



Bahia Mar Hotel & Marina Proposal Review

March 8, 2022

Prepared for City of Fort Lauderdale
100 N Andrews Ave,
Fort Lauderdale, FL 33301
Chris Lagerbloom, City Manager

Prepared by Colliers
200 E Broward Blvd, Suite 120
Fort Lauderdale, FL 33301
Ken Krasnow | Vice Chairman, Institutional Investor Services
Brooke Berkowitz | Director, Public Institutions
Bastian Lagerbauer | Director, Investment Services

Accelerating success.



This document has been prepared by Colliers International for advertising and general information only. Colliers International makes no guarantees, representations or warranties of any kind, expressed or implied, regarding the information including, but not limited to, warranties of content, accuracy and reliability. Any interested party should undertake their own inquiries as to the accuracy of the information. Colliers International excludes unequivocally all inferred or implied terms, conditions and warranties arising out of this document and excludes all liability for loss and damages arising there from. This publication is the copyrighted property of Colliers International and/or its licensor(s). ©2022. All rights reserved.



Task 1

Ground lease discussion and land valuation

A. Due Diligence and Review of Material Documents for the Bahia Mar Redevelopment Plan

Colliers reviewed the existing ground lease with the City of Fort Lauderdale’s Tenant to understand the current contractual payments and the implied net present value of the payments over the course of the remaining lease term. Colliers also obtained updated information on City’s Tenant’s proposed redevelopment plans and the Bahia Mar Master Plan project.

Colliers also reviewed the Market Value Appraisal of the Bahia Mar Hotel & Marina, provided by Integra Realty Resources (IRR) in February of 2022. The appraisal concluded an opinion of value as follows:

Value Type & Appraisal Premise	Interest Appraised	Value Conclusion
Hypothetical Market Value	Fee Simple	\$256,400,000
Market Value of Land (based on lease income)	Leased Fee	\$48,300,000
Market Value of Land (leased income plus surplus)	Leased Fee	\$72,000,000

Source: IRR, Appraisal of Bahia Mar Hotel & Marina, 02/28/2022

B. Project Redevelopment Financial Budget and Plan

Entire 99 Year Projections

Assumptions

Annual Increase in the Value of the Condominiums	2.50%
Projected Annual Turnover of Condominiums	7.50%

City Recommendation Proforma Straight Percentage Rent off Value and 0.25% On-Going Sales Fee and 3% From Initial Sale		Value Per Usable AC
Total 99-Year Income	\$2,372,021,335	
Average Annual Income Over 99 Years	\$23,959,811	
Bahia Mar Land Value	\$250,000,000	\$16,666,667

	Year 1	Year 2	Year 3	Year 4	Year 5
Branded Residential Development One Time Fee	\$69,374,080				
One-Time Payment to Community Trust Fund	\$5,419,850				
On-Going Payments to Community Trust Funds (0.125% of Sales)	\$325,540	\$333,679	\$342,020	\$350,571	\$359,335
Transfer Fee	\$610,388	\$625,647	\$641,288	\$657,321	\$673,754
Annual Ground Rent (Commercial - Grows 1% Per Year)	\$3,144,398	\$3,175,842	\$3,207,600	\$3,239,676	\$3,272,073
Annual Ground Rent (Residential - Grows by 15% every 10 Years)	\$1,625,955	\$1,625,955	\$1,625,955	\$1,625,955	\$1,625,955
Property Taxes (Commercial and Residential - Grows by 0.5%/Year)	\$8,231,556	\$8,272,714	\$8,314,078	\$8,355,648	\$8,397,426
Total	\$88,731,767	\$14,033,837	\$14,130,942	\$14,229,171	\$14,328,543

