



LETTER TO THE COMMISSION

LTC No. 26-097

TO: Honorable Mayor and Members of the Fort Lauderdale City Commission
FROM: Rickelle Williams, City Manager *RW*
DATE: April 2, 2026
SUBJECT: City Hall Project – Progress Update

The purpose of this Letter to the Commission (LTC) is to provide the City Commission with an update on the progress made to advance the City Hall project.

City staff anticipate bringing forward an Interim Agreement for City Commission consideration at the April 21, 2026, City Commission Regular Meeting. As further defined within this LTC, the City Hall project efforts have progressed over the past ninety (90)-days and have achieved numerous milestones. A top priority, based on City Commission feedback, is to refine the overall space programming needs. The FTL City Hall Partners, LLC ("FCHP") supplemental response proposal (December 2025) included a 302,105 gross square foot building at a construction cost of approximately \$344 million. The current project design discussions have reduced the gross square footage to approximately 235,000.

Based on the City's financial modeling for the project, as acknowledged at the January 13, 2026, City Commission Prioritization Workshop (CAM #26-0099) and the February 17, 2026, City Commission Regular Meeting (CAM #26-0040), the contemplated target project budget is \$200 million. The current project cost estimate exceeds the contemplated budget, however this project element is evolving. City staff are exploring, along with FCHP, strategies to balance the overall project cost with the goals, objectives, and amenities of the new City Hall building. As such, space programming discussions continue to evaluate ways to optimize and reduce the gross square footage. The building design elements are also being reviewed to identify major cost drivers and alternative options, and the financial package is being negotiated to balance the risk and cost of the project delivery. Additional information on these efforts is included within the working group updates below.

Project Background

On December 23, 2025, LTC No. 25-279 informed the City Commission that City staff, outside counsel, and consultants met on December 18, 2025, to determine the roles, responsibilities, timelines, legal forms, and other key considerations related to the next phase of the City Hall project.

On January 8, 2026, the City hosted a kick-off meeting with FCHP to establish a structured negotiation process supported by recurring weekly meetings and specialized working groups. The City and FCHP have the same working group structure that routinely meet independently and collaboratively to advance the assigned goals and objectives. The working groups, which include participation from all four (4) charter officers, are as follows:

- Design-Build Working Group – tasked with the space program of the building, determining the minimum standards, participating in the planning efforts, design review, and construction oversight.
- Finance Working Group – tasked with the short-term and long-term financial impacts including the recommended financial structure, funding sources, balancing strategies, and interactions with outside financial advisors and bond counsel.
- Legal Working Group – tasked with the legal aspects of the interim and comprehensive agreements, ensuring legal compliance with state and local laws, identifying risk profiles, and drafting the legal instruments.
- Operations and Maintenance Working Group – tasked with determining how the building will operate and function, reviewing plans, determining minimum service needs, determining outsourced services, and coordinating with building users to integrate long term service considerations.
- Communications Working Group – tasked with coordinating outreach efforts, public participation, project website oversight, and routine updates.

The initial discussions focused on delivering a non-binding Interim Agreement Term Sheet intended to guide the legal drafting of an Interim Agreement for Commission consideration.

Within the first forty-five (45) days of the project negotiations, the City Commission was presented with a high-level overview of the proposed Interim Agreement Term Sheet at the February 17, 2026, City Commission Conference Meeting (CAM #26-0166). The presentation outlined the structure and intent of the Interim Agreement, which is designed to govern a defined pre-development phase of the project. The City Commission provided feedback which has been incorporated into the ongoing negotiations, which include, but are not limited to:

- Developer fee structures;
- Termination scenarios and financial impacts;
- City-financed compared to developer-financed delivery models;
- Further definition of allowable pre-development expenses; and
- Developer equity contributions and the associated rate of return.

On March 9, 2026, as communicated to the City Commission via LTC No. 26-062, site due diligence activities commenced. Pursuant to a lease agreement between the City and CORE Construction Services of Florida, LLC, the FCHP design-build team member, the City authorized limited site access to support technical due diligence activities. The preliminary survey work is underway, and the initial geotechnical work is scheduled to be conducted in April 2026.

Design-Build Working Group Update

- *Space Programming and Operational Planning* - Space programming remains a critical path item and continues to be actively advanced. To date, one-on-one interviews have been conducted with the elected officials, charter officers, and department directors to better understand the preferred space needs. City staff have conducted follow-up meetings and site visits to validate and refine space needs. These combined efforts have reduced the number of employees located at City Hall to approximately 630 employees with the major factor being that the Development Services Department will remain at the Greg Brewton Building. The proposed fourteen (14)-story City Hall building, currently estimated at approximately 222,500 gross square feet (235,000 total with City Commission Chambers), includes key functional areas such as a ground floor with lobby, security screening, café, a police substation, and support services, as well as a second floor dedicated to high-volume public services. The upper floors are planned to accommodate City leadership and administrative functions, shared meeting spaces, and operational support areas. The program continues to be refined to optimize efficiency, reduce unnecessary square footage, and align with the project priorities and objectives.
- *City Commission Chambers and Public-Facing Components* - The City Commission Chambers (Chambers) is currently estimated at approximately 12,500 gross square feet. The Chambers are planned to accommodate approximately 300 occupants and include a dais, podium, staff seating, press accommodations, audio/visual (A/V) equipment and controls, pre-function space, security screening and queuing, multi-purpose meeting areas, and supporting spaces such as restrooms, storage, and a green room. This component remains a central focus given its importance to public engagement and civic operations.
- *Site Conditions, Environmental Coordination, and Constructability* - Site conditions and environmental coordination efforts are ongoing. Reports and documentation regarding known site conditions were provided to FCHP in late January 2026. Access for additional surveying, geotechnical investigations, environmental assessments, and subsurface utility evaluations, which are being conducted by FCHP via CORE Construction Services of Florida, LLC, were provided through a lease agreement that was executed in March 2026.
- *Design Development, Validation, and Technical Coordination* - The conceptual and

schematic design is being reviewed for independent validation by Jacobs Project Management, the City's Owner's Representative. This includes review of space needs, operational functionality, security requirements, access control, overall design standards, and value engineering opportunities. Coordination is also expanding to include Police, Fire, and Information Technology Services to integrate early input on life-safety systems, emergency response, Crime Prevention Through Environmental Design (CPTED) principles, and technology infrastructure. In addition, the working group members are conducting site visits to other municipalities with newer City Hall facilities (Sunrise and Pembroke Pines) to inform design decisions and operational best practices.

