



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

#26-0654

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

FROM: Rickelle Williams, City Manager

DATE: July 2, 2026

TITLE: City Hall Update - Project History, Building Evaluations, Revised Interim Agreement, and Financial Overview - City Manager's Office - (**Commission District 1, 2, 3, and 4**)

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 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 28, 2025, City staff issued

Version 2 of the Request Package as memorialized by Letter to the Commission (LTC) No. 25-218.

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).

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 City Commission adopted Resolution No. 25-231 (CAM #25-1125), authorizing the City Manager to proceed with negotiations with FTL City Hall Partners (FCHP) pursuant to 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. 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.

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 (CAM #26-0166). During the Conference Meeting, the City Commission provided feedback on developer fee structures, termination scenarios, City-financed versus developer-financed delivery models, allowable pre-development expenses, and developer equity contributions.

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 LTC noted that the original proposal included a 302,105 gross square foot facility at an estimated construction cost of approximately \$344 million, refined to approximately 235,000 gross square feet as staff aligned the program with operational needs and cost considerations.

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. Staff presented multiple City Hall concept scenarios. The City Commission expressed support for advancing a reduced program concept (Concept B) of approximately 200,000 gross square feet as a baseline, while continuing to refine the Project's scope, cost, and financial structure prior to consideration of the Interim Agreement.

On April 21, 2026, the City Commission deferred consideration of the Interim Agreement (CAM #26-0406) to June 2, 2026, and directed the City Manager to conduct building assessments of Ivy Tower 101, 1 East Broward, and the Federal Courthouse (299 E Broward Boulevard) as potential adaptive-reuse alternatives to new construction.

On May 7, 2026, via Letter to the Commission No. 26-137, the City Commission was informed of the building assessment and appraisal scope, timeline, and cost. Jacobs advised the required analysis will take approximately six (6) to eight (8) weeks from issuance of a Notice to Proceed, with summary findings targeting the July 2, 2026, City Commission Conference Meeting. Jacobs provided an estimate of \$375,000 to complete the Phase 1 review, and independent appraisals for all three (3) properties are anticipated at approximately \$100,000.

At the May 19, 2026, City Commission Conference Meeting, staff confirmed that the building assessment due diligence will not be completed prior to the June 2, 2026, City Commission Regular Meeting.

On June 2, 2026, the City Commission approved a motion to defer consideration of the Interim Agreement with FCHP for the City Hall project to July 2, 2026 (CAM #26-0543).

The following sections provide the City Commission with additional project information including the findings of the existing building assessment, revised Interim Agreement, updated project budget cost, and other general information to assist the City Commission with understanding the project impacts.

Existing Building Appraisals

City staff utilized two (2) firms, Walter Duke + Partners and Callaway and Price, Inc., to conduct property appraisals for the Existing Buildings. The City ordered independent appraisals to complete a total of six (6) appraisal reports (two (2) per property) as required pursuant to Florida Statutes Section 166.045 for municipal acquisitions exceeding \$500,000. This requirement ensures an objective determination of fair market value. The scope of work for Tower 101 and 1 East Broward includes both a sales comparison approach and an income capitalization approach. The appraisal for the Federal Courthouse utilized a sales comparison approach to determine value based on its highest and best use.

On May 29, 2026, the City received the six (6) appraisals which provided the following information:

- Ivy Tower 101
 - Asking Price: \$86,000,000
 - Average As Is Appraisal: \$69,500,000
 - Variance (\$16,500,000)

 - Callaway and Price:
 - Cost Approach: Not Applicable
 - Sales Comparison Approach: \$72,500,000
 - Income Capitalization Approach: \$70,000,000
 - Market Value “As Is”: \$71,000,000

 - Walter Duke + Partners:

- Cost Approach: Not Applicable
 - Sales Comparison Approach: \$67,160,000
 - Income Capitalization Approach: \$68,130,000
 - Market Value “As Is”: \$68,000,000

- 1 East Broward
 - Asking Price: \$122,400,000
 - Average As Is Appraisal: \$80,500,000
 - Variance (\$41,900,000)

 - Callaway and Price:
 - Cost Approach: Not Applicable
 - Sales Comparison Approach: \$87,000,000
 - Income Capitalization Approach: \$82,000,000
 - Market Value “As Is”: \$84,000,000

 - Walter Duke + Partners:
 - Cost Approach: Not Applicable
 - Sales Comparison Approach: \$78,680,000
 - Income Capitalization Approach: \$76,920,000
 - Market Value “As Is”: \$77,000,000

- Federal Courthouse
 - Asking Price: Not Applicable
 - Average As Is Appraisal: \$28,365,000
 - Variance Not Applicable

 - Callaway and Price:
 - Cost Approach: Not Applicable
 - Sales Comparison Approach: Not Applicable
 - Income Capitalization Approach: Not Applicable
 - Market Value “As Is”: \$29,500,000

 - Walter Duke + Partners:
 - Cost Approach: Not Applicable
 - Sales Comparison Approach: Not Applicable
 - Income Capitalization Approach: Not Applicable
 - Market Value “As Is”: \$27,300,000

Existing Building Assessment

As directed by the City Commission on April 21, 2026, the City’s Owner’s Representative, Jacobs Project Management Co. (Jacobs), completed a Phase 1 condition assessment of three (3) existing buildings being considered as potential purchase-and-renovation options for a new City Hall: Ivy Tower 101, located at 101 NE 3 Avenue; 1 East Broward Boulevard and the Federal Courthouse, located at 299 East Broward Boulevard.

