



Broward County

Legislation Text

File #: 21-487, Version: 1

Broward County Commission Regular Meeting

Director's Name: Jonathan Daniels

Department: Port Everglades

Division: Business Administration

Information

Requested Action

MOTION TO APPROVE Lease Agreement between Broward County and Resolve Fire and Hazard Response, Inc., for 31,743.9 square feet of real property, and improvements located thereon, at Port Everglades, for a five-year term commencing May 1, 2021, through April 30, 2026; and authorize the Mayor and Clerk to execute same.

Why Action is Necessary

Lease Agreements require Broward County Board of County Commissioners' approval.

What Action Accomplishes

Approves a Lease Agreement between Broward County and Resolve Fire and Hazard Response, Inc., to allow for a fire and hazard response training school to continue to operate at Port Everglades.

Is this Action Goal Related

Yes

Previous Action Taken

None

Summary Explanation/Background

THE PORT EVERGLADES DEPARTMENT RECOMMENDS APPROVAL.

This action supports the Broward County Board of County Commissioners' ("Board") Value of "Ensuring economic opportunities for Broward's diverse population and businesses" and the Goal to "Increase the economic strength and impact of revenue-generating County enterprises balancing economic, environmental, and community needs."

In April 1994, the Port Everglades Authority, predecessor in interest to Broward County, entered into a ten-year lease agreement ("Lease") with Resolve Fire and Hazard Response, Inc. ("Resolve"), for vacant land in Midport at Port Everglades (see Exhibit 2). Pursuant to the Lease, Resolve built a simulated ship and classroom facility for the purpose of conducting professional firefighting and rescue instruction for U.S. and foreign merchant mariners, cruise line personnel, Broward Sheriff's Office Fire Rescue Station Number 6 personnel ("BSO"), other professional firefighters, and other eligible students.

The Board has approved a series of five-year leases with Resolve since then, with the most recent lease being approved on October 27, 2015 (Item No. 8), with a term from November 1, 2015, through October 31, 2020. Since Resolve was considering potential improvements to their facilities on the premises and evaluating the impacts of the COVID-19 pandemic on their business, the Port Everglades Chief Executive/Port Director consented to Resolve holding over on the premises on a month-to-month basis through April 30, 2021, while a new lease was negotiated.

The new lease negotiated with Resolve is for a term of five years, commencing May 1, 2021, through April 30, 2026. The size of the lease parcel is increasing from the current 25,776 square feet to 31,743.9 square feet to provide Resolve with additional space for potential site improvements and parking. Rent for the first year is \$64,764, based on a rental rate of \$2.04 per square foot, a 20.7% increase from the current rental rate. The rent will be increased annually by the greater of the applicable Consumer Price Index (CPI) or 3%.

As provided for in the current and prior leases, Resolve agreed to continue to provide BSO personnel with training at agreed upon rates, the value of which would be credited against rent due to the County. Any difference between the rent due and the value of the training actually provided by Resolve to BSO personnel would be paid by Resolve to the County at the end of each lease year.

Under the new lease, Resolve's payment of rent will be credited by \$175 per person, per four-hour block of training/instruction provided to BSO personnel at the premises; and \$1,050 per person for each National Fire Protection Association-certified, multi-day, training/instruction provided to BSO personnel at the premises. The training and the applicable service credit may be amended by the Parties through an amendment to the lease, with the Port Everglades Chief Executive/Port Director authorized to execute same on behalf of the County. Rent will be paid by Resolve in arrears on the last day of each lease year after calculating the applicable credits.

The Lease Agreement has been reviewed and approved as to form by the Office of the County Attorney.

Source of Additional Information

Jorge A. Hernández, Director, Business Administration Division, Port Everglades Department, (954) 468-3501

Josh Miller, Property Manager, Business Administration Division, Port Everglades Department, (954) 468-3518

Fiscal Impact

Fiscal Impact/Cost Summary

While the Port Everglades Department could realize an estimated rental revenue of \$343,824 over the five-year term of the lease, based on the historical use of firefighting training by BSO personnel and the applicable credits, staff anticipates the net revenue will be \$0 over the lease term.