



Broward County

Legislation Text

File #: 20-1664, 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 the United States of America, acting by and through the designated representative of the General Services Administration, for office space in the Port Everglades Administration Building located at 1850 Eller Drive, Suite 401, Fort Lauderdale, Florida, consisting of 2,880 square feet, retroactively commencing on September 14, 2020, with a maximum term of 15 years; 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 the United States of America ("Government"), acting by and through the designated representative of the General Services Administration ("GSA"), to provide office space for the United States Department of Commerce 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."

The United States Department of Commerce Export Assistance Center has been a tenant at Port Everglades since 2010. Its previous ten-year lease for 2,880 square feet of office space in Suite 401 of the Port Everglades Administration Building, located at 1850 Eller Drive, was approved by the Board on September 14, 2010 (Item No. 4), and expired on September 13, 2020.

County and GSA staff and their respective legal representatives have worked on multiple drafts of the Lease Agreement for a period of four months before just agreeing on the final terms. GSA has advised that further delays in the approval of this Lease Agreement by the County will necessitate additional actions on behalf of GSA and the Government, which will delay payment to the County.

The new lease provides for a 15-year maximum term (ten years firm, with a five-year optional term) commencing retroactively on September 14, 2020. After the firm term, the Government has the option to terminate the agreement with a 60-day notice.

The initial annual rent will be \$110,124. The established rate for this office space is set pursuant to Chapter 32, Part 1, Section 32.6.a.2.(b) of the Broward County Administrative Code ("Code"). The Code provides that leases may be adjusted upward or downward based on factors such as length of the lease, condition, and location of the premises and current market conditions, but at no less than the established rate of \$18.25 per square foot. Since, per GSA standard terms, no Consumer Price Index (CPI) increases are allowed to the rental rate over the term of the Lease Agreement, the rental rate (\$27.00 per square foot) was adjusted to offset the foreseeable effect of inflation over the lease term. The County will have the ability to annually adjust the Operating Expenses rent component (currently \$6.25 per square foot) based on future changes in the CPI.

The Lease Agreement was prepared by GSA using the standardized GSA lease forms. The Lease Agreement has been reviewed and approved as to form by the Office of the County Attorney. As is customary for Government leases, Broward County, as lessor, must execute the Lease Agreement prior to execution by the Government.

Source of Additional Information

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

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

Fiscal Impact

Fiscal Impact/Cost Summary

The Port Everglades Department will realize \$1,101,240 in rental revenue over the ten-year firm term of the Lease Agreement, and an additional \$550,620 over the five-year option term of the Lease Agreement, for a total of \$1,651,860. This does not include any annual CPI adjustments to the Operating Expenses rent component.