The purpose of the assessment was to help the City Commission determine whether any of the buildings should be studied further as potential alternatives to the City Hall Project currently being advanced through the Interim Agreement process.

In May 2026, teams of architects and engineers visited each building to review existing conditions through visual observations and photographs. Jacobs also reviewed available building records. The assessment evaluated whether each building could be adapted for City Hall use and provided preliminary renovation cost estimates.

The assessment was a non-invasive, screening-level review intended to identify major building conditions. It was not a detailed engineering analysis. The cost estimates are early rough-order-of-magnitude level-estimates prepared for feasibility review only. Jacobs characterized the estimates as AACE Class 5 estimates, with an expected accuracy range of approximately thirty percent (30%) below to fifty percent (50%) above the amounts shown. Actual costs could vary significantly as design, engineering, code, permitting, construction, technology, furniture, and financing assumptions are further developed.

The former Federal Courthouse also had a higher level of uncertainty because it remains an active, secured federal facility, and building records and access were more limited. As a result, Jacobs relied more heavily on observable conditions and assumptions from the site visit.

Several findings apply to all three (3) buildings. All three (3) buildings are adjacent to the City's parking garage structure. Due to standards at the time of construction, none of the three (3) buildings fully meets current standards for flood protection, Americans with Disabilities Act (ADA) accessibility, or energy efficiency. All three (3) properties are also located within the downtown one-hundred-year (100) flood zone.

For hurricane wind resistance, the main structural systems of the buildings were generally designed to meet, and in some cases exceed, current Florida Building Code wind-load requirements. The windows on all three (3) buildings are not impact-resistant and would need to be replaced to meet current High-Velocity Hurricane Zone (HVHZ) standards.

Renovating any of the buildings for City Hall use, based on the City's program needs, would likely require substantial upgrades to the building structure and major systems, including mechanical, electrical, plumbing, fire-protection, and technology systems. Jacobs also noted that conversion to City Hall use would likely be considered a Level 3 Alteration under the Florida Existing Building Code, which could trigger significant code-compliance upgrades.

Ivy Tower 101

Ivy Tower 101 is a 231,000 SF, two (2)-building office complex consisting of a nineteen (19)-story tower constructed in 2001 above a parking garage, and an adjacent six (6)-story building known as the Centre, constructed in 1987. Both buildings were evaluated as part of the assessment.

Ivy Tower 101 provides sufficient space for City Hall, the City already occupies space in the building, and it has the lowest estimated renovation cost of the three (3) options. It does not include an existing two (2)-story space that could be conducive for a future Commission Chambers. The windows in both the Tower and Centre buildings are not impact-resistant and would require replacement. The Centre building's exterior envelope is not hurricane-resistant and would need to be addressed as part of any renovation. Portions of the Centre building and parking garage are also below the City's required flood elevation.

The elevators, roofs, and major heating, ventilation, and air-conditioning (HVAC) equipment are aging and would require replacement. The building's video-surveillance system is manufactured by a Chinese company that is generally not permitted for use in government facilities and would need to be replaced. The estimated renovation cost is approximately \$157.9 million, the lowest of the three (3) options. The overall condition rating is average, or three (3) out of five (5).

1 East Broward Boulevard

1 East Broward Boulevard is an eighteen (18)-story, 349,706 SF office tower constructed in 1983 and connected by a pedestrian bridge to the City-owned parking garage. Of the three (3) buildings, Jacobs found it to be the most readily adaptable for City Hall use. The building has more than enough space, several floors are in near move-in condition, and the two (2)-story ground-floor area could accommodate future Commission Chambers.

Ground-level equipment remains vulnerable to flooding, and surrounding streets may flood during major storm events. Major improvement needs include replacing the non-impact exterior glass, renovating restrooms for ADA compliance, replacing approximately half of the air-handling units, and upgrading significant portions of the electrical system. The estimated renovation cost is approximately \$208.5 million, the highest of the three (3) options. The overall condition rating is average, or three (3) out of five (5).

Federal Courthouse

The Federal Courthouse is a four (4)-story, 257,947 SF concrete building constructed in 1978. Jacobs found it to be the least suitable of the three (3) buildings for City Hall use. The building is smaller than the City's space needs, meaning a new addition would likely be required. It has no move-in-ready space, limited options for future Commission Chambers, and an interior layout that is dark and unusually configured for municipal office use.

