



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

#26-0406

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

FROM: Rickelle Williams, City Manager

DATE: April 21, 2026

TITLE: Motion Approving an Interim Agreement with FTL City Hall Partners, LLC for the City Hall Project, Pursuant to Section 255.065(6), Florida Statutes, in Substantially the Form Attached Hereto - (**Commission District 1, 2, 3, and 4**)

Recommendation

Staff recommends the City Commission approve a motion for the Interim Agreement with FTL City Hall Partners, LLC for the City Hall Project, pursuant to Section 255.065(6), Florida Statutes, in substantially the form attached hereto, (the "Project"). The Interim Agreement establishes a structured framework for the parties to: (a) further develop the details of the Project; (b) perform pre-development work for the Project, subject to a defined scope, budget, and reporting framework; (c) explore, refine, and evaluate financing structures for the Project; and (d) establish the parameters for the continued negotiation, and the City Commission's review and approval, of a Comprehensive Agreement between the City and Developer to complete the Project. The Interim Agreement does not obligate the City to proceed with the Project or to enter into a Comprehensive Agreement, and all final decisions remain within the sole discretion of the City Commission. The Interim Agreement also provides that the City will be required to reimburse certain pre-development costs (not to exceed \$18,883,885), subject to specified conditions, limitations, and approved budget controls, in the event the Project proceeds or the Interim Agreement is terminated. In addition, the City could be responsible for approximately \$1.07 million in Deferred Developer Overhead and Expenses, which would be payable in the event of a termination other than Developer Default.

Background

On May 15, 2025, the City received an unsolicited proposal from Meridiam Infrastructure North America (Fort Lauderdale Civic Partners) for the design, development, financing, construction, operation, and maintenance of a new City Hall (Commission Memorandum No. 25-064).

Following City Commission direction at the June 3, 2025, City Commission Regular Meeting, a sixty (60)-day competitive period was established via Resolution No. 25-96

(CAM #25-0664), under Section 255.065, Florida Statutes. The competitive period started on June 6, 2025, and closed August 5, 2025 (Commission Memorandum No. 25-087).

On or before August 5, 2025, the City received a total of six (6) proposals. The proposals included five (5) new proposals and one (1) revised proposal from Fort Lauderdale Civic Partners.

Jacobs Project Management Co. (Jacobs), as the City's Owner's Representative, conducted a preliminary evaluation of the proposals based on firm qualifications, experience and overall Project approach. Jacobs presented its findings at the October 7, 2025, City Commission Conference Meeting (CAM #25-0868).

After the presentation, the City Commission directed staff to advance four (4) of the proposers—Balfour Beatty, Fort Lauderdale Civic Partners, FTL Beacon Collaborative, and FTL City Hall Partners—for further review. The City Commission also directed staff to update the City Hall building needs and provide additional information to the proposers. The City Commission subsequently approved a motion (CAM #25-1039) on October 7, 2025, at the City Commission Regular Meeting to advance the four (4) proposers.

On October 21, 2025, the City issued a Supplemental Information Request Package for Shortlisted Proposers (Request Package). The Request Package included project considerations, building components, building gross square footage, instructions, response expectations, and evaluation criteria.

On October 23, 2025, at the City Commission Conference Meeting, the City Commission received a presentation on the project status, provided feedback and directed that additional information be incorporated into the evaluation criteria.

On October 28, 2025, City staff issued Version 2 of the Request Package as memorialized by Letter to the Commission (LTC) No. 25-218, requiring proposers to provide detailed financial, technical, safety, litigation, bonding, and facilities management information, along with updated construction cost assumptions and baseline program alignment.

On October 29, 2025, the shortlisted proposers submitted approximately fifty (50) questions, by the established deadline, regarding the Request Package. On October 31, 2025, City staff provided the shortlisted proposers with written to all submitted questions (LTC #25-229).

