



Memorandum

Memorandum No: 24-020

Date: February 9, 2024

To: Honorable Mayor, Vice Mayor, and Commissioners

From: Greg Chavarria, City Manager 
Greg Chavarria (Feb 12, 2024 09:44 EST)

Re: February 20, 2024, Agenda Publication Preview of Substantive Documents

In the interest of providing additional review time for items with substantive documentation in the upcoming agenda, the below draft backup documents are being shared prior to official publication:

- CAM 24-0133: Motion Approving the Second Amendment to the Lease Agreement between 1 East Broward Owner LLC and the City of Fort Lauderdale, in Substantially the Form Provided - \$2,598,458 (54-Month Rent) - (Commission District 2)

We anticipate this item will be presented on the February 20, 2024, agenda. Please note, these documents are in draft form and the content, along with the anticipated agenda date, are subject to change.

Please let us know if you need any clarification as you review the draft materials.

c: Anthony G. Fajardo, Assistant City Manager
Susan Grant, Assistant City Manager
Thomas J. Ansbrosio, City Attorney
David R. Soloman, City Clerk
Patrick Reilly, City Auditor
Department Directors
CMO Managers

SECOND AMENDMENT TO OFFICE LEASE

THIS SECOND AMENDMENT TO OFFICE LEASE (“Second Amendment”) is entered into as of the ___ day of _____, 2024 by and between **THE CITY OF FORT LAUDERDALE**, a Florida municipal corporation (“Tenant”), and **1 EAST BROWARD OWNER, LLC**, a Delaware limited liability company, as successor-in-interest to prior landlord, **ONE BROWARD BLVD HOLDINGS, LLC**, a Delaware limited liability company (the “Landlord”) (sometimes Tenant and Landlord collectively referred herein as the “Parties”).

A. WHEREAS, Landlord and Tenant entered into that certain Office Lease dated January 24th, 2017, (the "Original Lease"), with respect to that certain Premises consisting of approximately 3,575 rentable square feet of space consisting of a portion of the sixteenth (16th) floor of the building located in Suite 1605 of One East Broward Blvd., Ft. Lauderdale, FL 33301 (“Suite 1605”);

B. WHEREAS, Landlord and Tenant entered into that certain First Amendment to Office Lease dated July 11, 2023 (“First Amendment”), pursuant to which, Tenant expanded the Premises and leased an additional 12,603 rentable square feet located in Suite 444 (“Suite 444”) on the fourth (4th) floor in the Building, which Suite 444 space together with the Suite 1605 space, totaled 16,178 rentable square feet (Suite 444 and Suite 1605 hereinafter collectively known as the “Existing Premises”);

C. WHEREAS, Landlord and Tenant desire to, among other things, expand the Existing Premises leased to include Suite 1320 ("Suite 1320"), containing of approximately 7,234 rentable square feet located on the thirteenth (13th) floor in the Building as shown on Exhibit "A" attached hereto; and

D. WHEREAS, the Tenant expresses a desire to effectuate an early termination and surrender of Suite 1605 upon the substantial completion of Suite 1320, on the terms and conditions hereinafter set forth.

AGREEMENT:

NOW, THEREFORE, in and for the consideration of the mutual covenants contained herein, and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant hereby agree as follows:

1. Incorporation of Recitals. The Parties hereto repeat herein by this reference the aforementioned Paragraphs A, B, C and D inclusive, as if said Paragraphs were set forth herein in full.
2. Capitalized Terms. All capitalized terms not otherwise defined herein shall retain their defined meanings as stated in the Lease. The terms Original Lease, First Amendment and this Second Amendment, shall collectively hereinafter be referred to as the “Lease.”

3. Surrender of Suite 1605. Landlord shall provide notice upon Substantial Completion of the Suite 1320 Work as defined below, upon which, Tenant shall have thirty (30) days to vacate Suite 1605. Effective as of the Expansion Commencement Date as defined below, the Lease and term and estate thereby granted, as it relates to Suite 1605, shall convert to a month-to month basis for a term up to six (6) months, at the current Base Annual Rent Rate and Tenant's Proportionate Share of Operating Expenses and Taxes, with applicable sales tax thereon, pertaining to Suite 1605. Tenant shall provide ten (10) days of its intention to vacate Suite 1605. At that time Tenant shall completely vacate and surrender to Landlord Suite 1605 in broom clean condition in accordance with the terms of the Lease. Upon the date of Tenant's vacation and surrender of Suite 1605, the Tenant thereafter shall be released from any and all obligations under the Lease, as amended, as to Suite 1605 only, including, without limitation, the future payment of Rent and Tenant's Proportionate Share of Operating Expenses and Taxes; provided, however, Tenant shall continue to be responsible for any unpaid Tenant's Proportionate Share of Operating Expenses and Taxes applicable to Suite 1605 while occupied by the Tenant which results from Landlord's reconciliation of the Operating Expenses and Taxes for the calendar year Suite 1605 was vacated and surrendered, which reconciliation shall be performed by Landlord within twelve (12) months. Rent and Tenant's Proportionate Share of Operating Expenses and Taxes as to Suite 1605 shall be prorated and due and owing through the date of vacation of Suite 1605.