Preliminary observations also identified the likely presence of hazardous materials, including asbestos and lead-based paint, which would require abatement before renovation. The basement parking garage, which houses critical building equipment, was completely flooded during the April 2023 storm. The estimated renovation cost is approximately \$199.6 million, including allowances for demolition and hazardous-material abatement. The overall condition rating is poor, or one (1) out of five (5).

Commission Chambers

The analysis report (Appendix C) reviewed how a Commission Chambers (Chambers) could be accommodated in each building, including location, structural needs, and estimated cost.

Ivy Tower 101 could accommodate the Chambers on the first floor of the six (6)-story Centre building, but it would require structural modifications, including removing second-floor joists and reinforcing first-floor columns to create the necessary two (2)-story space. This option has the highest estimated Chambers cost at approximately \$4.5 million, or \$344 per square foot.

1 East Broward provides the most straightforward option because it already has an existing two (2)-story ground-floor space that can accommodate the Chambers without anticipated structural modifications. The estimated cost for this option is approximately \$3.9 million, or \$303 per square foot.

The Federal Courthouse option assumes reuse of the existing courtroom. While structural additions would be required, those costs are accounted for elsewhere in the overall renovation estimate. The estimated Chambers cost is approximately \$3.8 million, or \$291 per square foot.

Renovation Cost Estimate + Appraised Price

When the estimated renovation costs are combined with the average as-is appraised purchase prices, the preliminary all-in costs are approximately:

- Ivy Tower 101: \$227.4 million = \$157.9 million (ROM) + \$69.5 million (avg. Appraisal)
- 1 East Broward Boulevard: \$289 million = \$208.5 (ROM) + \$80.5 million (avg. appraisal); and
- Federal Courthouse: \$228 million = \$199.6 million (ROM) + \$28.4 million (avg. appraisal)

These figures are preliminary and do not include furniture, fixtures, and equipment (FF&E), technology, or financing costs. Therefore, the actual total costs could be higher.

Revised Interim Agreement

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, 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.

The proposed Interim Agreement reflects the continued negotiations between the City and FCHP. Key changes from prior versions are as follows:

- Project Financing – The City will finance 100% of the Project. Developer has no equity contribution obligation under this version of the Agreement, consistent with the April 21, 2026, City Commission discussion.
- Project Budget – The revised Interim Agreement project delivery cost was reduced by over \$50,000,000 to \$217,050,000. The project delivery cost includes City project administration costs during the construction period of \$6,300,000, and a City allocation for furniture, fixtures, and equipment (FF&E) of \$10,750,000.

The previously proposed Interim Agreement (as presented on April 21, 2026), included a project delivery cost of \$267,698,000. The project delivery cost included a developer fee of \$12,000,000, project administration costs during the construction period of \$5,698,000, and a City allocation for FF&E of \$10,000,000.

- Maintenance Obligation – The Interim Agreement provides requirements for the Comprehensive Agreement that include an obligation for FCHP to maintain the Project post-completion for a minimum term of ten (10) years. The scope, pricing, and escalation provisions will be negotiated during the Interim Agreement period and ultimately into the Comprehensive Agreement, that is subject to City Commission approval.
- City Step-In Rights – Upon termination (other than for Developer Default), the City retains the right to assume the benefit of Developer's contracts, work product, and ongoing activities at no fee in Developer Default scenarios.
- Termination Exposure – Upon Termination for Convenience or uncured City Default, the City is responsible for unreimbursed Allowable Pre-Development Expenses. No reimbursement is due to Developer following a Developer Default or Non-Feasibility Termination.

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 Allowable Pre-Development Expenses as further defined in Exhibit D of the Interim Agreement. 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 and 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, Fort Lauderdale, Florida (approximately 1.70 acres). The City retains fee ownership of the Project Site.
3. Approved Project Budget – The FCHP approved design and construction cost as of the Effective Date is \$200,000,000 and the total project delivery cost (including City development obligations) is \$217,050,000. FCHP must use commercially reasonable efforts to design within this cap. If a design submittal is projected to exceed the budget, Developer must submit written value engineering options for City consideration.
4. 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, the Term shall automatically be extended for up to ninety (90) additional days to allow the City Commission to determine whether to approve an executed Comprehensive Agreement counterpart.
5. Scope Finalization Period – Within one hundred (100) days of the Effective Date, the City and Developer shall collaborate in good faith to finalize and mutually approve the detailed space program, architectural design direction, and functional requirements for the Project to be delivered within the \$200,000,000 FCHP design and construction cost. Major Pre-Development Milestones shall not commence until completion of the Scope Finalization Period.
6. Pre-Development Work – FCHP shall perform the pre-development activities set forth in Exhibit C and Exhibit D to the Interim Agreement. The Pre-Development Work is intended to support the evaluation of Project feasibility, refinement of the Project scope and budget and negotiation of a Comprehensive Agreement on a fixed-price design-build basis. FCHP is solely responsible for the procurement and contracting necessary for the delivery of the Pre-Development Work. The City may request changes to the scope of Pre-Development Work, and the Parties shall negotiate such changes and any increase in cost to the City shall require prior City Commission approval.
7. Major Pre-Development Milestones – Three (3) principal milestones govern Agreement performance: (1) Schematic Design (Deliverable #1); (2) Design Development (Deliverable #2); and (3) Fixed Price Proposal (Deliverable #3).
8. Pre-Development Schedule and Reporting – FCHP shall perform the Pre-Development Work in accordance with the schedule set forth in Exhibit C and shall submit monthly progress reports and schedule updates. Pre-Development Milestone deadlines may be extended by Unavoidable Delay, provided such

