



**CITY OF FORT LAUDERDALE
City Commission Agenda Memo
CONFERENCE MEETING**

#25-1136

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

FROM: Rickelle Williams, City Manager

DATE: November 18, 2025

TITLE: International Swimming Hall of Fame Project Updates - **(Commission District 2)**

Background

On September 19, 2023, the City Commission adopted a resolution approving a Comprehensive Agreement (CA) with Hall of Fame Partners, LLC (HOFP) for a qualified project (Project) that includes the construction, maintenance, and operation of the East and West buildings (Improvements) at the International Swimming Hall of Fame Complex (Property) located at 501 Seabreeze Boulevard (CAM #23-0723). Pursuant to the terms of the CA, the City will lease the Property to HOFP to facilitate the construction, operation and maintenance of the Improvements. Once constructed, HOFP will lease the Improvements to the City (Master Facilities Lease) that will in turn sublease the facilities to the International Swimming Hall of Fame, Inc. (ISHOF), a Florida Not for Profit Corporation and ISHOF Peninsula, LLC (Peninsula), a wholly owned subsidiary of ISHOF. ISHOF and Peninsula would then sub-sublease the Improvements to various entities.

At the time of approval, total project costs were estimated at \$190 million, resulting in a maximum annual commitment for the City under the Master Facilities Lease of \$11 million annually (expected range of \$9.5 million - \$11 million), commencing on substantial completion of the Project. The City's obligation under the Master Facilities Lease will be offset by revenues generated from sub-subleased space in the buildings as well as other revenues generated by the Project, pursuant to a revenue sharing formula included in the CA. The PFM Financial Advisors, LLC (PFM) report dated August 3, 2023 (Exhibit 2) provided a range of City financial commitment/exposure during the term of the project from a positive \$162,646 to a negative \$3,366,437 under a base case and four (4) separate revenue scenarios (increasing approximately 3% per year).

The CA provides that the City will have the opportunity to review and comment on the plans and budget for the respective phases. Phase 1, which included the demolition and abatement of the West building, seawall construction, Ocean Rescue building construction, and related soft costs, closed in October 2024. Phase 2 included the West building (ISHOF Museum, including exhibits and tenant improvements, event center,

intracoastal and rooftop restaurants, diving grandstands and VIP Suites, parking garage, and related soft costs). Phase 3 included the East building (ISHOF Welcome Center, coffee shop/café, Flow Rider, commercial office space, rooftop public terrace, and related soft costs). Phase 4 included commercial and hospitality tenant improvements and furniture, fixtures, and equipment, signage, hardscape, landscape, public dock, and related soft costs.

Based on subsequent City Commission and community feedback, as well as the addition of an aquarium to the Project, HOFP presented a revised Project and increased Project budget at the November 4, 2025 Conference Meeting (Exhibit 3) that included the following:

- Request to revise sections of the CA relating to private funding, to allow for current and future grant awards (including the recent award of \$4,270,769 from the Florida Inland Navigation District for the seawall portion of Phase 1);
- Request to increase the maximum Master Facilities Lease payment from \$11 million to \$13.6 million (attributable to an increase in project budget from \$190 million to \$218.8 million, as well as increases in interest rates and capitalized interest since CA approval);
- Request to change the revenue sharing formula, increasing City Preferred Revenues from \$2 million to \$4.75 million in order to offset the increase in the maximum Master Facilities Lease payment; and
- Request for other changes necessary to reflect the East building change (renovation vs. reconstruction) and the addition of the elevated promenade.

The City engaged PFM to provide an updated report based on the above proposed amendments to the CA (Exhibit 4). The report provides a range of City financial commitment/exposure during the term of the project from a positive \$1,104,129 to a negative \$1,381,999 under a base case and five (5) separate revenue scenarios (increasing by approximately 3% per year).

As part of the PFM analysis, HOFP provided copies of signed leases and Letters of Intent (LOI) as follows (representing 100% of lease-based revenue from the East and West buildings and 75% of lease-based kiosk revenue):

- Apogee Lauderdale LLC – 29,309 square feet West building (lease)
- Fort Lauderdale Aquarium LLC – 20,000 square feet West building (lease)
- Alchemy Attractions LLC – 20,000 square feet West Building (LOI)
- Apogee Lauderdale LLC – 12,000 square feet East building (LOI)
- Deep Blue Attractions LLC – seven (7) kiosks on elevated promenade (LOI)
- Apogee Lauderdale LLC - six (6) kiosks on elevated promenade (LOI)
- Team Horner –VIP Suite (LOI)

- Capital Group –VIP Suite (LOI)
- AquaCal –naming rights promenade (LOI)

Staff reviewed the SunBiz business registration filings for each of the organizations above noting several are single purpose entities formed for purposes of participating in this project. Principals of these organizations include individuals affiliated with Capital Group Realty (HOFP ownership entity) and/or International Swimming Hall of Fame.

Based on City Commission feedback at the November 4, 2025 Conference Meeting, staff and HOFP met to discuss additional strategies to mitigate City risk as part of the project. HOFP is now proposing the following revisions to the CA and related documents, in addition to the requested revisions above:

- During the 30 year term of the CA, in the event of a negative balance to the City at the end of a fiscal year (after calculating City revenues less the Master Facilities Lease payment) using the revenue sharing model set forth in Section 5.02 of the CA, HOFP agrees to no revenue share split between City and ISHOF (i.e. City receives 100% of the amount subject to revenue sharing) for the applicable fiscal year with the negative balance. Upon the City receiving the applicable funds via revised calculation, the 50/50 split (City/ISHOF) will be restored for the next fiscal year. In the event, the City does not receive funds as calculated and prescribed via no revenue share split (City/ISHOF), both parties agree that the no revenue share split will be maintained into the next fiscal year on a monthly basis until funds are received by the City (i.e. the City is made whole).
- For the thirty (30) years after commencement of the Master Facilities Lease payment, in the event of a positive balance to the City at the end of a fiscal year (after calculating City revenues less the Master Facilities Lease payment) using the revenue sharing model set forth in Section 5.02 of the CA, HOFP agrees that fifty percent (50%) of the ISHOF revenue share will be placed in a City held interest bearing escrow account, which may be drawn down by the City in the event of previous years or future years negative balances. The escrow account will be maintained through the term of the CA, and any remaining balance at the end of the term will be split equally (50/50) between the City and ISHOF.

The impact of the proposed changes is detailed in the staff presentation (Exhibit 1).

On November 11, 2025, HOFP provided the attached November 10, 2025 Economic and Fiscal Benefits Analysis (Exhibit 5). Given the timing of the submittal, staff has not independently validated the report.

Resource Impact

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

Strategic Connections

This item is a *2026 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 – Presentation

Exhibit 2 – August 3, 2023 PFM Report

Exhibit 3 – November 4, 2025 HOFPP Presentation

Exhibit 4 – November 4, 2025 PFM Report

Exhibit 5 – November 10, 2025 HOFPP Submitted Economic and Fiscal Benefits
Assessment

Prepared by: Susan Grant, Special Advisor, City Manager's Office

Department Director: Rickelle Williams, City Manager