



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

**FROM:** Lee R. Feldman, ICMA-CM, City Manager

**DATE:** April 7, 2015

**TITLE:** Las Olas Marina Expansion

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**Recommendation**

It is recommended that the City Commission either accept the unsolicited proposal from LOMMXD, LLC Developers and direct staff to move forward with required notice and to accept other proposals for the same project, as stipulated in Section 287.05712, Florida Statutes; or to reject the LOMMXD, LLC Developer's unsolicited proposal, and direct staff to prepare a Request for Proposals (RFP) to renovate the existing marina and potentially expand the marina into the upland area to accommodate docking facilities for mega yachts.

**Background**

LOMMXD, LLC Developers submitted an unsolicited proposal to the City to renovate and operate the Las Olas Marina, and to construct a hotel and associated commercial and public facilities on the upland area north of the Las Olas Bridge. The proposal sets forth a framework for a ground lease, revenues to the City, the developer's responsibilities and proposes a City contribution. A summary, together with the detailed proposal is provided as Exhibit 1. As proposed, the developers are requesting a City/CRA contribution of \$20.1 million, together with a commitment that the incremental property taxes generated by the project over the remaining life of the Beach CRA be committed to the project (estimated at \$3.8 million). The ground lease revenues to the City include an annual \$1.0 million "parking offset" for the first two years of the lease to offset lost parking/marina revenues during construction; and a \$4,186,979 base rent payment beginning in year three, with an annual increase of \$104,674 beginning in year four.

This proposal is subject to the Las Olas Marina Submerged Land Lease between the Trustees of the Internal Improvement Trust Fund (TIIF) and the City of Fort Lauderdale. On March 17, 2015 the City Attorney's office provided the City Commission with a bullet point summary of this lease, which includes a 50% net profit sharing for the first thirty years, and a 50% gross profit sharing, less 50% normal maintenance expenses thereafter. It also sets forth requirements on the use of the marina and uplands, and requires prior consent of TIIF for any changes thereto (see Exhibit 2).

The Marine Advisory Board and others from the marine industry have recommended that the City Commission renovate the existing Las Olas Marina and expand the marina into the upland area to accommodate docking facilities for mega yachts (80' in length or longer). It has been represented to the City Commission that there would be interest by the private sector in bidding on an RFP to expand and operate the marina. It is anticipated that no additional CRA funding will be required, should the Commission choose to issue an RFP. Expansion of the marina will also be subject to the aforementioned submerged land lease.

### **Resource Impact**

If the City Commission decides to accept the proposal from LOMMXD, LLC Developers there will be a fiscal impact to the CRA of \$20.1 million, which will require reprioritization of spending for Beach projects.

### **Strategic Connections:**

This item is a *Press Play Fort Lauderdale Strategic Plan 2018* initiative, included in the **Public Places Cylinder of Excellence**

- **Goal 3:** Be a community that finds opportunities and leverages partnerships to create unique, inviting, and connected gathering places that highlight our beaches, waterways, urban areas and parks;
- **Objective 1:** Improve access to and enjoyment of our beach, Riverwalk, waterways, parks, and open spaces for everyone

This item is in furtherance of the Fast Forward Fort Lauderdale Vision Statement *We Are Here*.

### Attachments:

Exhibit 1 – Summary and Detailed Proposal

Exhibit 2 – City Attorney Summary

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Prepared by: Donald Morris, AICP, Economic Reinvestment Administrator

Department Director: Jenni Morejon, Sustainable Development