extensions do not extend the Term of the Interim Agreement.

9. Project Design – FCHP shall prepare and submit a Conceptual Plan for City approval. All design phases are subject to City review and approval. The City retains final approval authority over all design phases. Design approvals may be issued by the City Manager, who may, in her discretion, refer matters to the City Commission.
10. Pre-Development Expenses – FCHP shall perform the Pre-Development Work in accordance with the Pre-Development Budget (Exhibit D) and may not exceed the approved budget without prior City approval. Allowable Pre-Development Expenses exclude lobbying, political consulting and other costs not included in the Pre-Development Budget. The City retains audit rights with respect to Pre-Development Work costs and expenses. Except to the extent provided in connection with a Termination Payment, the City has no obligation to reimburse FCHP for Pre-Development Work.
11. Progress Payments – During the Term, the City shall make milestone-based Progress Payments for Allowable Pre-Development Expenses incurred by FCHP. Progress Payments are subject to City review and may not exceed the Pre-Development Budget.
12. Project Financing – The City shall be solely responsible for all Project financing, including the type, structure, terms, and conditions of any debt or other financing. FCHP has no equity contribution obligation and no approval rights with respect to any aspect of the City’s financing. FCHP shall cooperate with the City and its advisors in connection with the Project financing.
13. Maintenance Term – The Comprehensive Agreement shall require FCHP to maintain the Project following Substantial Completion for a minimum term of ten (10) years). The scope of maintenance services, pricing, annual escalation and other related maintenance terms shall be determined as part of the Comprehensive Agreement negotiations.
14. Due Diligence and Site Access – The City shall grant FCHP and its representatives access to the Project Site to conduct due diligence, including title examination, soil testing and boring, geotechnical investigations, subsurface utility investigations, environmental studies, surveying, and other customary due diligence and design-related investigations.
15. Environmental Remediation – The City has advised FCHP of certain known environmental conditions at the Project Site requiring remediation prior to commencement of construction. FCHP has agreed to undertake the remediation in accordance with the Remediation Proposal attached as Composite Exhibit H. The City shall make milestone-based payments for the remediation work and may retain a portion of such payments pending confirmation of completion. FCHP’s remediation obligations survive termination or expiration of the Interim Agreement.

16. Key Personnel – During the Term, FCHP shall retain the Key Personnel identified in Exhibit F, each of whom is assigned a defined role and area of responsibility for the Pre-Development Work. Substitution of Key Personnel requires prior City approval.
17. Negotiation of Comprehensive Agreement – So long as the Interim Agreement is in effect, FCHP shall have the exclusive right to negotiate a Comprehensive Agreement with the City; however, the Interim Agreement preserves the City's ability to continue evaluating alternative existing-building opportunities. The Parties intend to negotiate a fixed-price design-build agreement that includes post-completion maintenance services to be provided by FCHP. Neither Party is obligated to proceed unless and until a Comprehensive Agreement is executed. City Commission approval of the Comprehensive Agreement and City acceptance of the Pre-Development Work are conditions precedent to the City's execution of the Comprehensive Agreement.
18. Termination – The Interim Agreement includes the following termination rights:
 - City Termination for Convenience – The City may terminate the Interim Agreement at any time in its sole discretion upon at least thirty (30) days' prior written notice to FCHP.
 - City Termination for Developer Default – The City may terminate the Interim Agreement upon a Developer Default, including FCHP's failure to achieve a Major Pre-Development Milestone (subject to applicable cure periods), material breach, insolvency, unauthorized substitution of Key Personnel, debarment, fraudulent act or willful misconduct, or disavowal of an executed Comprehensive Agreement.

