



CITY OF FORT LAUDERDALE
City Commission Agenda Memo
REGULAR MEETING

#24-0109

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

FROM: Greg Chavarria, City Manager

DATE: January 23, 2024

TITLE: Resolution Approving Amendment No. 2 to the Master Lease Agreement Approving the Declaration of Restrictive Covenants, Approving the Amended and Restated Declaration of Covenants & Restrictions of Bahia Mar Master Association, Inc., Approving revisions to the Quit Claim Deed; and Ratifying the Interlocal Agreement - **(Commission District 2)**

Recommendation

Staff presents for City Commission's consideration the approval of a Resolution that amends the Master Lease Agreement ("Master Lease") between the City of Fort Lauderdale ("City") and Rahn Bahia Mar, LLC. ("Lessee"). The Master Lease pertains to the City owned property, commonly known as Bahia Mar, located at 801 Seabreeze Boulevard, Fort Lauderdale, Florida 33316. The Resolution seeks to approve the Declaration of Restrictive Covenants, the Amended and Restated Declaration of Covenants and Restrictions of the Bahia Mar Master Association, Inc. revisions to the Quit Claim Deed and to ratify the Interlocal Agreement by and between the City of Fort Lauderdale, Rahn Bahia Mar LLC and Bahia Mar Community Development District. It also authorizes the appropriate City Officials to execute these instruments along with any ancillary or supplemental documents related thereto.

Background

On April 5, 2022, the City Commission approved the Master Lease. (Exhibit 1). On October 18, 2022, the City Commission approved Amendment No. 1 to the Master Lease (Exhibit 2). On June 20, 2023, the City Commission approved the Site Plan (Exhibit 3) for development of Bahia Mar. On December 5, 2023, the City Commission approved the creation of the Bahia Mar Community Development District ("CDD"). On January 9, 2024, and pursuant to Section 8.02 of the City Charter, the City Commission authorized the conveyance of the Air Rights Parcel (Exhibit 4) and an Interlocal Agreement with the CDD (Exhibit 5). To complete the conditions for conveyance of the Air Rights Parcel, the following documents are being presented to the City Commission for consideration.

1. Amendment No. 2 to Master Lease Agreement (Exhibit 6). This Amendment seeks to recognize the rights of the CDD to the Air Rights Parcel upon conveyance of the Air Rights Parcel, revise the dates for completion of the Park and Promenade to

coincide with completion of Phase I of the Project. Phase I includes Residential Tower 1 and Residential Tower 2 and the Hotel as reflected on the Approved Site Plan attached to the First Amendment to the Master Lease. This amendment also acknowledges that the Hotel when constructed will move from under the Master Lease to the Air Rights Parcel.

2. Declaration of Restrictive Covenant (“DRC”) (Exhibit 7). The DRC creates a new enforcement mechanism for the City for portions of the Site Plan developed within the Air Rights Parcel and replicates and transfers the economic and other benefits to the City from the Phased Lease to the DRC, includes restrictions on the number of residential units, includes the prohibited uses and other terms and conditions. The financial benefit related to the Air Rights Parcel to the City is summarized in Exhibit 6. It is contemplated that the Phased Lease will be executed by the City and the Phased Lessee that will develop a tower in a portion of the Air Rights Parcel but terminated by the Phased Lessee before any condominium is created and the units are sold to the end users. The DRC will be recorded in the public records of Broward County and constitutes a covenant running with the land. It is anticipated that a Phased Lease will be executed for each Residential Tower and subsequently terminated.
3. Amended and Restated Declaration of Covenants & Restrictions of Bahia Mar Master Association, Inc. (“DCR”) (Exhibit 8). The City was a party to the initial DCR and must join in to acknowledge the rights, duties, benefits, including easements granted by the City, and obligations of the parties who reside, occupy, operate lease or own units or facilities within Bahia Mar, including the Boat Show operator, the Marina subtenant, the Park, the Promenade. The DCR also provides for architectural standards, access, parking rights and privileges and other matters requiring the parties to cooperate and share facilities and privileges within this development. This amended DCR adds the CDD as a signatory to this instrument and recognizes the rights, obligations and limitations of the CDD. The DCR also includes a Right of Reverter in favor of the City relating to the Air Rights Parcel. If the Phased Lessee does not commence construction of Phase I within 20 years, then the Air Rights Parcel may revert back to the City.
4. Quit Claim Deed (Exhibit 11). The revised Quit Claim Deed, which is an exhibit to the Interlocal Agreement between the City, the Lessee and the CDD, adds language which merely acknowledges the Right of Reverter in favor of the City as described in the DCR.

Strategic Connections

This item is a Press Play Fort Lauderdale Strategic Plan 2024 initiative, specifically advancing:

- Internal Support Focus Area
- Goal 8: Build a leading government organization that manages all resources wisely and sustainably.

- Objective: Maintain financial integrity through sound budgeting practices, prudent fiscal management, cost effective operations, and long-term planning.

This item advances the *Fast Forward Fort Lauderdale Vision Plan 2035: We Are United*. The item advances the *Advance Fort Lauderdale 2040 Comprehensive Plan* specifically advancing:

- The Neighborhood Enhancement Focus Area
- The Future Land Use Element
- Goal 2: The City shall encourage sustainable, smart growth which designates areas for future growth, promotes connectivity, social equity, preservation of neighborhood character and compatible uses.

Attachments

Exhibit 1 – Master Lease Agreement

Exhibit 2 – Amendment No. 1 to Master Lease Agreement

Exhibit 3 – Site Plan

Exhibit 4 – Air Rights Parcel

Exhibit 5 – Resolution No. 24-14 Approving Conveyance of Air Rights Parcel

Exhibit 6 – Amendment No. 2 to Master Lease Agreement

Exhibit 7 – Declaration of Restrictive Covenants

Exhibit 8 – Amended and Restated Declaration of Covenants and Restrictions of Bahia Mar Master Association, Inc.

Exhibit 9 – Summary of Consideration under Air Rights Parcel and Master Lease

Exhibit 10 – Resolution

Exhibit 11– Revised Quit Claim Deed

Prepared by Angela Salmon, Assistant to the City Manager

Charter Officer: Greg Chavarria, City Manager