4. Expansion of Premises; Operating Expenses. Effective as of the Expansion Commencement Date as defined below, Landlord leases to Tenant and Tenant leases from Landlord Suite 1320. The lease of the Existing Premises, excluding Suite 1605, and Suite 1320 shall be on the same terms and conditions as the Lease except as set forth in this Second Amendment. Effective as of the Expansion Commencement Date, wherever the term "Premises" is used in this Second Amendment or in the Lease, it shall be deemed to mean Suite 444 and Suite 1320, consisting of approximately 19,837 rentable square feet, with the Tenant's Proportionate Share of the Operating Expenses and Taxes being 5.77%.

5. Lease Term. The Term of the Lease with respect to Suite 1320 shall commence on the earlier of: (i) the date Tenant takes occupancy of Suite 1320; or (ii) the date of Substantial Completion of the Suite 1320 Work defined in paragraph 6 below ("Expansion Commencement Date") and expire on July 31, 2028 ("Expiration Date"). Further, the Term of the Lease with respect to Suite 444 shall be extended for an additional term so that it expires conterminously with Suite 1320 on the Expiration Date.

6. Rent.

a. Existing Premises Rent. With respect to the Existing Premises, Tenant shall continue to pay Base Annual Rent plus applicable sales tax thereon, in accordance with the terms of the Lease; provided, however, that no Rent applicable to Suite 1605 shall be due and owing after Tenant vacates. Commencing on August 1st, 2026, the Base Annual Rent applicable to Suite 444 shall be equal to 3% over the then existing annual Base Rent applicable to year ending July 31st, 2026, with 3% annual increases through the Expiration Date. Landlord acknowledges Tenant is exempt from sales taxes and Tenant shall provide a copy of its certificate of exemption upon request from the Landlord.

b. Suite 1320 Rent. Commencing on Expansion Commencement Date and continuing until the Expiration Date, Tenant shall pay Base Annual Rent for Suite 1320 in the

amounts listed in the following schedule and applicable sales tax thereon, payable in accordance with the terms of the Lease:

<u>Time Period</u>	<u>Per Sq. Foot</u>	<u>Monthly Base Rent</u>	<u>Annual Rent</u>
Expansion Commencement Date through Month 12	\$28.00	\$16,879.33	\$202,552.00
Month 13 through Month 24	\$28.84	\$17,385.71	\$208,628.56
Month 24 through Month 36	\$29.71	\$17,910.18	\$214,922.16
Month 37 through the Month 48	\$30.60	\$18,446.70	\$221,360.40
Month 49 through the Expiration Date	\$31.52	\$19,001.31	\$228,015.72(subject to Expiration Date)

c. Tenant's Proportionate Share Of Operating Expenses and Taxes. In addition to Base Annual Rent, Tenant shall continue to be responsible for payment of Tenant's Proportionate Share of Operating Expenses and Taxes, plus applicable sales taxes thereon, in accordance with the terms of the Lease.

7. Tenant Improvements. The Landlord, at its sole cost and expense, shall perform the following improvements to Suite 1320: (i) repaint; (ii) install new flooring throughout; (iii) install new window blinds throughout; (iv) replace existing ceiling tiles and lighting throughout; (v) remove existing built-in workstations; (vi) replace all light switches, plates and electrical outlets; and (vii) install interior doors as outlined in agreed upon space plan and installing four electrical outlets as designated by Tenant, and (viii) install exterior door as outlined on space plan (collectively, "Suite 1320 Work"). The Suite 1320 Work shall be performed by contractors selected by Landlord and using Building standard materials and finishes selected by Tenant. The Landlord agrees to complete all Suite 1320 Work prior to the Tenant's occupancy. As used in this Second Amendment, the term "Substantial Completion" or "Substantially Completed" means when the only work items of Suite 1320 Work remaining to be completed by Landlord are punch-list items, and when the last of the municipal inspections required for the issuance of a certificate of occupancy and such inspection did not fail or a certificate of completion, as applicable, have been successfully completed; provided, however, that if Landlord shall be delayed in such Substantial Completion as a result of (a) Tenant's failure to respond within five (5) business days to Landlord with its request for approval of any specifications or make finish selections that may be required of Tenant in connection with the Suite 1320 Work; (ii) Tenant's changes in plans, specifications or finish selections, which changes shall cause a material delay to completion of the