Developer Termination Rights – FCHP may terminate the Interim Agreement upon a City Default or, within the first one hundred (100) days after the Effective Date, upon a determination in Developer's reasonable discretion based on the results of Developer's Due Diligence that the Project is not technically or financially feasible (a 'Non-Feasibility Termination').
19. Termination Payments – The Interim Agreement includes the following reimbursement provisions applicable to various termination scenarios:
 - City Termination for Convenience, Uncured City Default or Denial of Developer Extension Request – The City shall reimburse FCHP for one hundred percent (100%) of Allowable Pre-Development Expenses incurred prior to termination for which a Progress Payment has not yet been made, subject to the limitations and caps set forth in the Pre-Development Budget.
 - 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 fifty percent (50%) of Allowable Pre-Development Expenses incurred prior to termination, subject to the limitations and caps set forth in the Pre-Development Budget.

- Developer Default or Non-Feasibility Termination – If the City terminates due to uncured Developer Default, or if FCHP elects a Non-Feasibility Termination, the City shall have no obligation to reimburse FCHP for Allowable Pre-Development Expenses.
20. Ownership of Documents – Upon termination of the Interim Agreement, all finished or unfinished 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 such Work Product for any governmental purpose, including in connection with the continuation, procurement, or completion of the Project thereby preserving the value of work performed and reducing duplicative effort and expense.
 21. City Step-In Rights – In the event of a Developer Default, the City may assume the benefit of certain consultant and contractor agreements relating to Pre-Development Work and Work Product, reducing the need to reprocur and repay for services already performed and preserving continuity of the Project following termination of the Interim Agreement.
 22. 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.
 23. 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.
 24. 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 the City. This indemnity survives termination or expiration of the Interim Agreement. FCHP and its consultants are required to maintain insurance of the types and in the amounts set forth in Exhibit I including Professional Liability, Commercial General Liability and Workers’ Compensation).

25. 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 per Exhibit K), 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 either enter into a Comprehensive Agreement or proceed with the Project. Any advancement beyond the interim phase will occur only if the parties negotiate a Comprehensive Agreement that is subsequently considered and approved by the City Commission.

Updated Project Budget and Financial Information

City staff updated the project budget that was previously established to incorporate the proposed Interim Agreement terms and conditions. In addition to the project budget, based on an inquiry by the City Commission at its June 16, 2026 meeting, City staff are including additional financial information so the City Commission is fully aware of the funding options and potential impacts.

City Budget and Bonding Information

- Budget Capacity - Each year during budget development the City prepares a revenue sufficiency model to project its financial position over the next ten (10) years. Preliminary projections show a shortfall of approximately \$10.0 million beginning in Fiscal Year (FY) 2028, prior to the addition of any new debt, primarily due to the expansion of fire rescue services associated with the planned addition of staffing for Fire Station 117 (estimated at \$2.0 million) and the expiration of the Staffing for Adequate Fire and Emergency Response (SAFER) Grant, which provided financial support for the addition of twenty-eight (28) Fire Rescue personnel (estimated at \$4.6 million).
- Bonding Capacity - Bonding capacity represents the City's technical capacity to cover the maximum debt service associated with the issuance of debt; however, it does not account for the City's budget capacity -- the affordability of incorporating the debt service into annual budget commitments. According to the City's financial advisor, PFM Financial Advisors, the City has the capacity to issue over \$600 million in special obligation bonds based on the Fiscal Year (FY) 2024 Annual Comprehensive Financial Report (ACFR). This calculation is based on the City's total non-ad valorem revenue, reduced by the amount necessary to support existing debt service and other essential services.
- Types of Bonds
 - General Obligation (GO) Bond - General Obligation Bonds require voter

approval to be issued for specific purposes or projects and in specific amounts. These bonds are backed by the full faith and credit of the City, which typically results in lower interest rates compared to other bond types. The City levies an ad valorem (property tax) millage to pay the debt service costs on voter approved debt, which appears as a separate line on the tax bill.

In FY 2026, the City's adopted debt millage rate was 0.2306 mills, which equates to approximately \$148.39 per year for the average single-family home with a taxable value of \$643,476 according to the Broward County Property Appraiser.

The City approved two (2) GO Bonds in 2019, one (1) for the Fort Lauderdale Police Department Headquarters (PDHQ) for up to \$100 million; and the Parks and Recreation Facilities Improvements (Parks Bond) for up to \$200 million.

- Special Obligation Bond - Special Obligation Bonds are secured through a pledge of designated non-ad valorem tax revenues, which consists of communications services tax, public services tax, business tax, and a covenant to budget and appropriate.

The City approved a Special Obligation Bond in 2025 for Public Safety and Municipal Improvement Projects (\$106 million). The intent of this bond was to fund remaining needs of PDHQ, radio communications equipment, and improve street, sidewalks, seawall, and bridge infrastructure needs.

- Revenue Bond - Revenue Bonds are funded through income generated by the project or utility system charges and fees to customers. The City issues Water and Sewer System and Stormwater Revenue Bonds to finance capital projects and improvements related to the City's water, wastewater, and surface water systems.

