



CITY OF FORT LAUDERDALE
City Commission Agenda Memo
REGULAR MEETING

#23-1194

TO: Honorable Mayor & Members of the
Fort Lauderdale City Commission

FROM: Greg Chavarria, City Manager

DATE: December 19, 2023

TITLE: Resolution Rescinding Resolution No. 23-261 and Declaring Notice of Intent to Sublease City-Owned Property Located at 501 Seabreeze Boulevard, Fort Lauderdale, Florida 33316, Pursuant to Section 8.13 of the City Charter, to ISHOF Peninsula LLC - **(Commission District 2)**

Recommendation

Staff recommends that the City Commission adopt a Resolution rescinding Resolution No. 23-261 and declare a notice of intent to sublease pursuant to the City Charter section 8.13 declaring the City's intent to approve a sublease for City-owned property located at 501 Seabreeze Boulevard, Fort Lauderdale, Florida 33316 ("Premises"), to ISHOF Peninsula LLC ("Lessee").

Background

On September 19, 2023, a public hearing was held to discuss and approve a comprehensive agreement with Hall of Fame Partners, LLC ("HOF"). This agreement covers a qualified project involving the construction, maintenance, and operation of the East and West Buildings at the International Swimming Hall of Fame Complex, which is located at the Premises. Resolution 23-212 (Exhibit 2) also approved various appended agreements and authorized the City Manager to execute the agreements and related documents.

Per section 8.13 of the Charter, the City of Fort Lauderdale ("City") is authorized to lease to civic and charitable organizations for a maximum of fifty (50) years to be used by the Lessee for purposes consistent with the public good. Resolution No. 23-212 declared the City's intent to enter into an agreement for City-owned property located at the Premises, to International Swimming Hall of Fame, Inc. or an affiliated organization.

On November 7, 2023, Resolution No. 23-261 (Exhibit 1) issued a notice of intent for subleasing the Premises to ISHOF Properties, Inc. Subsequently, on November 21, 2023, the City received a request from the International Swimming Hall of Fame, Inc. to rescind this notice of intent and to initiate the subleasing process anew with ISHOF Peninsula LLC, a Florida limited liability company. The transition from ISHOF

Properties, Inc. to ISHOF Peninsula LLC serves to resolve certain tax consequences with the Internal Revenue Service. ISHOF Peninsula LLC is a subsidiary of the International Swimming Hall of Fame, Inc. ("ISHOF") ("Exhibit 4). That is, ISHOF is the sole member of the limited liability company.

ISHOF Peninsula LLC will provide a public benefit by providing recreational, sporting, and educational facilities which will be used by the public at large. The final agreement will be presented before the City Commission on January 23, 2024.

A summary of the terms of the sublease are as follows:

- Lease Term: Thirty (30) year sublease (note Lessee had requested the term be up to 50 years, however, consistent with advertising and the comprehensive agreement, the term will be 30 years and may be extended in the future by completing a notice of intent process consistent with section 8.13 of the Charter).
- Effective Date: Once Master Facilities Lease and Ground Lease are executed.
- Rent: HOFP will generate revenue through a revenue sharing structure for the Project, wherein the City is entitled to 100% of the Lease Based Revenues during the term of the Master Facilities Lease. Additionally, the City will receive the first Two Million and 00/100 Dollars (\$2,000,000) of the Non-Leased Based Revenue, and thereafter, the remaining Non-Lease Based Revenues will be split equally between the City and International Swimming Hall of Fame. An annual audit of all revenue sources will be conducted by the City, and monthly and annual revenue statements will be provided by the Facilities Manager and a certified public accountant, respectively, for transparency.
- Lessee will sub-sublease most of the space in the to-be-constructed East and West Buildings.
- Lessee will be responsible for all repairs and maintenance of the to-be-constructed East and West Buildings.

Resource Impact

There is no resource impact until substantial completion of the project, expected in FY 2027.

Strategic Connections

This item is a *2024 Commission Priority*, advancing the Public Places Initiative.

This item supports the *Advance Fort Lauderdale 2040 Comprehensive Plan* specifically advancing:

- The Public Places Focus Area
- The Parks, Recreation & Open Space Element
- Goal 2: Be a community with high quality parks and recreational facilities that highlight the character of our City.

Attachments

Exhibit 1 – Resolution No. 23-261

Exhibit 2 – Resolution No. 23-212

Exhibit 3 – Resolution

Exhibit 4 – Sun Biz Information Sheet for ISHOF Peninsula LLC

Prepared by: Angela Salmon, Assistant to the City Manager, City Manager's Office

Charter Officer: Greg Chavarria, City Manager