



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

#21-0479

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

FROM: Chris Lagerbloom, ICMA-CM, City Manager

DATE: May 18, 2021

TITLE: Resolution Amending Resolution 20-180 Authorizing City Manager to
Execute Amendments to Lease Agreements for City-owned Property to
Defer Rent Payments - **(Commission Districts 2 and 4)**

Recommendation

Staff recommends the City Commission adopt a resolution amending previously adopted Resolution 20-180 authorizing the City Manager to execute amendments to lease agreements for City-owned property to defer rent payments for three (3) additional months (February-April 2021). The rent deferment amount will be paid over a period of six (6) months commencing in May 2021 until October 2021.

Background

The COVID-19 pandemic crisis adversely affected our community, and the City of Fort Lauderdale is sensitive to the stress and financial impacts our businesses endured. The City Manager's Office and Colliers International ("Colliers") are currently managing 16 lease agreements for properties throughout the City. Out of the 16 there are eight (8) retail/commercial tenants (Exhibit 1). Red Ginger Group, LLC reached out to the City seeking deferment of rent payments to assure the longevity of their business, prevent accruing of late fees, and the security of their contractual lease agreements.

On May 19, 2020, the City Commission offered the first three (3) month rent deferment through Resolution 20-82 (Exhibit 2) for retail/commercial tenants. During the summer of 2020 tenants continued to ask for the City's assistance in rent deferment due to the capacity restrictions outlined in various State, County, and City orders that prevented full-capacity operations for businesses. On October 6, 2020, the City Commission adopted resolution 20-180 (Exhibit 3) which amended resolution 20-82 by changing rent deferment from three (3) months to six (6) months to assist retail/commercial tenants of City-owned property. The breakdown is as followed:

1. First Deferment (Resolution 20-82) – 90-day deferment with 90 days to pay back:
 - a. Deferment of rent April 2020 - June 2020
 - b. Repayment of deferred rent begins July 2020 - September 2020

2. Second Deferment (Resolution 20-180) – 90 day extend to 6 months (Amendment Requested by Red Ginger and Riverfront Cruise)
 - a. Deferment of rent April 2020 to September 2020
 - b. Regular rent started October 2020-December 2020
 - c. Repayment of deferred rent begun January 2021 to June 2021
3. Additional Requested Deferment - 90 Days (Amendment Requested by Red Ginger)
 - a. Deferment of rent February 2021 to April 2021
 - b. Repayment of deferred rent begins May 2021 to October 2021

The total rent deferment for the months of April 2020 to September 2020, for the two (2) tenants that signed the second amendment was \$51,727.24. The second amendment amount has been paid back to the City. The additional requested deferment for February 2021 to April 2021 is approximately \$25,861 for the same two (2) tenants.

To assist tenants with continued operational disruption and financial impacts, staff recommends offering an additional three (3) month rent deferment for the months of February, March, and April of 2021 without extending the terms of the lease agreements. The rent deferment amount will be paid over a period of six months commencing in May 2021 until October 2021. Normal monthly payments and late fees for the months of October 2021 to January 2021 will be billed. The amended delegated authority will allow the City Manager to amend lease agreements for an additional three (3) month rent deferment without extending the terms of the lease.

Resource Impact

This action will not have negative impact to the City in Fiscal Year 2021 if all rent revenue is collected by September 2021.

Strategic Connections

This item is a Press Play Fort Lauderdale Strategic Plan 2024 initiative, specifically advancing:

- 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

Attachments

Exhibit 1 – City of Fort Lauderdale Retail Leases

Exhibit 2 – Resolution 20-82

Exhibit 3 – Resolution 20-180

Exhibit 4 – Amendment to Lease Agreement

Exhibit 5 – Resolution

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Charter Officer: Chris Lagerbloom, ICMA-CM, City Manager

05/18/2021

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