



Memorandum

Memorandum No: 21-054

Date: June 23, 2021

To: Honorable Mayor and Commissioners

From: Chris Lagerbloom, ICMA-CM, City Manager

Re: Joint Government Center Campus (JGCC) Preliminary Estimates

Below please find preliminary estimates of costs related to the JGCC:

Total County/City Cost for Office Tower and Parking Garage

| | | | | | |
|---------------------|---------|----------|----------------------|-----------|-----------------|
| Tower Cost | 811,273 | sq. feet | \$538,279,636 | 663.50 | per square foot |
| Parking Garage Cost | 1,347 | spaces | <u>86,640,775</u> | 64,321.29 | per space |
| | | | <u>\$624,920,411</u> | | |

City Share at 43%

| | | | | | |
|---------------------|---------|----------|----------------------|-----------|-----------------|
| Tower Cost | 348,847 | sq. feet | \$231,460,243 | 663.50 | per square foot |
| Parking Garage Cost | 579 | spaces | <u>37,255,533</u> | 64,321.29 | per space |
| | | | <u>\$268,715,777</u> | | |

Estimated Annual Impact to City

| | | | |
|--|---------------------|---------|--------------------|
| Estimated Annual Availability Payment | \$14,750,000 | 30 year | level debt service |
| Estimated Annual O & M* | 2,441,932 | 7.00 | per square foot |
| Less current rents | <u>(1,465,278)</u> | | |
| Estimated Budgetary Impact (all Funds) | 15,726,654 | | |
| Less estimated current O & M (City Hall/TAM) | <u>(1,449,708)</u> | 12.00 | Per square foot |
| Estimated Budgetary Impact (All Funds) | <u>\$14,276,946</u> | | |

*Excludes electric, water, sewer

Approximate Fund Breakout

| |
|-------------------------|
| General Fund 60% |
| Water and Sewer Fund 9% |
| Parking Fund 8% |
| Other Funds 23% |

Estimated Rent on current owned facilities

| | | |
|-----------|----------------------------|--------------------|
| City Hall | 105,724 sq. feet @ \$24.00 | \$2,537,376 |
| TAM | 15,085 sq. feet @ \$15.00 | <u>331,870</u> |
| | | <u>\$2,869,246</u> |

If you have any questions, feel free to contact Susan Grant, Director of Finance, at sgrant@fortlauderdale.gov.

Attachment: June 10, 2021, UDPA Presentation

- C: Greg Chavarria, Assistant City Manager
Tarlesha W. Smith, Esq., Assistant City Manager
Alain E. Boileau, City Attorney
Jeffrey A. Modarelli, City Clerk
John C. Herbst, City Auditor
Department Directors
CMO



Joint Government Center Campus

Developer for Joint Government Center Campus
Request for Qualifications (RFQ) Responses

UDPA Presentation June 10, 2021



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Agenda

- ▶ Project History
- ▶ Key Market Sounding Findings
- ▶ Request for Qualifications (RFQ)
- ▶ Request for Proposals (RFP)
- ▶ Project cost analysis
- ▶ Next Steps
- ▶ Summary of Public-Private Partnership (P3) Developer Team

RFQ responses

- ▶ Q&A



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Project History - Goals

To build an iconic and transformative Joint Government Center Campus that meets the needs of the City and County governments/organizations, serves to share costs and foster intergovernmental cooperation, creates better connections of all kinds throughout the community and provides a variety of economic development benefits.



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Project History

- ▶ First discussed decades ago
- ▶ City-County meeting 2017
- ▶ JGCC Working Group 2018 - location, initial process
- ▶ Interlocal Agreement + Unified Direct Procurement Authority (UDPA) formed 2019
- ▶ Design Criteria Package (DCP) solicitation 2019



Project History

- ▶ DCP completed + decision to pursue P3 2020
- ▶ KPMG hired January 2021
- ▶ Market Sounding February 2021
- ▶ RFQ Issued March 2021
- ▶ UDPA to qualify Developer Teams June 2021



Key Market Sounding Findings

- ▶ Use of a progressive, Pre-Development Agreement (PDA) process, rather than a hard bid process, would better meet City/County design and financial planning needs
- ▶ The market would support a variety of financial deal structures, including different arrangements for the City and the County
- ▶ Number of shortlisted Developer teams should be no more than 3-4



Request for Qualifications (RFQ)