Suite 1320 Work; (iii) Tenant's interference with the performance of the Suite 1320 Work (each, a "tenant delay"); the Expansion Commencement Date hereunder shall be accelerated by the number of days of such tenant delay or such other period reasonably determined by Landlord given the nature of the tenant delay. Notwithstanding the foregoing, in no event shall Tenant have any right to occupy Suite 1320 until the Suite 1320 Work is Substantially Completed, except for the purpose of assessing and performing Information Technology work, provided such activities do not impede the Landlord's ongoing work. Except for the Tenant Termination Right as prescribed below, Tenant waives any right to rescind this Second Amendment under applicable law then in force and further waives the right to recover any damages which may result from Landlord's failure to deliver possession of the Suite 1320 on any scheduled or targeted date. Except for the above Suite 1320 Work, Tenant accepts the Suite 1320 and Existing Premises in their "Where-as" "As-is" condition. Subject to a Construction Delay as defined below, if the Suite 1320 Work is not completed on or before the 120th day after the Tenant's final approval of the finishes for the Suite 1320 Work ("1320 Deadline"), the Tenant reserves the right, upon written notice to Landlord no later than five (5) days from the expiration of the 1320 Deadline, to terminate the parties obligations under this Second Amendment ("Tenant Termination Right"). Upon the timely exercise of Tenant's Termination Right, this Second Amendment shall be null and void and of no force or effect, with the Lease's terms and conditions reverting back to those then in existence prior to entering into this Second Amendment. As used herein, a "Construction Delay" shall mean (i) an Excusable Delay as defined in Section 41 (t)(iii) of the Lease; (ii) a delay by the municipality in (aa) issuing a certificate of occupancy for the 1320 Work beyond the ordinary time frame providing same to Landlord for other similar tenant work (bb) conducting necessary inspections of the 1320 Work or (cc) responding to Landlord's requests regarding the 1320 Work which are inconsistent with how such municipality responds to Landlord with other similar tenant work; or (iii) other factors which delay the Substantial Completion of the 1320 Work which are beyond the reasonable control of the Landlord. If a Construction Delay occurs, the 1320 Deadline shall be extended by one day for each day a Construction Delay occurs.

8. Option to Renew. Provided that Tenant is not in default beyond any applicable cure period at any time prior to or at the Tenant's exercise of the Renewal Option (defined hereinafter), Tenant shall have Two (2) One (1) year options to renew the Lease (each, a "Renewal Option"). Tenant shall provide to Landlord on a date which is prior to the date that the then Renewal Option period would commence (if exercised) by at least one hundred eighty (180) days, but not more than three hundred sixty-five (365) days, a written notice of the exercise of the Renewal Option, time being of the essence. Such notice shall be given in accordance with Section 28 of the Lease. If notification of the exercise of the Renewal Option is not so given and received, the Renewal Option granted hereunder shall automatically expire. If the first Renewal Option is not exercised, Tenant's second Renewal Option shall automatically be terminated and of no further force or effect. Base Rent applicable to the Premises for the Renewal Option term shall be equal to 3% over the then existing annual Base Rent applicable to the month preceding the then Renewal Option term. All other terms and conditions of the Lease shall remain the same, except that Tenant shall not be entitled to any tenant improvements from Landlord during the Renewal Option period and after the proper exercise of the Renewal Options described this Second Amendment, Tenant shall have no further options to renew the Lease, with the renewal options prescribed in the First Amendment being extinguished and of no further force or effect.

9. Tenant/Landlord Representations. Tenant warrants, represents, and agrees that as of the date hereof, Tenant is the tenant under the Lease described above; Tenant is in sole possession of and is occupying the Existing Premises; Tenant has not subleased all of any part of the Existing Premises or assigned the Lease; the Lease has not been amended, modified, or changed, whether in writing or orally, except as may be stated in the above and in the attached; Landlord has fully performed all of its obligations under the Lease and is not in default under any term of the Lease; no circumstances exist under which Landlord may be deemed in default merely upon service of notice or passage of time; and Tenant has no defenses, set-offs, or counterclaims to the payment of rent and all other amounts due from tenant to Landlord under the Lease.