On November 7, 2025, the City Commission adopted Resolution No. 25-187 to appoint the law firm Bilzin Sumberg as Special Counsel to represent the City of Fort Lauderdale in connection with the City Hall Project (CAM #25-0897).

On November 10, 2025, prior to the established Request Package deadline, the City received Request Package responses from the four (4) shortlisted proposers. The original

proposal materials and the Request Package responses were evaluated by City staff and its consultants.

At the November 18, 2025, City Commission Conference Meeting, the City Manager provided an update on the City Hall Project as part of the City Manager's Report, during which the City Commission discussed the structure of the December 2, 2025, presentations.

At the December 2, 2025, City Commission Special Meeting and Conference Meeting presentations were delivered by City staff, the City's financial advisor (PFM Financial Advisors), the City's owner's representative (Jacobs), and each of the four (4) shortlisted proposers. The presentations addressed financial, technical, and project delivery considerations and supported the City Commission's evaluation of the proposed City Hall Project. Following these presentations and discussion, the City Commission adopted a resolution authorizing the City Manager to negotiate an Interim Agreement with a shortlisted proposer for the design, development, financing construction, operation, and maintenance of a new City Hall facility on City-owned property located at 100 N. Andrews Avenue.

Subsequently, the City Commission adopted Resolution No. 25-231 (CAM #25-1125), authorizing the City Manager to proceed with the unsolicited proposal submitted by FTL City Hall Partners (FCHP) for the design, development, financing, construction, operation, and maintenance of a new City Hall and to negotiate a proposed interim and/or comprehensive agreement in accordance with Section 255.065, Florida Statutes.

On December 24, 2025, LTC No. 25-279 was issued advising the City Commission of the next steps for the City Hall Project. The LTC memorialized that City staff, outside counsel, and consultants met on December 18, 2025, to define roles, responsibilities, timelines, legal forms, and other key considerations related to the next phase of the City Hall project. The discussion focused on establishing the framework for upcoming negotiations and identifying project opportunities. The LTC also established that working groups were being created to align subject matter experts with the review of specific project areas.

On January 8, 2026, the City hosted a kick-off meeting with FCHP to establish negotiation protocols and discuss the framework of the Interim Agreement, including prioritization of key business items, legal structure, timelines, roles, and responsibilities. Subsequently, the City and FCHP have conducted multiple negotiation sessions to advance the City Hall space program, financial considerations, and development of a proposed Interim Agreement Term Sheet.

On February 17, 2026, City staff presented to the City Commission the proposed Interim Agreement Term Sheet (Exhibit 1) for the new City Hall project, outlining the structure and intent of the agreement to govern a defined pre-development phase, including due diligence, design advancement, cost refinement, and financing exploration (CAM #26-0166). During the Conference Meeting, the City Commission provided feedback that has

been incorporated into ongoing negotiations, including considerations related to developer fee structures, termination scenarios and associated financial impacts, City-financed versus developer-financed delivery models, clarification of allowable pre-development expenses, and developer equity contributions and corresponding rates of return.

On April 2, 2026, LTC No. 26-097 was distributed to the City Commission to provide an update on the progress of the City Hall Project, including advancements in space programming, financial analysis, and ongoing negotiations with FCHP. The update noted that the original proposal included a 302,105 gross square foot facility at an estimated construction cost of approximately \$344 million, which was refined to approximately 235,000 gross square feet as staff continues to align the program with operational needs and cost considerations. The LTC also highlighted ongoing financial analysis evaluating project cost drivers, financing structures, and risk allocation, including a comparison of City-financed versus developer-financed delivery models, with City financing identified as the more cost-effective approach. Additional efforts include defining allowable pre-development expenses, reviewing developer fee structures, and assessing financial exposure under various termination scenarios, all in preparation for bringing forward an Interim Agreement for Commission consideration.