	Year 6	Year 7	Year 8	Year 9	Year 10
Branded Residential Development One Time Fee					
One-Time Payment to Community Trust Fund					
On-Going Payments to Community Trust Funds (0.125% of Sales)	\$368,319	\$377,527	\$386,965	\$396,639	\$406,555
Transfer Fee	\$690,597	\$707,862	\$725,559	\$743,698	\$762,290
Annual Ground Rent (Commercial - Grows 1% Per Year)	\$3,304,794	\$3,337,842	\$3,371,220	\$3,404,932	\$3,438,982
Annual Ground Rent (Residential - Grows by 15% every 10 Years)	\$1,625,955	\$1,625,955	\$1,625,955	\$1,625,955	\$1,625,955
Property Taxes (Commercial and Residential - Grows by 0.5%/Year)	\$8,439,413	\$8,481,610	\$8,524,018	\$8,566,639	\$8,609,472
Total	\$14,429,078	\$14,530,796	\$14,633,717	\$14,737,863	\$14,843,254

	Year 11	Year 12	Year 13	Year 14	Year 15
Branded Residential Development One Time Fee					
One-Time Payment to Community Trust Fund					
On-Going Payments to Community Trust Funds (0.125% of Sales)	\$416,719	\$427,137	\$437,815	\$448,760	\$459,979
Transfer Fee	\$781,348	\$800,881	\$820,903	\$841,426	\$862,462
Annual Ground Rent (Commercial - Grows 1% Per Year)	\$3,473,372	\$3,508,105	\$3,543,186	\$3,578,618	\$3,614,404
Annual Ground Rent (Residential - Grows by 15% every 10 Years)	\$1,869,848	\$1,869,848	\$1,869,848	\$1,869,848	\$1,869,848
Property Taxes (Commercial and Residential - Grows by 0.5%/Year)	\$8,652,519	\$8,695,782	\$8,739,261	\$8,782,957	\$8,826,872
Total	\$15,193,805	\$15,301,753	\$15,411,014	\$15,521,610	\$15,633,565

	Year 16	Year 17	Year 18	Year 19	Year 20
Branded Residential Development One Time Fee					
One-Time Payment to Community Trust Fund					
On-Going Payments to Community Trust Funds (0.125% of Sales)	\$471,479	\$483,266	\$495,348	\$507,731	\$520,425
Transfer Fee	\$884,023	\$906,124	\$928,777	\$951,996	\$975,796
Annual Ground Rent (Commercial - Grows 1% Per Year)	\$3,650,548	\$3,687,054	\$3,723,924	\$3,761,164	\$3,798,775
Annual Ground Rent (Residential - Grows by 15% every 10 Years)	\$1,869,848	\$1,869,848	\$1,869,848	\$1,869,848	\$1,869,848
Property Taxes (Commercial and Residential - Grows by 0.5%/Year)	\$8,871,006	\$8,915,361	\$8,959,938	\$9,004,738	\$9,049,761
Total	\$15,746,905	\$15,861,653	\$15,977,835	\$16,095,477	\$16,214,606

	Year 21	Year 22	Year 23	Year 24	Year 25
Branded Residential Development One Time Fee					
One-Time Payment to Community Trust Fund					
On-Going Payments to Community Trust Funds (0.125% of Sales)	\$533,435	\$546,771	\$560,440	\$574,451	\$588,813
Transfer Fee	\$1,000,191	\$1,025,196	\$1,050,826	\$1,077,096	\$1,104,024
Annual Ground Rent (Commercial - Grows 1% Per Year)	\$3,836,763	\$3,875,131	\$3,913,882	\$3,953,021	\$3,992,551
Annual Ground Rent (Residential - Grows by 15% every 10 Years)	\$2,150,325	\$2,150,325	\$2,150,325	\$2,150,325	\$2,150,325
Property Taxes (Commercial and Residential - Grows by 0.5%/Year)	\$9,095,010	\$9,140,485	\$9,186,188	\$9,232,118	\$9,278,279
Total	\$16,615,725	\$16,737,908	\$16,861,661	\$16,987,012	\$17,113,992

