

Sunrise Center GSA Overview

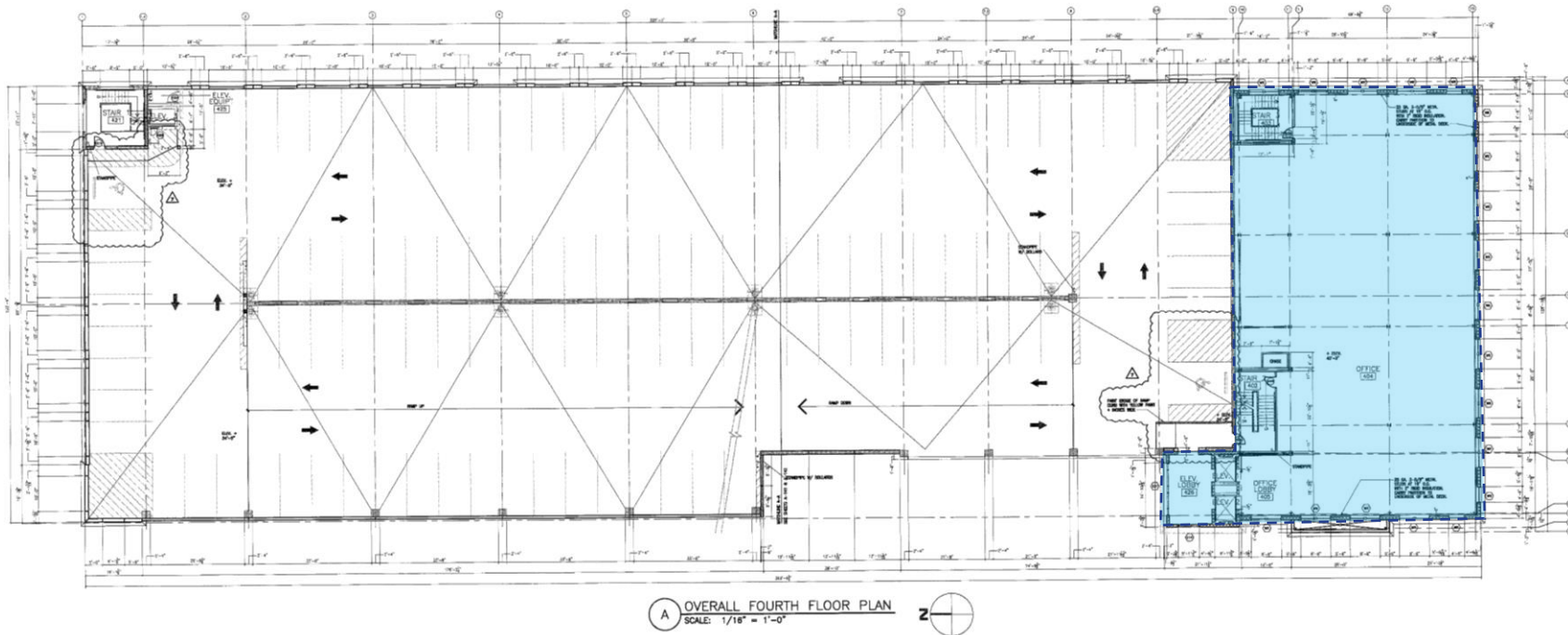
310 Orange Avenue, Fort Pierce, FL



Presented by:
Colliers International

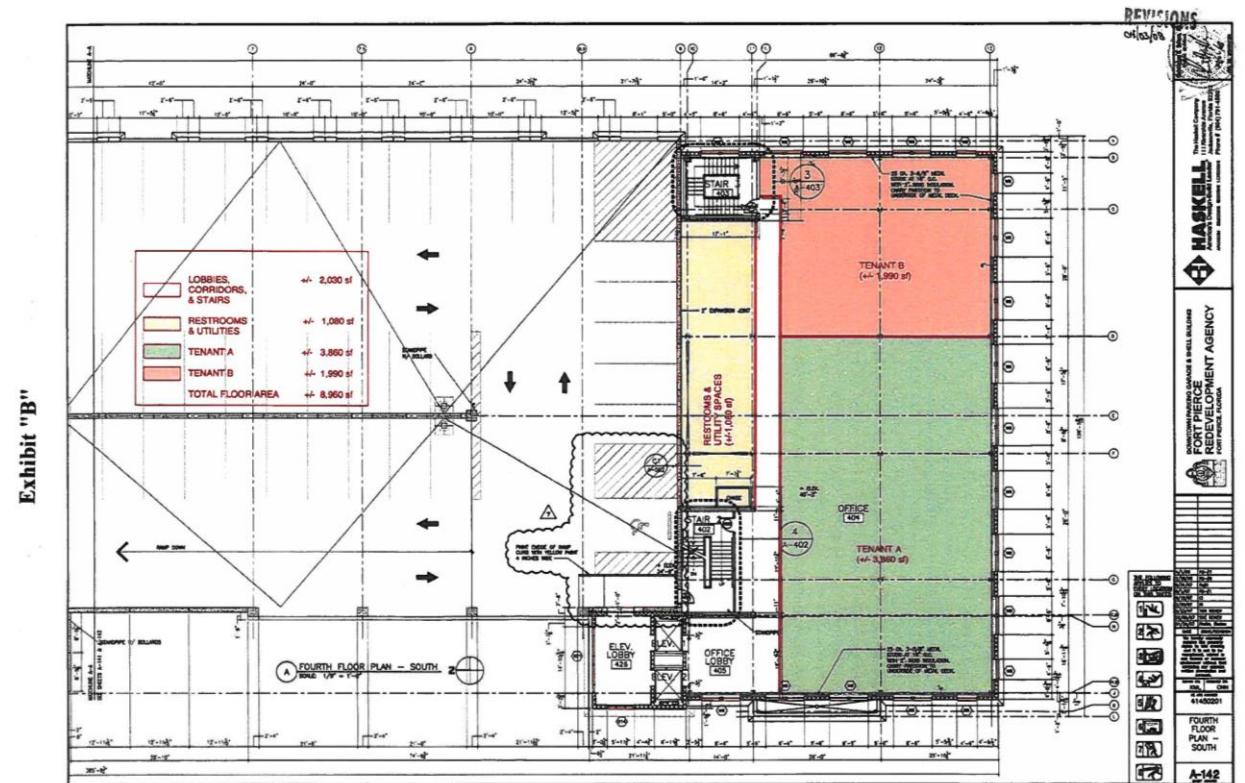
Sunrise Center Overview

- 4th floor +/- 9,000 RSF (vacant)



Summary of GSA RLP Requirement

- GSA RLP No. 6FL0489 - Port St. Lucie, FL - Amendment #5 - Issued April 14, 2022.
- Size: **5,331** - **5,864** useable square feet of contiguous space. Use is General Office/Administrative office.
- Lease term: **15** Years, **13** Years Firm (guaranteed) with one **5**-year renewal option.
 - Government's termination rights: any time after the Firm Term of the Lease by providing not less than **90** days' prior written notice.
- Reserved Parking: **21** structured/inside parking spaces OR surface/outside parking spaces, reserved and secured for the Government.
 - On-Site Parking: Local code or in absence of a local code, a ratio of one (1) space for every **250** rentable square feet of Space.
- Tenant Agency: Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF)
 - Agency may bring in suspects or detainees discreetly through the building to their Space.



Financial Summary – Private Market

Private Market Deal - 13 Year Term - \$1.9M Net Income (Total) to City

\$25.00/RSF NNN

3% Annual Escalations

6 Months of Free Gross Rent

\$50.00/RSF Tenant Improvement

Commissions: 7% on the Gross Rent – Capped at 10 years

Financial Summary – Upfront Capital Outlay

Buildout Costs		
<i>PRSF</i>	<i>Aggregate</i>	
\$51.09	\$328,770	Tenant Improvement Allowance. This is a stipulated amount by the Government. It will be used to buildout ATF's space. It is amortized into the rental rate we have offered.
\$10.91	\$70,200	Building Specific Amortized Capital Allowance. This is a stipulated amount by the Government. It will be used for security related improvements at the property. It is amortized into the rental rate we have offered.
\$75.00	\$482,625	Potential Tenant Improvement Allowance Overage. The Tenant Improvement Allowance (\$51.09 PRSF) will not be enough to buildout the space for ATF. When there is an overage, as is the case most of the time, GSA has two options: either request that the Landlord amortize the additional funds into the rental rate or reimburse the Landlord for the additional funds when the space is completed. In either case, the Landlord must still float the overage. The Landlord is made whole for this overage, even though it is not included in the offered rent, however, the Landlord must be prepared to fund / float this additional cost. We have put a placeholder in for what that overage might be.