Following the issuance of LTC No. 26-097, the City Hall Project was discussed at the April 7, 2026, City Commission Conference Meeting as part of the City Manager's Report. In response to the update, staff presented multiple City Hall concept scenarios reflecting varying levels of design, space programming, and cost, including options ranging from approximately 200,000 to 235,000 gross square feet with total estimated project cost and annual financial obligations over a thirty (30)-year period (Exhibit 2). The City Commission engaged in discussion regarding overall project scope, square footage, financing assumptions, and long-term cost implications, including operations and maintenance and escalation factors. The discussion emphasized the need to align expectations and parameters to guide ongoing negotiations. The City Commission ultimately expressed support for advancing a reduced program concept (Concept B) as a baseline, while continuing to refine the Project's scope, cost, and financial structure prior to consideration of the Interim Agreement.

Concept B, as presented to the City Commission (subject to further refinement) reflects the following as:

- A program scenario of approximately 200,000 gross square feet;
- A building for approximately 600 employees;
- Retention of core building design elements as proposed; and
- An estimated total project cost of \$267,698,000 including:
 - \$240,000,000 – Design and Construction cost based on \$1,200 per square

foot;

- \$12,000,000 – Developer Fee of five percent (5%) of the total design and construction cost;
 - \$5,698,000 – Project Administration Cost during Construction Period, utilized for illustrative purposes based on the original proposal; and
 - \$10,000,000 – Furniture, Fixtures, and Equipment (FF&E) of \$50.00 per square foot (City responsibility).
- The estimated City annual financing obligation of \$18,000,000 including:
 - \$15,000,000 – Debt service, assuming financing of approximately ninety percent (90%) of project costs at an interest rate of four- and one-half percent (4.5%); and
 - \$3,000,000 – Availability payment based on a ten percent (10%) developer equity contribution and an assumed eleven- and one-half percent (11.5%) pre-tax equity return.
 - An estimated annual Operations and Maintenance (O&M) obligation of \$6,160,000 per year, inclusive of life-cycle replacement costs, and subject to further refinement during the Interim Agreement phase.
 - The total estimated annual obligation for Concept B, is \$24,160,000, which equates to \$724,800,000 over a thirty (30)-year term.

The the ongoing negotiations with FCHP since establishing the Interim Agreement Term Sheet on February 17, 2026, have resulted in some notable outcomes as follows:

- City Project Financing – The Interim Agreement Term Sheet identified that the parties would explore financial structures for the project which may include Developer financing. During the negotiations, the City determined that it would secure financing for the project to reduce the cost of capital by approximately \$88 million.
- Developer Equity Contribution – The December 2025 FCHP proposal included an equity amount of ten percent (10%). City staff negotiated the agreement to cap the Developer's maximum equity contribution to \$24.0 million.
- Developer Termination Fee – The City Commission expressed concerns about the termination fee that was proposed in the Interim Agreement Term Sheet. The five percent (5%) termination fee was removed from the Interim Agreement and replaced with a Deferred Developer Overhead and Expenses structure. This

approach reduces the City's exposure as the expense is based on actual costs incurred up to the termination date.

- Step-In Rights – The City negotiated Step-In Rights into the Interim Agreement. Step-In Rights provide the City with opportunities to intervene and take over a project if the private partner defaults, fails to meet performance standards, or in this case the City terminates for convenience. This risk-management tool is designed to protect project continuity, ensuring that the City Hall project has options to continue to advance, rather than experiencing substantial delays associated with securing new contracts. The Step-In Rights fee was negotiated at \$2.0 million. This fee is only experienced if Step-In Rights are enacted by the City. The Step-In Rights are further defined within this memorandum in Section 14.f.
- City Hall Space Programming - The City has modified its space program, reducing it from the initial 295,000 gross square feet to approximately 215,000 gross square feet. This effort is being furthered through an independent review of program needs, site constraints, and value-engineering opportunities. At the same time, the City has aimed to preserve the design vision and civic presence envisioned for the new City Hall.