The City has Water and Sewer Revenue Bonds used to support the Prospect Lake Water Treatment Plant and Advanced Metering Infrastructure (AMI) projects as well as a Stormwater Utility System Special Assessment Revenue Bonds to support the Fortify Lauderdale stormwater system expansion projects.

Project Budget Information

The City participated in a Joint Government Center Campus (JGCC) effort with Broward County from 2019 to 2022. The joint effort began with the City Commission's approval of an Interlocal Agreement (ILA) with Broward County on May 7, 2019 (CAM #19-0465), establishing a Unified Direct Procurement Authority (UDPA) to jointly oversee procurement and development of a new shared campus at the County's downtown bus terminal site at 101 NW 1st Avenue. The ILA was subsequently amended twice — a First

Amendment in January/February 2020 (CAM #20-0069) to expand the UDPA's authority to cover all procurement phases including design, construction, and unsolicited proposals, and a Second Amendment in January/February 2021 establishing a cost-sharing formula of approximately 57% County / 43% City for consultants and additional services.

The City decided not to move forward with JGCC in 2022, primarily due to project costs. As presented to the Broward County Board of County Commissioners at a May 5, 2022 workshop (CAM #22-0494, Exhibit 1), the updated projected total project cost was \$963 million, with the City's share of the office tower and parking garage alone estimated at \$356 million. The City decided not to move forward with JGCC in 2022. The City issued a written Notice of Termination to Broward County on June 10, 2022, terminating the Agreement for the convenience of the City effective August 9, 2022, pursuant to Article 6, Section 6.2 of the ILA.

Subsequently, the City began planning for a \$200 million debt issuance to support a future City Hall building as memorialized in the annual long-range financial sustainability models presented to the City Commission beginning with the development of the FY 2023 Budget.

At the June 17, 2025, City Commission Conference Meeting, Stantec Consulting presented the City's long-range financial model, with a \$200 million Special Obligation Bond issuance assumption for construction of a City Hall. This information was also shared via CAM #25-1124, as part of the City Hall update presentation at the December 2, 2025, City Commission Special Meeting.

On January 13, 2026, the FY 2027 City Commission Prioritization Workshop included the City Hall project (CAM #26-0099). The discussion focused on the project's financial considerations and staff recommended that the project design and construction cost be delivered at a cost of \$200 million.

On April 7, 2026, the City Hall Project was discussed at the City Commission Conference Meeting as part of the City Manager's Report. Staff presented multiple City Hall concept scenarios, and the City Commission expressed support for advancing a reduced program concept (Concept B) of approximately 200,000 gross square feet as a baseline, while continuing to refine the Project's scope, cost, and financial structure prior to consideration of the Interim Agreement.

The previously proposed Interim Agreement (as presented on April 21, 2026), included a project delivery cost of \$267,698,000. The project budget included a developer fee of \$12,000,000, project administration costs during the construction period of \$5,698,000, and a City allocation for furniture, fixtures, and equipment (FF&E) of \$10,000,000. The project assumed an estimated annual obligation of \$24,160,000 over a thirty (30)-year period including costs for debt service, the availability payment, and operations and maintenance.

The Interim Agreement project delivery cost has now been reduced by over \$50 million from April 21, 2026, to July 2, 2026. The revised project delivery cost is \$217,050,000 as shown below, with an estimated annual obligation of \$15.8 million over a thirty (30)-year period inclusive of debt service and operations and maintenance, which is down from the original estimate of \$24,160,000.

Description	Entity	Amount
Design & Construction (Project Delivery)	FCHP	\$200,000,000
Project Administration (3%)	City	\$6,300,000
FF&E	City	\$10,750,000
July 2, 2026, Project Delivery Cost		\$217,050,000
April 21, 2026, Project Delivery Cost		\$267,698,000
Variance		(\$50,648,000)

The City previously established a Community Investment Plan(CIP) project for the City Hall project. The existing CIP initial allocation was approximately \$9.8 million with a current balance of approximately \$9.3 million. The remaining balances are anticipated to cover the project administration costs which include owner’s representative services.

Estimated Annual Financial Impacts and Budget Balancing Strategies

As identified throughout this memorandum, the revised Interim Agreement removes the Developer’s equity participation. The City will be responsible for issuing the debt needed to finance the project. The estimated annual debt service, based on a total financed amount of \$210,000,000 (\$217,050,000 less \$7,050,000 existing CIP funding), is \$13,000,000. This assumption is based on a thirty (30)-year level debt service with an assumed All-in True Interest Cost (TIC) of 4.42%.

In addition to the estimated debt service, the City will incur annual expenditures associated with the operations and maintenance of the building. The original operations and maintenance structure included a long-term, cost certain approach for the building components and its life cycle replacement costs. The revised approach includes an annual cost for building maintenance, the creation of a maintenance reserve, and property insurance. The estimated annual impact of the revised structure is \$2,800,000.