10. Brokers. Landlord and Tenant acknowledge and warrant that there are no brokers, agents or finders involved in this Second Amendment transaction other than Avison Young, as broker for the Landlord, and Colliers International Florida, LLC, as broker for the Tenant. Each party shall indemnify, protect, defend and hold harmless the other party against all claims, demands, losses, liabilities, lawsuits, judgments, costs and expenses (including reasonable attorneys' fees) for any leasing commission, finder's fee or similar compensation alleged to be owing on account of the indemnifying party's dealings with any other real estate broker, agent or finder.

11. Binding. This Second Amendment shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns.

12. Ratification. Except as otherwise expressly amended by this Second Amendment, the terms and provisions of the Lease shall remain in full force and effect and shall not be affected or modified hereby and the Lease, as amended hereby, is ratified and affirmed in all respects. In the event of a conflict between the terms of the Lease and the terms of this Second Amendment, the terms of this Second Amendment shall control and be binding on the Parties.

13. Counterparts. This Second Amendment may be executed in several counterparts, each of which shall be fully effective as an original and all of which together shall constitute one and the same instrument. Signature pages may be detached from the counterparts and attached to a single copy of this document to physically form one document. The words "execute", "execution", "signed", "signature", and words of like import in the Lease, this Amendment, or in any amendment or other modification hereof (including waivers and consents) shall be deemed to include electronic signatures, the electronic matching of terms and contract formations on electronic platforms, or the keeping of records in electronic form, each of which shall be of the same legal effect, validity, or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the Florida Electronic Signature Act of 1996 (ESA), or any other similar state laws based on the Uniform Electronic Transactions Act. To facilitate delivery of this Second Amendment, the parties may exchange executed counterparts of the signature page(s) hereof by facsimile, email, or other similar electronic transmission of an electronic copy hereof (e.g. "pdf" or "tif" file format).

14. Representations. Each party hereby represents and warrants that the Parties hereto have full right and authority to enter into this Second Amendment.

[Signatures to follow on next page]

Landlord and Tenant have executed this Second Amendment as of the day and year first above written.

LANDLORD:

1 EAST BROWARD OWNER, LLC, a Foreign Limited Liability Company

[Witness type or print name]

[Witness type or print name]

By: _____
Name: Jordan C. Paul
Title: Vice President

STATE OF FLORIDA
COUNTY OF BROWARD

The foregoing instrument was acknowledged before me by means of physical presence or online, this ____ day of _____, 2024, by JORDAN C. PAUL, Vice President of 1 East Broward Owner, LLC, a Foreign Limited Liability Company on behalf of the 1 East Broward Owner, LLC.

Notary Public, State of Florida

Name of Notary Typed, Printed or Stamped

Personally Known _____ OR Produced Identification _____

Type of Identification Produced _____

TENANT:

**CITY OF FORT LAUDERDALE, A
MUNICIPAL CORPORATION OF THE
STATE OF FLORIDA**

WITNESSES:

[Witness type or print name]

[Witness type or print name]

By: _____
Dean J. Trantalis, Mayor

By: _____
Greg Chavarria, City Manager

ATTEST:

David R. Soloman, City Clerk

Approved as to form:
Thomas J. Ansbro, City Attorney

By: _____
Lynn Solomon, Esq.
Assistant City Attorney

STATE OF FLORIDA
COUNTY OF BROWARD

The foregoing instrument was acknowledged before me by means of physical presence or online, this ____ day of _____, 2024, by DEAN J. TRANTALIS, Mayor of the City of Fort Lauderdale, a municipal corporation of Florida on behalf of the City of Fort Lauderdale.

Notary Public, State of Florida

Name of Notary Typed, Printed or Stamped

Personally Known _____ OR Produced Identification _____

Type of Identification Produced _____

STATE OF FLORIDA
COUNTY OF BROWARD

The foregoing instrument was acknowledged before me this by means of physical presence or online, this ____ day of _____, 2024, by Greg Chavarria, City Manager of the City of Fort Lauderdale, a municipal corporation of Florida on behalf of the City of Fort Lauderdale.

Notary Public, State of Florida

Name of Notary Typed, Printed or Stamped

Personally Known _____ OR Produced Identification _____

Type of Identification Produced _____

EXHIBIT "A"

SUITE 1320



Arrow to door to exit suite

Commission Memo 24-020 2-20-24 Agenda Publication Preview

Final Audit Report

2024-02-12

Created:	2024-02-09
By:	Amber Cabrera (AmCabrera@fortlauderdale.gov)
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