



**CITY OF FORT LAUDERDALE
City Commission Agenda Memo
SPECIAL REGULAR MEETING**

#14-0855

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

FROM: Lee Feldman, ICMA-CM, City Manager

DATE: July 10, 2014

TITLE: Consent Resolution – Executive Airport Parcels 25, 26, 27 and 19B Lease
Agreement with FTL Waterresort, LLC

Recommendation

It is recommended that the City Commission approve a resolution authorizing the City Manager to execute a Lease Agreement for Executive Airport Parcels 25, 26, 27, and 19B with FTL Waterresort, LLC in substantially the form attached for an annual rental rate starting at \$810,000.00 for the first year with annual adjustments. The term of the lease will be for 30 years with two five year options.

Background

The City has been working with Schlitterbahn on a lease of parcels 25, 26, 27 and 19B (The Stadium property) at Executive Airport, for the development of a waterpark. The property consists 64.32 acres and is situated on the east side of the airport. Currently these parcels include Fort Lauderdale Stadium with associated parking facilities and ball fields on parcel 27, and Lockhart Stadium with associated parking facilities on parcel 26. Parcels 25 and 19B have no improvements placed on them.

This item was presented to the Commission at its July 1, 2014 meeting via CAM #14-0744. Several questions arose, such as a demolition bond, which needs further discussion. A special meeting is scheduled for July 10, 2014 at 2:00pm.

The proposed Schlitterbahn Waterpark is a one-of-a-kind economic development project that will transform the existing Fort Lauderdale Stadium property and adjacent parcels into a world class resort featuring a five star waterpark along with amusement rides, swimming pools, sports and recreational activities, summer camps, resort lodging, destination retail, and live entertainment.

Renovations will be made to Fort Lauderdale Stadium and the surrounding properties. Four new soccer fields will be constructed and available for public use. The project is expected to create 100 new permanent jobs, including executive, management, and administrative

positions, and 2,000 new seasonal jobs, while generating an economic impact of \$267 million per year.

Annual rent for the property will start at \$810,000.00 or \$.28 per square foot and will be due in monthly installments. Monthly rent shall begin accruing on the commencement date of the lease; however, payments will be deferred for an 18 month period beginning on the commencement date of the lease. The deferred rent will bear simple interest. The interest rate will be set once per year on the anniversary date of the lease. The deferred rent and accrued interest will be paid in 60 monthly payments, beginning the 60th month after the commencement date of the lease.

Rent will be subject to an annual increase beginning one year after the commencement date. The rent adjustments will be the greater of a 1% increase or an increase based on the Consumer Price Index (CPI), but will not be greater than 5% in any given year. The term of the lease will be for 30 years with two five year options.

Execution of this lease is an opportunity to realize revenue from property that has long been undervalued and is now vacant.

On May 22, 2014 the owner/operator of the water park presented the overall park theme at a joint meeting with the Aviation and Parks and Recreation Advisory Boards. At the July 24, 2014 Aviation Advisory Board (AAB), a draft lease was not yet available for their review. A special meeting of the AAB was scheduled for June 30, 2014 where the lease was reviewed and the AAB unanimously voted in supported the Lease.

Two public meetings were held on June 4 and 12, 2014 with neighbors from Twin Lakes and Palm Aire Homeowner Associations. Some of the neighbors' concerns included traffic, noise, and the number of events that that will be held at the water park. These issues will be addressed during the Development Review Committee process.

Resource Impact

There will be a positive impact to FY 2017-2044 revenues of \$810,000 plus annual CPI adjustments.

Strategic Connections

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

- **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.
- **Initiative 1:** Create playful areas for all ages, considering families, active and passive sports, and pets.

This item advances the *Fast Forward Fort Lauderdale 2035 Vision Plan: We Are Here*

Attachments:

Exhibit 1 –Lease Agreement – redlined

Exhibit 2 – Lease Agreement - clean

Exhibit 3 – Resolution

Prepared by: Julie Leonard, Deputy Director, Transportation & Mobility

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