The total estimated annual financial impact is \$15,800,000 (debt service plus operations and maintenance). The cost to the General Fund is based on the planned space allocations that support General Fund uses. Based on preliminary space programming, approximately seventy percent (70%) of the new building will be utilized for General Fund functions, resulting in an estimated annual financial impact of \$11,060,000. The remaining thirty percent (30%) will be utilized by the following funds: Central Services - eleven percent (11%), Water and Sewer – five percent (5%), Health Benefits - five percent (5%), Customer Service – two percent (2%), Parking – two percent (2%), Project Management – two percent (2%), City Insurance – one percent (1%), Sanitation – one percent (1%), and Stormwater – one percent (1%).

The General Fund cost of \$11,060,000 could be offset through the following recommended budget balancing strategies:

- \$3.7M - Existing office space rent reduction;
- \$2.3M - Begin budgeting the interest earned in the General Capital Project Fund;
- \$2.1M - Shift internal Pension Obligation Bond (POB) payments to October 1 annually to eliminate the need for a \$15.0 million reserve;
- \$850K - Transition Health Administration staff to the Health Fund;
- \$700K - Adjust the fleet replacement service charge from 95% to 90% in recognition of the higher resale value being received at auction.
- \$700K - Reduce the Sanitation Franchise Fee transfer;
- \$400K - Initiate the Certificate of Use program; and
- \$310K - Decrease Fire Rescue overtime cost to align with the current utilization rate.

Additional Information

Reimagining City Hall

In June 2024, the Infrastructure Task Force Advisory Commission (ITFAC) provided a report to the City Commission (Exhibit 8) as part of a broader community engagement effort conducted between December 2023 and June 2024 to establish guiding principles for a new City Hall. That process produced three (3) independent records: the ITFAC Guiding Principles Report (CAM #24-0572); the Public Engagement Summary reflecting City-sponsored district workshops and a ZenCity neighbor survey of over 300 respondents (CAM #24-0529); and the Urban Land Institute (ULI) Leadership Institute Report, which provided independent recommendations on location, program, design, and financing following a four (4)-month stakeholder analysis (CAM #24-0640). Together, these three (3) documents reflect the priorities the City established prior to and independent of any proposal submitted through the competitive solicitation process.

The ITFAC report focused on seven (7) recommended principles for the new City Hall building.

1. Welcoming and Engaging - the building should be recognizable and inviting. Interaction between the public and elected representatives should be transparent:
 - Extensive use of glass and architectural elements to invite people in;
 - Artificial Intelligence (AI) to generate helpful material and educate but not replace people;

- Available space for advisory boards and civic associations;
 - Space for ceremonies and public engagement; and
 - Architecturally recognizable but cost effective.
2. Accessible and Secure – the building should be centrally located in downtown with ample parking and access to public transit. Security should be evident but not overwhelming:
- Downtown prominent location is preferred;
 - Free and abundant public parking; and
 - Clear separation between public areas and staff; and
 - Open space integrated into the design but not a destination.
3. Amendable for the Public and Staff - The public should have amenities that increase their enjoyment of and interaction with city hall. The staff should have amenities that contribute to their well-being and productive work environment:
- Provide open space and native plants;
 - Amenities for the public make it a pleasure to be in city hall;
 - Include a wellness center for staff; and
 - Easy for the public to participate i.e., food and childcare.
4. A Showcase of History, Art and Civic Engagement - The new city hall should be a showcase for Fort Lauderdale history and local artists as well as be used as a space for civic engagement:
- Permanent exhibit of the history of Fort Lauderdale;
 - Permanent revolving artist gallery;
 - Engage youth and public in civic engagement;
 - Space available for nonprofits to hold events;
 - Space available for public education and student engagement; and
 - Foster economic development i.e., business incubator.

5. Cost Effective - The building should be architecturally recognizable but cost effective. All avenues to reduce the cost of the building should be explored:
 - Pursue all grant opportunities;
 - Consider soliciting P3 partners; and
 - If doing an RFP go Design/Build
 - Consider generating income from co-workspaces, vendors;
 - Consider selling the current site and relocating if cost effective;
 - Consider consolidation and selling other city buildings;
 - Consider renovating the Federal Court House; and
 - Consider renting and not making a long-term commitment.

6. Functional and Efficient - The building should be future oriented using the latest in technology and be capable of adapting to future needs:
 - Flexible workspaces for staff that can be rearranged;
 - Incorporate technology to allow for hybrid home/office work;
 - Expandable for a growing work force or unanticipated technologies;
 - Protected infrastructure for communication systems; and
 - Redundant systems.

7. Resilient and Innovative - Smart building technology should be used to strive for net zero operation. The building should set a standard for new development in the city:
 - Designed to withstand hurricanes;
 - The building should be LEED Certified;
 - Smart building technology to save/produce energy; and
 - AI should augment but not substitute for human interaction.