The Interim Agreement is intended to define the scope, duration, and conditions under which FCHP would perform specified pre-development activities, including due diligence, design development, cost refinement, schedule development, financing exploration, and other preparatory work necessary to evaluate Project feasibility and advance Comprehensive Agreement negotiations. The Interim Agreement also establishes roles and responsibilities, cost allocation principles, reimbursement provisions, termination rights, and protections designed to safeguard the City's interests and maintain appropriate oversight and cost controls during the pre-development period.

While the Interim Agreement preserves the City's right to terminate at any time and for any reason, the City's financial exposure varies based on the timing of termination, the initiating party, and the underlying cause. The Agreement establishes a pre-development budget of approximately \$18.9 million in Allowable Pre-Development Expenses, as further defined in Exhibit D of the Interim Agreement (Exhibit 3), plus approximately \$1.07 million in Deferred Developer Overhead and Expenses which would be payable in the event of a termination other than Developer Default. The City's financial obligation, subject to the conditions, limitations and controls set forth in the Interim Agreement, increases as the project progresses. Early termination results in lower reimbursement obligations, while later-stage termination—particularly in the absence of developer default—may require reimbursement of a substantial portion of incurred costs. Conversely, where termination is due to Developer Default, the City's financial obligation is significantly reduced or eliminated. In all scenarios, the City retains ownership of all work products, plans, and design deliverables produced under the Interim Agreement.

Key elements defined in the Interim Agreement include:

1. Parties. The City of Fort Lauderdale, Florida, a Florida municipal corporation, and FTL City Hall Partners, LLC (FCHP), a Delaware limited liability company formed as a special purpose entity for purposes of delivering the Project, are the parties to the Interim Agreement.
2. Project Site. The proposed site of the project is located at 100 N. Andrews Avenue
3. Interim Agreement Term. The Interim Agreement commences on the Effective Date and expires on the earlier of: (a) twelve (12) months after the Effective Date; or (b) execution and delivery of the Comprehensive Agreement. The Term may be extended by written consent of both Parties for one or more additional periods not exceeding a cumulative total of twenty-four (24) months, inclusive of the initial twelve (12)-month Term. In addition, to the extent FCHP has executed a counterpart of the Comprehensive Agreement in a form mutually agreed in substance by the Parties and otherwise ready for City Commission consideration, the Term shall automatically be extended for up to ninety (90) additional days to allow the City Commission to determine whether to approve the Comprehensive Agreement.
4. Pre-Development Work. FCHP shall undertake and diligently perform the pre-development activities set forth in Exhibit C to the Interim Agreement. The Pre-Development Work is intended to support the evaluation of project feasibility and the exploration and structuring of financing, and to facilitate negotiation of a Comprehensive Agreement with a proposed risk allocation framework for City consideration. FCHP is solely responsible for the procurement and contracting necessary for the delivery of the Pre-Development Work. All services shall be performed consistent with Good Industry Practice and Applicable Laws. The City may request changes to the scope of Pre-Development Work by written notice, and the Parties shall negotiate such changes in good faith; any increase in cost to the City shall require prior City Commission approval. The Approved Project Budget shall serve as the target budget for all design submittals.
5. Pre-Development Schedule and Reporting. FCHP shall perform the Pre-Development Work in accordance with the schedule set forth in Exhibit C, including achieving the Pre-Development Milestones by their corresponding deadlines. FCHP shall submit monthly written progress reports to the City on its compliance with the Pre-Development Schedule, as well as monthly updates to the Preliminary Project Schedule identifying material variances and proposed mitigation measures. FCHP is entitled to extend Pre-Development Milestones to the extent delayed by Unavoidable Delay, as reasonably demonstrated by FCHP and to the extent that such delays impact the critical path of the Pre-Development Schedule, provided no extension may extend the Term.
6. Project Design. FCHP shall prepare and submit a Conceptual Plan for City approval, consistent with the City's master plan and zoning codes and, to the extent feasible,

