



CITY OF FORT LAUDERDALE
Commission Agenda Memo
REGULAR MEETING

#16-1529

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

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

DATE: December 20, 2016

TITLE: Motion to Approve Land Swap Agreement with Barefoot Contessa, LLC

Recommendation

It is recommended that the City Commission approve a Land Swap Agreement, attached hereto in substantial form as **Exhibit "1"** with Barefoot Contessa, LLC. The land swap agreement concerns the swap of two sites but thirteen total parcels. The "Sebastian Site" is owned by the City of Fort Lauderdale, inclusive of eight parcels, and is located between N. Seabreeze Boulevard and N. Birch Road. The "Natchez Site" is owned by Barefoot Contessa, LLC, inclusive of five parcels, and is located between Birch State Park and Vistamar Street.

Background

At the September 20, 2016, City Commission Conference Meeting, the City Commission was presented a proposal by Barefoot Contessa, LLC, owners of the parcels known as the Natchez Site, for a land swap that would involve the parcels known as the Sebastian Site and owned by the City of Fort Lauderdale. The City is desirous of the acquiring the Natchez Site as it is a desirable location for the development of a public parking lot.

The City shall sell an convey title to the Sebastian Site to Barefoot Contessa, LLC subject to the Declaration of Restrictive Covenants respecting Sebastian Site. The Development Project on the Sebastian Site is broken into two phases, Phase I Declaration Period and Phase II Declaration Period.

Phase I Declaration Period

Phase I Declaration Period shall be the period commencing with the conveyance and transfer of title to the Sebastian Site from the City to Barefoot Contessa, LLC and concluding with the issuance of all development permits and build permit necessary for the construction of a mixed use development project. The City will retain exclusive easement rights to the operation, maintenance, and retention of operating revenues, including ticket and enforcement revenues from the 77 public parking spaces and 43 semi-public Casablanca parking spaces. Operation and maintenance of the parking

facilities on the Sebastian Site during the Phase I Declaration Period shall be the exclusive domain of the City.

The triangular portion of the Sebastian Site bounded on the east by State Road A1A and on the west by Seabreeze Boulevard shall remain an open space landscaped pedestrian area with the developer having full operational and maintenance responsibility.

Phase II Declaration Period

During the Phase II Declaration Period, the City shall retain exclusive easement rights within the development project relative to the 77 public parking spaces and 43 semi-public Casablanca parking spaces. The parking rates for the use of the 77 public parking spaces during the Phase II Declaration shall be determined and approved by the City in accordance with the parking rates customarily charged by the City for public parking spaces in the beach area.

The location of the 77 public parking spaces shall be located in the lowest levels of the parking facilities within the development project. During Phase II Declaration Period, the City shall remain responsible for the operation and maintenance of the 77 public parking spaces.

During the Phase II Declaration Period, the rights to the use of the 43 semi-public Casablanca parking spaces within the development project shall be owned and controlled by the developer subject to the following:

- As to the spaces that Casablanca leases from the developer, it shall be responsible for managing and operating such spaces that it leases from the developer during the lease term.
- The 43 semi-public Casablanca parking spaces shall be operated as valet-only parking spaces
- In the event Casablanca elects not to lease all or any portion of the 43 semi-public Casablanca public parking spaces, those spaces shall be made available by developer for use by the City on a first refusal basis.

Appraisal Process

Appraisals were done on the sites to determine the value of both. The City of Fort Lauderdale hired Allied Appraisal Services, Inc. to perform appraisals on the Natchez and Sebastian Sites. Barefoot Contessa, LLC hired CBRE Valuation and Advisory Services to perform an appraisal on their Natchez Site. Barefoot Contessa, LLC's counsel disagreed with the value of Allied Appraisal Services, Inc.'s appraised value of the Natchez Site. Both appraisers met, with City staff and Barefoot Contessa, LLC's counsel, and ultimately decided that a mutually agreed upon third appraiser shall conduct an independent appraisal of the Natchez Site. A matrix is provided to illustrate the values derived by the appraisal performed. There is no obligation on the part of either party to pay the other a value differential as part of the purchase price at the time of the closing.

	Allied Appraisal Services, Inc.	CBRE Valuation and Advisory Services	Roe Minor Realty Consultants
Sebastian Site	\$23.6 million	X	X
Natchez Site	\$21.5 million	\$25 million	\$25.9 million

Resource Impact

There will be an estimated negative fiscal year impact of \$65,000 associated with the closing costs of the purchase of the property. The closing costs will be paid out of the parking fund subject to approval of a budget amendment that will go before the City Commission at the January 4, 2017, City Commission Meeting.

Strategic Connections:

This item is a Press Play Fort Lauderdale Strategic Plan 2018 initiative, included within the Internal Support Cylinder of Excellence, specifically advancing:

- Goal 12: Be a leading government organization, managing resources wisely and sustainably
- Objective 1: Ensure sound fiscal management
- Initiative 1: Achieve a structurally balanced budget through viable revenue sources, smart financial management, comprehensive financial forecasting, and results-oriented and efficient services

Attachments:

Exhibit 1 – Land Swap Agreement

Exhibit 2 – Allied Appraisal Services, Inc. Sebastian Site appraisal

Exhibit 3 – Allied Appraisal Services Inc. Natchez Site appraisal

Exhibit 4 – CBRE Valuation of Advisory Services Natchez Site appraisal

Exhibit 5 – Roe Minor Realty Consultants Natchez site appraisal

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Department Director: Lee R. Feldman, ICMA-CM, City Manager