- *Schedule and Cost Alignment* - The project schedule continues to progress, with the Design-Build Working Group working toward establishment of a fixed price project as design development advances. While timing remains subject to ongoing coordination and refinement, current planning assumptions contemplate establishing the fixed price prior to full completion of all design phases, with FCHP assuming all risk for price overruns. The fixed price will be determined during the Pre-Development phase (Interim Agreement) and brought forth as part of the Comprehensive Agreement negotiations.

Finance Working Group Update

- *City-Financed vs. Developer-Financed Delivery Models* - A primary focus has been the comparative analysis of a developer-led financing structure and City-issued special obligation bonds. The analysis, which included participation from the City's financial advisor and the developer's underwriting team, confirmed that while both approaches are viable, each presents materially different cost and risk profiles. As provided by the developer's primary underwriter, developer financing provides a level of performance-based risk transfer through availability payments; however, it results in a higher overall cost of capital, including an estimated \$88 million increase in total debt service over the life of the project (based on a project cost of approximately \$225 million). Conversely, City financing leverages the City's strong credit rating and bonding capacity, resulting in lower borrowing costs and greater flexibility in structuring repayment. Based on these findings, the working group recommended that the City finance the project costs.
- *Developer Equity Contributions and Rate of Return* - The proposed project structure includes a developer equity component. The proposed equity contribution supports performance-based accountability and provides a degree of risk transfer; however, the proposed rate of return is more costly than issuing City debt. Preliminary analysis, based on a project cost of approximately \$225 million, indicates that a ten percent (10%) equity contribution with an eleven and one half percent (11.5%) rate of return will cost the City approximately \$39 million more than issuing City debt.
- *Termination Scenarios and Financial Impacts* - Ongoing analysis is evaluating how financial obligations, including pre-development costs, developer fees, and

financing commitments, would be treated under various termination scenarios. This work is intended to ensure clarity on financial exposure and risk allocation for the City.

- *Developer Fee Structures* - The working group is reviewing developer fee structures and benchmarking against comparable public-private-partnership (P3) projects to ensure alignment with market standards and appropriate compensation relative to project risk and scope. The requested developer fee would be assessed on the construction costs in addition to the developer equity component.
- *Allowable Pre-Development Expenses*. The allowable pre-development costs, including establishing clear categories, documentation requirements, and reporting mechanisms will be clearly memorialized in a stand-alone exhibit as part of the Interim Agreement.

Legal Working Group Update

- *Technical Drafting and Agreement Development* - Leading the technical drafting and refinement of the business terms into legal form and enforceable contractual framework. This includes iterative drafting and redline reviews focused on key provisions such as pre-development scope, termination rights, reimbursement conditions, and overall risk allocation. Ongoing development and refinement of agreement exhibits, including deliverables, milestone documentation, budget reporting requirements, and insurance provisions.
- *Coordination with City Leadership on Business Terms* - Business terms are being developed through a coordinated effort among City leadership, with the Legal Working Group incorporating these policies and financial decisions into the agreement. This ensures alignment with the City's strategic objectives while maintaining consistency throughout the document. Significant progress has been made through detailed working sessions to refine critical provisions, including termination and step-in rights, default and cure mechanisms, and risk-sharing principles.

Operations & Maintenance Working Group Update

- *Operational Framework* - Initial alignment on potential roles and responsibilities between the City and developer, including consideration of performance-based metrics (Key Performance Indicators – KPIs) to support long-term accountability.
- *Facility Management (FM) Program* - Development of operational space needs is underway, including maintenance areas, storage, staff workspaces, and janitorial facilities to support efficient day-to-day operations.
- *Building Systems & Resilience* – Review and input on system design to enhance durability, maintainability, and resilience, including redundancy for critical systems

(electrical, HVAC, plumbing), smart building technologies, and backup systems.

- *Coordination with Design-Build* - Joint working sessions are planned to ensure operational requirements are incorporated into design as the project progresses.

Communications Working Group Update

- *Neighborhood Outreach* - A central focus is maintaining open and ongoing dialogue with neighboring residents and the Council of Fort Lauderdale Civic Associations throughout the design process. The group is planning an outreach schedule to ensure regular engagement to the surrounding community and have meaningful opportunities to provide input as the project evolves.
- *Media Outreach* - The working group is building a proactive media strategy to generate and sustain positive public attention around the project. Efforts are focused on positioning key milestones as newsworthy opportunities, elevating the City's vision, and ensuring consistent messaging across all press engagement.
- *Project Webpage* - All project updates, materials, and information will be housed in a central online hub, providing residents, stakeholders, and media with a single source of truth throughout the life of the project. The project website can be found at: <https://spotlightftl.com/reimagining-city-hall>

As we continue to advance the City Hall project, updates will be provided at key milestones, critical decision points, and at strategic opportunities to gather feedback.

For further information, please contact Ben Rogers, Assistant City Manager, at 954-828-3781 or BRogers@fortlauderdale.gov.

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