The FCHP proposal is consistent with several priorities identified across all three (3)

source documents. All three (3) records expressed a preference for rebuilding at or near the existing downtown City Hall site, and the FCHP proposal is sited at 100 North Andrews Avenue. The proposal includes a Commission Chambers with audio-visual systems and secure circulation, a public lobby, and a Utility Service Counter — core civic functions identified in both the public engagement workshops and the ULI report. The proposed civic plaza along North Andrews Avenue, featuring shaded gathering space and native landscaping, directly responds to the ITFAC principle of integrating open space into the design and to the public's expressed preference for shaded outdoor areas and an amphitheater.

On security, the proposal's raised building platform, hardened perimeter landscaping designed to meet floodplain and vehicle security standards, destination dispatch elevators, and separate staff and Commissioner access are consistent with the ITFAC principle that security be evident but not overwhelming. On transit and mobility, the proposal's proximity to the Brightline station and regional bus terminal, combined with EV charging, bike facilities, and micro-mobility connections, aligns with the ITFAC, public, and ULI preferences for transit-oriented, pedestrian-friendly access. The proposal also references Smart City readiness and adaptive building systems, which is consistent with the ITFAC's functional and efficiency principle and the public's ranking of state-of-the-art technology as its top priority in Workshop 2.

The initial proposal focuses on core civic and administrative functions, with a number of additional community priorities — including staff amenities, cultural programming, and civic space — remaining to be addressed through the collaborative Scope Finalization Period. The ITFAC and ULI both identified staff wellness facilities, daycare, a City history exhibit, an artist gallery, nonprofit meeting space, and a small business incubator as valued building components, and public workshop results reflected consistent support for these uses. These items are not precluded by the proposal and represent areas where the City and FCHP can continue to refine the building program during the Interim Agreement phase within the constraints of the approved project budget cost.

Parking access, building size, and cost parameters are areas addressed directly by the structure of the Interim Agreement. Parking commitments will be defined as part of the space program finalization, consistent with the community's expressed priority for accessible parking. Building size reflects the City Commission's direction to advance a reduced program of approximately 200,000 square feet as a cost-conscious baseline. The Interim Agreement establishes the design and construction cost at \$200 million and includes a built-in mechanism requiring the developer to present value engineering options if any design submittal is projected to exceed that amount, ensuring the City retains control over cost throughout the pre-development phase.

The priorities established through the ITFAC, public engagement, and ULI processes were developed in the context of new construction on the existing City Hall site. Those priorities — including LEED certification, net-zero targets, hurricane resistance, a large outdoor covered plaza, flexible and reconfigurable floor plans, smart building infrastructure, redundant systems, and purpose-built civic spaces such as Commission

Chambers and a history exhibit — reflect design outcomes that are generally achievable through new construction but are more constrained in the context of adaptive reuse of an existing building.

An existing building's structural system, floor plate configuration, floor-to-floor heights, mechanical infrastructure, and envelope influence the degree to which a renovation can satisfy those design principles. The ability to achieve LEED certification, incorporate redundant communication infrastructure, create a purpose-built Commission Chambers, integrate a shaded civic plaza, or meet 100-year floodplain standards may vary significantly depending on the condition and configuration of the building being evaluated. The building assessments for Ivy Tower 101, 1 East Broward, and the Federal Courthouse are intended to provide the City Commission with the information necessary to evaluate the extent to which each existing building can meet the community's established priorities, and at what cost, relative to new construction.

Resource Impact

There is a \$10,963,659 financial impact associated with this action. If approved, a resolution declaring the City's intent to reimburse itself from the proceeds of a future bond issuance will be presented at the August 18, 2026, City Commission Regular Meeting. There is a potential future impact of \$217,050,000 for the project delivery costs, not inclusive of annual financing and operations and maintenance costs which were described earlier in the memorandum.

Strategic Connections

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

Attachments

- Exhibit 1 – Comparative Analysis Facility Report
- Exhibit 2 – Appraisal Report, Ivy Tower 101, Callaway and Price, Inc.
- Exhibit 3 – Appraisal Report, Ivy Tower 101, Walter Duke + Partners
- Exhibit 4 – Appraisal Report, 1 East Broward, Callaway and Price, Inc.
- Exhibit 5 – Appraisal Report, 1 East Broward, Walter Duke + Partners
- Exhibit 6 – Appraisal Report, Federal Courthouse, Callaway and Price, Inc.
- Exhibit 7 – Appraisal Report, Federal Courthouse, Walter Duke + Partners
- Exhibit 8 – ITFAC Guiding Principles Draft Report
- Exhibit 9 – Interim Agreement Term Sheet (February 17, 2026)
- Exhibit 10 – Concepts and Financial Summary (April 7, 2026)
- Exhibit 11 – Interim Agreement (April 21, 2026)
- Exhibit 12 – Letter to the City Commission No. 26-137 (May 7, 2026)
- Exhibit 13 – City Hall Update Presentation

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