\$60.00	\$386,100	Building Shell Costs. Some aspects of the construction are not paid for out of the Government's allowances, they are an uncapped turnkey obligation of the Landlord. This includes the cost of restrooms, the ceiling, lights and HVAC ducting. We have put a placeholder of \$60.00 PRSF in for this expense. That is amortized and built into our offered rental rate. If the actual cost to complete these improvements is ultimately less than our assumption, our rental rate is unchanged, and it is a windfall for ownership. If the actual costs come in over this estimate, we cannot increase our rent and we have a shortfall.
Subtotal :	\$197 \$1,267,695	
\$34	\$218,000	Colliers & Public Properties (GSA's Broker). Paid 50% at signing and 50% at lease commencement
TOTAL:	\$231 \$1,485,695	

Financial Summary

Total Rent received (over term) **-\$4.1m.**

Direct reimbursement to City from GSA for overage **\$482,625** (estimated @ \$75/PSF). **Total collected by City = \$4.6m**

Total Expenses - **~\$2.6 million** (\$1.5million in upfront capital + operating expenses + periodic services).

Net Income to City (over 13 years) - ~\$2.0 million over 13 years

	Firm Term (13 Yr)	Non-Firm Term (15 Yr)
	Annual Rent	Annual Rent
Shell Rent	\$217,411.18	\$248,101.18
Operating Costs	\$53,783.95	\$53,783.95
Tenant Improvements Rent	\$25,290.00	-
Building Specific Amortized Capital (BSAC)	\$5,400.00	-
Parking	\$12,600.00	\$12,600.00
Total Annual Rent	\$314,485.13	\$314,485.13

Shell Rent Calculations:

(Firm Term) \$33.79 per RSF (6,435)

(Non-Firm Term) \$38.55 per RSF (6,435). This rate remains for the 5-year non-firm term renewal option. GSA can exercise the renewal option with 120 days notice before the end of the original Lease term.

Operating Costs rent calculations: \$8.36 per RSF.

Tenant improvements of \$328,770.00 (\$51.09/SF) amortized over 13 years.

Building Specific Amortized Capital (BSAC) of \$70,200.00 amortized over 13 years.

Parking at a rate of \$50.00 per structured parking space per month - 21 reserved spaces.

Next Steps

1. Once the federal government has received a complete offer from the City, the federal government will request a final offer.
2. If the City's final offer is accepted by the federal government, the federal government will draft a lease. It will be sent to the City for execution. The City will sign the lease prior to the federal government.
3. After the lease is signed, the City will be responsible for retaining an architect, project manager and general contractor (pursuant to the requirements of the lease) to design and construct the space on behalf of the federal government. Costs for architect, project manager & contractor are included in rent - amortized over term).