FL 33311 to house the Fort Lauderdale Community Redevelopment Agency through the sunset date of the CRA.

Background

On September 15, 2016, Regent Bank Project Finance, Inc. (Regent Bank PFI) entered into a lease agreement (Lease) with the Fort Lauderdale Community Redevelopment Agency (Tenant) of the building located at 914 NW 6th Street, Fort Lauderdale, FL 33311 (the Property). The original term of the Lease commenced on July 1, 2016 and was for a period of sixty (60) months, through and including June 30, 2021. The yearly base rent for suites 100 and 200 (collectively) under the Lease, and currently in effect, is \$69,091.32. The yearly additional rent for Operating Expenses is \$39,884.04. Pursuant to the Lease, the Tenant has the right to renew the lease for two (2) additional periods of two (2) years each, as stated in the First Amendment to Lease Agreement (Exhibit 2).

On December 29, 2016, FPA II, LLC purchased the building as successor-in-interest to Regent Bank PFI and became “Landlord” pursuant to the Lease. The Landlord has continued to honor the Lease in all regards and has performed, under the Lease, as Landlord since it acquired the building. The Landlord has approved the Tenant’s written request to exercise both of its renewal options, for a total of four (4) years, until June 30, 2025. In addition, the Tenant has requested the Landlord to renew the lease for an additional five (5) months, until November 30, 2025, to which the Landlord agreed.

The Tenant will remit the rent amounts for both spaces, Suites 100 & 200, which are occupied by the Fort Lauderdale CRA, and Suite 103, which is occupied by Housing and Community Development (HCD), to Landlord. The City will then reimburse the CRA for the rents paid for Suite 103 from HCD’s account.

The proposed lease amendment is structured for an extension of four (4) years and five (5) months, from June 30, 2021 to November 30, 2025. The term has been extended by mutual consent of the parties, coterminous with the sunset date of the Northwest-Progresso-Flagler Heights CRA. A summary of the terms of the lease extension are as follows:

Amended Lease Term: Four (4) years and five (5) months
 Commencement Date: June 30, 2021 until November 30, 2025

Base Rent for Suites 100 and 200:

Year 1	\$72,545.89
Year 2	\$76,173.18
Year 3	\$79,981.83
Year 4	\$83,980.93
Year 5 (partial)	\$88,179.98

Additional Rent for Operating Expenses for Suites 100 and 200:

Year 1	\$48,597.12
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Base Rent for Suite 103:

Year 1	\$32,035.50
Year 2	\$33,637.28
Year 3	\$35,319.14
Year 4	\$37,085.10
Year 5 (partial)	\$38,939.35

Additional Rent for Operating Expenses for Suite 103:

Year 1	\$17,899.20
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Property Expenses: Tenant is responsible for all utilities to the leased premises.

Resource Impact

Rent costs were approved as part of the Fiscal Year 2021 Budget. However, the costs for July, August and September are available in the account listed below. Future fiscal year expenditures are contingent upon Commission adoption of annual operating budgets.

The City will reimburse the CRA for rent payments for Suite 103 occupied by the Housing and Community Development Department.

Funds available as of April 13, 2021					
ACCOUNT NUMBER	INDEX NAME (Program)	CHARACTER CODE/ SUB-OBJECT NAME	AMENDED BUDGET (Character)	AVAILABLE BALANCE (Character)	AMOUNT
106-CRA060605-3319	NPF Redevelopment	Office Space Rent/Services & Materials	\$894,472	\$571,938	\$42,769.42
TOTAL ►					\$42,769.42

Strategic Connections

This item supports the *Press Play Fort Lauderdale 2024* Strategic Plan, specifically advancing:

- The Internal Support Focus Area
- Goal 8: Build a leading government organization that manages all resources wisely and sustainably
- Objective: Maintain financial integrity through sound budgeting practices, prudent fiscal management, cost effective operations, and long-term planning

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

Attachments

Exhibit 1 – Lease Agreement between Regent Bank and FL CRA (9/15/2016)

Exhibit 2 – First Amendment to Lease Agreement between FPA II, LLC and FL CRA

Exhibit 3 – Area Map

Prepared by: Eleni Ward-Jankovic, CRA Housing and Economic Development Manager
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Department Director: Chris Lagerbloom, ICMA-CM, Executive Director