- ▶ Used to qualify Developer teams - look at financial capabilities, previous experience and expertise (CCNA)
- ▶ Information provided by Developers/Financial Partners, General Contractors, Architects and Engineers
- ▶ Experience with P3s, Social Infrastructure projects, Project approach and management
- ▶ Operations and Maintenance (O&M) team member's information deferred to RFP to maintain competition



Request for Proposals (RFP)

- ▶ Requires submission of a 10% conceptual design package and a companion financial proposal for design/construction and 30-year O&M
- ▶ Will also include a draft PDA (Interim Agreement)
- ▶ Should later include a draft Comprehensive Development Agreement (CDA)
- ▶ Developer teams will have 16 weeks to respond



Project Cost Analysis

- ▶ City and County officials concerned about costs
- ▶ Staff developed new costs based on more current information
- ▶ Vacant floors removed - 811,000 sq. ft.
- ▶ Additional cost reductions possible; Revisit workspace allocation and size, adjacencies/configuration of floors, project goals and amenities



Project Cost Analysis

| | | |
|-----------------------------------|--------|------------|
| ▶ Office tower and parking garage | \$625M | Shared* |
| ▶ Land acquisition | \$9M | County |
| ▶ Bus Terminal | \$21M | FTA/Surtax |
| ▶ BC Transportation offices | \$60M | FTA/Surtax |
| | | |
| Project Total | \$715M | |

*City share \$269M / County share \$356M



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Project Cost Analysis - City space, garage costs

- ▶ City Gross Square Footage (GSF) is ~ 253,000 sq. ft.
- ▶ City Usable Square Footage (USF) is ~150,000 sq. ft.
- ▶ Additional space is comprised of ‘Core’ areas (e.g. elevators, stairwells, mechanicals, restrooms), ‘Commons’ areas (e.g. lobby, kitchen, multi-function space) and ‘stranded’ space
- ▶ Parking garage costs still seem generally high and could also be lowered by allocating some foundation and structural costs to transportation



Project Cost Analysis - comparisons

| | | |
|---|------|---|
| ▶ Gov't pays prevailing wages | ~11% | ↑ |
| ▶ Iconic architecture | ~10% | ↑ |
| ▶ Resiliency (exceed wind and flood) | ~3% | ↑ |
| ▶ LEED Gold | ~8% | ↑ |
| ▶ Net Zero building | ~8% | ↑ |
| ▶ Enhanced HVAC | ~12% | ↑ |
| ▶ Building height (vs short structures) | ~18% | ↑ |
| ▶ Accessibility issues (e.g. bathrooms) | ~1% | ↑ |
| Total | ~71% | ↑ |



Summary of Developer Team RFQ responses

- ▶ 5 full responses, 1 partial (financing only)
- ▶ Partial response not evaluated
- ▶ 1 team withdrew due to transparency concerns
- ▶ 4 remaining teams
- ▶ Developer teams' information submitted included org charts, team member experience/expertise, confidential financial information, litigation information, references
- ▶ Full non-financial binders from each team provided to UDPA + summary binder including financial information



Summary of Developer Team RFQ responses

- ▶ Staff and consultants believe that all Developer teams are qualified to deliver the project
- ▶ No significant red flags that warranted consideration of rejecting any team
- ▶ Teams are composed of high-quality individuals and firms that are renowned in their industries
- ▶ City and County will benefit from a variety of project design and financial approaches



Next Steps

- ▶ Secure outside counsel
- ▶ Resolving additional land acquisition
- ▶ Resolve temporary bus station and heliport issues
- ▶ Finish and issue RFP, including PDA
- ▶ Develop O&M performance standards/metrics



Next Steps

- ▶ Develop CDA
- ▶ Develop a City/County project agreement
- ▶ Review submissions and select P3 Developer
- ▶ Execute PDA, begin project design
- ▶ Execute CDA, finish design, build JGCC!



Next Steps - Timeline

- ▶ Finish and initiate RFP process August 2021
- ▶ Submittal bond due September 2021
- ▶ RFP responses due back December 2021
- ▶ UDPA final selection meeting March 2022
- ▶ Execute PDA May 2022
- ▶ Conceptual design reconciliation start May 2022
- ▶ Design Development start August 2022
- ▶ Commercial Close (CDA) February 2023
- ▶ Financial Close March 2023





Q & A