reflecting the design aesthetic submitted by FCHP in its Developer Proposal. Upon City approval of the Conceptual Plan, it shall serve as the basis for buildable plans and specifications. FCHP shall thereafter submit drawings and design plans at each stage of design completion required by the Pre-Development Schedule for City review and approval. The City retains final approval authority over all design phases. The City shall review each submittal and provide written approval or disapproval within fifteen (15) Business Days of receipt of a complete submission, with City delays beyond this period entitling FCHP to corresponding extensions of affected Pre-Development Milestones. All approvals may be given by the City Manager, who may, in her discretion, refer matters to the City Commission.

7. Pre-Development Expenses. FCHP shall perform the Pre-Development Work in accordance with the budget set forth in Exhibit D (the “Pre-Development Budget”) and shall not incur or commit to costs in excess of that budget without prior City written approval. FCHP shall submit monthly reports to the City, no later than the 15th day of each calendar month, itemizing all costs and expenses incurred through the preceding month and comparing cumulative actual expenditures to the Pre-Development Budget. Allowable Pre-Development Expenses shall not include fees paid to lobbyists or political advisors or other costs or expenses not set forth in the Pre-Development Budget or otherwise approved by the City in writing. In the event the Project achieves Commercial Close following execution of the Comprehensive Agreement, all Allowable Pre-Development Expenses shall be included in the total cost of development and FCHP shall be reimbursed at Financial Close. The City retains audit rights over FCHP’s books and records related to Pre-Development Work. Except where a Termination Payment is due, the City shall have no obligation to make payments to FCHP for Pre-Development Work.

The Interim Agreement also acknowledges that the Developer has advanced certain pre-development activities prior to execution of the Agreement at its own risk. Based on Exhibit D of the Agreement, the cost allocation for February – April 2026 is approximately \$4 million. To the extent such costs are consistent with the approved Pre-Development Budget and otherwise qualify as Allowable Pre-Development Expenses, they may be included in the total Project cost and reimbursed at Financial Close if the Project proceeds.

8. Developer Irrevocable Letter of Credit. Within three (3) days after the Effective Date, FCHP shall deliver to the City an irrevocable letter of credit in the amount of Three Hundred Fifty Thousand Dollars (\$350,000) as security for FCHP’s obligation to reimburse the City’s costs incurred in connection with negotiating the Interim Agreement and Comprehensive Agreement (the “City Reimbursement”). The City may draw upon the full letter of credit upon FCHP’s failure to pay the City Reimbursement within two (2) Business Days of Financial Close, or within five (5) Business Days of termination due to a Developer Default subject to the application of any offsets or reductions in accordance with the terms of the Interim Agreement, including with respect to any potential termination payments owed by the City to FCHP. The letter of credit shall be returned or cancelled upon expiration or non-

default termination of the Interim Agreement, or upon effectiveness of the Comprehensive Agreement. The City Reimbursement shall not constitute an Allowable Pre-Development Expense.

9. Project Financing. The Interim Agreement provides that the Project will be financed through a combination of City-issued debt, as determined in the City's sole discretion, and a Developer equity contribution, with the City retaining exclusive authority over the type, structure, timing, and terms of its financing, and the Developer having no approval or consent rights with respect to such financing. The Developer's sole financial obligation is its equity commitment, defined as the lesser of twenty-four million dollars (\$24,000,000) or ten percent (10%) of the Approved Project Budget as of the Effective Date, excluding furniture, fixtures, and equipment. The Developer has no obligation to arrange or procure debt financing and is required to cooperate with the City and its financial advisors in support of the City's financing efforts.

The Interim Agreement establishes a Developer equity return structure of not less than eleven percent (11%) on a post-tax basis, with a corresponding adjustment to the Developer Equity Commitment to ensure that the portion of the City's annual payment attributable to the equity investment does not exceed three million dollars (\$3,000,000) per year. The parties will be required to use good faith efforts during the pre-development phase, including as part of the initial deliverables under the Pre-Development Schedule, to evaluate and seek opportunities to minimize tax impacts affecting the Developer's equity return.

