

CITY OF FORT LAUDERDALE
GENERAL EMPLOYEES' RETIREMENT SYSTEM
REAL ESTATE COMMITTEE MEETING
316 NE FOURTH STREET, SUITE 2, FORT LAUDERDALE, FL
Thursday, March 2, 2017
10:45 AM

Present: Pat Long, Real Estate Committee Chairman
Ron Cameron, Real Estate Committee Member
Jill Prizlee, Trustee
Jon Stahl, Chairman Board of Trustees
Nick Schiess, Pension Administrator
Alan Vordermeier, VMC Realty
Cole Copertino, City Attorney

CALL TO ORDER

Real Estate Committee Chairman Pat Long called the meeting to order at 11:00 AM.

PUBLIC COMMENT

No members of the public were present.

REAL ESTATE COMMITTEE DISCUSSION ON RENTAL PROPERTY

The Real Estate Committee convened to discuss issues regarding the rental property located at 4800 North Federal Highway in Fort Lauderdale Florida.

Mr. Long discussed the receipt of a Final Order from the City of Fort Lauderdale regarding the unsatisfied requirement of forty year building safety inspection report and the accrual of potential fines. It was noted that Final Order and prior correspondence had been sent to an expired address. Mr. Vordermeier reported that the safety inspection had been performed and the report had just been filed with the City, which was well before the date that fines accrued.

Mr. Vordermeier discussed the timeliness of the lease payments by the tenants. It was noted that the commencement date of one lease had been extended, which may have resulted in ambiguity regarding the date and timing of lease payments. After a lengthy discussion, the Board directed Mr. Vordermeier to clarify with the tenant the due date and timing of lease payments and provide the tenant with an opportunity for compliance.

Mr. Long discussed correspondence received from tenants' legal counsel regarding parking issues, cleanliness and maintenance, pests, and potential non-compliance with ADA requirements. Mr. Vordermeier discussed the parking issues, noting that medical buildings generally require extensive parking capacity and the demand for parking has exceeded the supply at the rental property. It was also noted that improving the handicapped parking would be at the expense of other parking and potentially create additional compliance issues. Mr. Vordermeier

advised that building was within compliance because it existed prior to modern standards, which would require additional parking. He provided several proposals received for the installation of an electric door for the lobby, which had been requested but was not required for compliance purposes. Mr. Vordermeier discussed the maintenance and pest issues, noting that they had already been rectified.

Mr. Vordermeier discussed an upcoming lease renewal for one of the tenants, noting that a request for interior improvements had been submitted and such improvements are customary in lease renewals.

Mr. Vordermeier then discussed a possible remedy to the parking situation involving the purchase of an adjacent property that could be developed into a parking lot. He discussed that anticipated costs and issues surrounding the purchase of the property and conversion for parking. A lengthy discussion arose regarding the potential investment and anticipated returns including likely increases in lease payments. A discussion arose regarding the market value of the rental property with and without improvements in parking.

The Committee discussed the proposed remedy to the parking situation in great detail and by consensus agreed to recommend to the Board at the next meeting conducting an analysis of liquidating the property, retaining the property without parking improvements and purchasing the adjacent property for parking improvements.

ADJOURNMENT

The meeting adjourned at 11:58 AM.