10. Due Diligence and Site Access. The City shall grant FCHP and its agents, consultants, contractors, and representatives access to the Project Site at reasonable times for purposes of performing Due Diligence, including title examination, soil testing and boring, geotechnical investigations, test pile programs, subsurface utility investigations, environmental studies, surveying, and other customary due diligence and design-related investigations. FCHP shall provide at least forty-eight (48) hours advance written notice of any intended site access, and all access shall comply with City safety, operational, and security procedures. The City retains the right to temporarily suspend FCHP's access for health, safety, or emergency reasons, with commercially reasonable efforts to minimize disruption and promptly restore access. The Parties acknowledge that the Site Access Lease executed by the City and CORE Construction Services of Florida, LLC on March 5, 2026, is now terminated and that, as of the Effective Date, FCHP's Due Diligence activities shall be governed exclusively by the Interim Agreement, which consolidates all previously granted site access rights.
11. Environmental Remediation. The City has advised FCHP of certain known environmental conditions at the Project Site (the "Existing Environmental Conditions") requiring remedial work prior to commencement of construction. FCHP has agreed to undertake the remedial work in accordance with the Remediation

Proposal attached as Exhibit I. The City shall make payments to FCHP for the remedial work in accordance with a milestone-based payment process set forth in the Interim Agreement, subject to the City's review and approval of each invoice and supporting documentation within thirty (30) days of receipt; the City may withhold ten percent (10%) as retainage pending final confirmation of completion. FCHP is responsible for performing the remediation work, including means and methods and compliance with applicable environmental laws; however, the City retains financial responsibility for the approved remediation scope and for existing environmental conditions, subject to the terms of the Interim Agreement. FCHP's remediation obligation survives termination or expiration of the IA. If FCHP's environmental due diligence reveals additional Environmental Conditions beyond the Existing Environmental Conditions, FCHP shall provide written notice to the City within five (5) Business Days, and the City shall within fifteen (15) Business Days determine whether to accept the findings and whether to authorize FCHP to perform additional remediation or to self-perform the additional remediation.

12. Key Personnel. During the Term, FCHP shall retain and utilize the individuals listed as Key Personnel in Exhibit E, each of whom is assigned a defined role and area of responsibility. FCHP shall not substitute any Key Personnel without prior written City consent, which the City shall not unreasonably withhold if the proposed substitute possesses equal or greater experience, skill, and qualifications. FCHP shall notify the City in writing of any proposed Key Personnel replacement, and the City may review the qualifications, character, background, and potential conflicts of interest prior to approval. Key Personnel shall maintain all required Florida licenses and registrations and dedicate the full time necessary for proper execution of the Pre-Development Work.
13. Negotiation of Comprehensive Agreement. So long as the Interim Agreement is in effect, FCHP shall have the exclusive right to negotiate the Comprehensive Agreement with the City. The Parties shall work diligently and in good faith to negotiate a mutually agreeable Comprehensive Agreement, adhering at minimum to the requirements set forth in Exhibit H. Neither Party will be bound or obligated prior to execution of the Comprehensive Agreement, and nothing in the Interim Agreement obligates the City or FCHP to enter into a Comprehensive Agreement. City Commission approval of the Comprehensive Agreement, and FCHP's completion and City acceptance of the Pre-Development Work, are conditions precedent to the City's execution of the Comprehensive Agreement. Upon effectiveness of the Comprehensive Agreement, the Interim Agreement shall be superseded and replaced.
14. Termination. The Interim Agreement includes the following termination rights:
 - a. City Termination for Convenience. The City has the absolute right to terminate the Interim Agreement at any time in its sole discretion upon at least thirty (30) days' prior written notice to FCHP.

- b. City Termination for Developer Default. The City may terminate the Interim Agreement upon the occurrence of a Developer Default, including FCHP's failure to achieve a Major Pre-Development Milestone (subject to applicable notice and cure periods), material breach of the agreement, insolvency, unauthorized change of Key Personnel, debarment, fraudulent act or willful misconduct, or FCHP's rejection of any material terms of the Comprehensive Agreement as set forth in Exhibit H.
 - c. Developer Termination Rights. FCHP may terminate the Interim Agreement upon a City Default or, within the first ninety (90) days following the Effective Date, upon a determination, in Developer's reasonable discretion based on Due Diligence results, that the Project is not technically or financially feasible (a "Non-Feasibility Termination").
 - d. Impasse. Within the first eight (8) months after the Effective Date, either Party may declare an impasse if any material business terms relating to the Comprehensive Agreement cannot be agreed upon. If the impasse is not resolved within thirty (30) days of written notice, either Party may elect to terminate the Interim Agreement.
15. Termination Payments. The Interim Agreement includes the following reimbursement provisions applicable upon termination (which vary based on the cause and timing of termination), subject to the limitations and caps set forth in the Pre-Development Budget:
- a. City Termination for Convenience or Uncured City Default. The City shall reimburse FCHP for (i) one hundred percent (100%) of Allowable Pre-Development Expenses incurred as of the effective date of termination, plus (ii) any Deferred Developer Overhead and Expenses accrued, as of such date. In any such event, the City retains the right to elect the City Step-in Rights within the timeframes and subject to the conditions set forth in the Interim Agreement.
 - b. Impasse Termination. The City shall reimburse FCHP for one hundred percent (100%) of Allowable Pre-Development Expenses incurred as of the effective date of termination, subject to Pre-Development Budget caps. The City retains the right to elect City Step-in Rights.
 - c. Term Expiration Without Developer Extension Consent. If the Term expires without City Commission approval of the Comprehensive Agreement, and FCHP does not agree to a City extension request for any reason other than a City Default, the City shall reimburse FCHP for one hundred percent (100%) of Allowable Design Expenses and fifty percent (50%) of all other Allowable Pre-Development Expenses incurred as of the effective date of termination. The City retains the right to elect City Step-in Rights.
 - d. Developer Default – Failure to Meet Major Milestone. If the City terminates due

to FCHP's uncured failure to meet a Major Pre-Development Milestone, the City shall reimburse FCHP for fifty percent (50%) of Allowable Design Expenses incurred as of the effective date of termination (or one hundred percent (100%) if the City elects Step-in Rights, in which case no Step-in Rights Fee is due). No reimbursement applies until FCHP satisfies its outstanding indemnification and site restoration obligations.

- e. Other Developer Default or Non-Feasibility Termination. If the City terminates due to any other uncured Developer Default, or if FCHP elects a Non-Feasibility Termination, the City shall have no obligation to reimburse FCHP for any expenses, including Pre-Development Work costs or Allowable Pre-Development Expenses.
- f. City Step-In Rights – Deadline and Fee. In connection with certain termination scenarios, the City retains the right to assume the benefit of the Developer's contracts, work product, and ongoing activities (the "City Step-In Rights").

The "Step-in Rights Deadline" is defined as the date that is sixty (60) days following the later of:

- Developer's satisfaction of Major Pre-Development Milestone 1; and
- Delivery by the Developer to the City of a description of the tax burden on the Developer's equity returns resulting from the Parties' joint effort to reduce such burden in accordance with Section 14.1;

Provided, however, if the City disapproves such submittal in accordance with Section 11.2, the Step-in Rights Deadline shall be sixty (60) days following Developer's re-submittal of Major Pre-Development Milestone 1.

In the event the City elects to exercise the City Step-In Rights in connection with a termination other than a Developer Default, the City shall pay the applicable Step-In Rights Fee, in addition to any required reimbursement of Allowable Pre-Development Expenses. The Step-In Rights Fee is based on the timing of the City's election as follows:

- Effective Date through July 10, 2026 - \$1,000,000
- July 11, 2026 through the Step-In Rights Deadline - \$2,000,000

No Step-In Rights Fee shall apply in the event the City elects to exercise Step-In Rights following a termination due to Developer Default.

16. Ownership of Documents and City Step-in Rights. Upon termination of the Interim Agreement, and subject to payment of any Termination Payment due to FCHP, all

Work Product (including plans, drawings, studies, reports, models, and other materials prepared under the agreement) shall become the property of the City. The City shall have a perpetual, non-exclusive, royalty-free, and irrevocable right to use the Work Product for any governmental purpose, including continuation, procurement, or completion of the Project. FCHP's contracts with its agents, consultants, and contractors shall permit assignment of FCHP's rights in the Work Product to the City ("City Step-in Rights"). The City shall make its election to utilize the City Step-in Rights within sixty (60) days after termination. Except in the event of a Developer Default, if the City elects to utilize the City Step-in Rights, the City shall not replace FCHP with a third-party developer or other provider of equity capital or subordinated debt; provided, the City may engage an owner's representative to oversee continuation of the Project.

17. Small, Local, and Disadvantaged Business Participation. During the Term, FCHP shall use commercially reasonable efforts to utilize local businesses classified as Class A, Class B, or Class C businesses under Section 2-186 of the Code of Ordinances of the City of Fort Lauderdale for at least ten percent (10%) of design work performed under the Interim Agreement and to comply with the small, local, and disadvantaged business participation plan set forth in Exhibit K.
18. Public Communications. FCHP shall not, without the City's prior express written consent, issue press releases, publish advertisements, or otherwise communicate publicly regarding the City or the Pre-Development Work. Community outreach activities shall be City-led, with support from FCHP as requested. All Project-related public communications shall be subject to City review and approval prior to release.
19. Indemnification and Insurance. FCHP shall indemnify and hold harmless the City and its officers, employees, agents, and instrumentalities from any liability, losses, or damages arising out of FCHP's performance under the Interim Agreement or FCHP's entry upon the Project Site, except to the extent caused by the gross negligence, willful misconduct, or bad faith of a City Indemnitee. This indemnity survives termination or expiration of the Interim Agreement. FCHP shall also carry, and cause its agents, consultants, and contractors to carry, insurance of the types and in the amounts set forth in Exhibit J to the Interim Agreement.
20. Additional Regulatory Requirements. The Interim Agreement incorporates standard regulatory compliance requirements applicable to City contracts, including E-Verify employment eligibility verification, prohibitions on contracting with entities of foreign countries of concern pursuant to Section 287.138, Florida Statutes, public entity crime requirements, scrutinized companies prohibitions, anti-human trafficking compliance (with an affidavit to be executed by FCHP), non-discrimination obligations, public records compliance under Chapter 119, Florida Statutes, and governing law and venue requirements in Broward County, Florida.

The Interim Agreement does not obligate the City to proceed with construction, financing, or long-term operations of the Project. Any advancement beyond the interim phase will

occur only following the successful negotiation of a Comprehensive Agreement addressing the full scope of design, development, financing, construction, operation, and maintenance of the City Hall facility, and subsequent consideration and approval by the City Commission.

Strategic Connections

This item is a FY 2026 Commission Priority, advancing the Public Spaces and Cultural Initiatives. **Attachments**

Exhibit 1 – Interim Agreement Term Sheet (February 17, 2026)

Exhibit 2 – Concepts and Financial Summary (April 7, 2026)

Exhibit 3 – Interim Agreement Presentation

Exhibit 4 – Interim Agreement

Prepared by: Ben Rogers, Assistant City Manager, City Manager’s Office
Angela Salmon, Real Estate Program Manager, City Manager’s Office

Charter Officer: Rickelle Williams, City Manager