	Year 26	Year 27	Year 28	Year 29	Year 30
Branded Residential Development One Time Fee					
One-Time Payment to Community Trust Fund					
On-Going Payments to Community Trust Funds (0.125% of Sales)	\$603,533	\$618,621	\$634,087	\$649,939	\$666,187
Transfer Fee	\$1,131,624	\$1,159,915	\$1,188,913	\$1,218,636	\$1,249,101
Annual Ground Rent (Commercial - Grows 1% Per Year)	\$4,032,477	\$4,072,801	\$4,113,529	\$4,154,665	\$4,196,211
Annual Ground Rent (Residential - Grows by 15% every 10 Years)	\$2,150,325	\$2,150,325	\$2,150,325	\$2,150,325	\$2,150,325
Property Taxes (Commercial and Residential - Grows by 0.5%/Year)	\$9,324,670	\$9,371,294	\$9,418,150	\$9,465,241	\$9,512,567
Total	\$17,242,630	\$17,372,957	\$17,505,005	\$17,638,806	\$17,774,393

	Year 31	Year 32	Year 33	Year 34	Year 35
Branded Residential Development One Time Fee					
One-Time Payment to Community Trust Fund					
On-Going Payments to Community Trust Funds (0.125% of Sales)	\$682,842	\$699,913	\$717,411	\$735,346	\$753,730
Transfer Fee	\$1,280,329	\$1,312,337	\$1,345,146	\$1,378,774	\$1,413,244
Annual Ground Rent (Commercial - Grows 1% Per Year)	\$4,238,173	\$4,280,555	\$4,323,361	\$4,366,594	\$4,410,260
Annual Ground Rent (Residential - Grows by 15% every 10 Years)	\$2,472,874	\$2,472,874	\$2,472,874	\$2,472,874	\$2,472,874
Property Taxes (Commercial and Residential - Grows by 0.5%/Year)	\$9,560,130	\$9,607,931	\$9,655,970	\$9,704,250	\$9,752,771
Total	\$18,234,349	\$18,373,611	\$18,514,762	\$18,657,839	\$18,802,880

	Year 36	Year 37	Year 38	Year 39	Year 40
Branded Residential Development One Time Fee					
One-Time Payment to Community Trust Fund					
On-Going Payments to Community Trust Funds (0.125% of Sales)	\$772,573	\$791,888	\$811,685	\$831,977	\$852,776
Transfer Fee	\$1,448,575	\$1,484,789	\$1,521,909	\$1,559,957	\$1,598,956
Annual Ground Rent (Commercial - Grows 1% Per Year)	\$4,454,363	\$4,498,907	\$4,543,896	\$4,589,335	\$4,635,228
Annual Ground Rent (Residential - Grows by 15% every 10 Years)	\$2,472,874	\$2,472,874	\$2,472,874	\$2,472,874	\$2,472,874
Property Taxes (Commercial and Residential - Grows by 0.5%/Year)	\$9,801,535	\$9,850,543	\$9,899,796	\$9,949,295	\$9,999,041
Total	\$18,949,921	\$19,099,001	\$19,250,159	\$19,403,437	\$19,558,875

	Year 41	Year 42	Year 43	Year 44	Year 45
Branded Residential Development One Time Fee					
One-Time Payment to Community Trust Fund					
On-Going Payments to Community Trust Funds (0.125% of Sales)	\$874,096	\$895,948	\$918,347	\$941,305	\$964,838
Transfer Fee	\$1,638,929	\$1,679,903	\$1,721,900	\$1,764,948	\$1,809,071
Annual Ground Rent (Commercial - Grows 1% Per Year)	\$4,681,580	\$4,728,396	\$4,775,680	\$4,823,437	\$4,871,671
Annual Ground Rent (Residential - Grows by 15% every 10 Years)	\$2,843,805	\$2,843,805	\$2,843,805	\$2,843,805	\$2,843,805
Property Taxes (Commercial and Residential - Grows by 0.5%/Year)	\$10,049,036	\$10,099,282	\$10,149,778	\$10,200,527	\$10,251,529
Total	\$20,087,447	\$20,247,334	\$20,409,510	\$20,574,022	\$20,740,915

	Year 46	Year 47	Year 48	Year 49	Year 50
Branded Residential Development One Time Fee					
One-Time Payment to Community Trust Fund					
On-Going Payments to Community Trust Funds (0.125% of Sales)	\$988,959	\$1,013,683	\$1,039,025	\$1,065,001	\$1,091,626
Transfer Fee	\$1,854,298	\$1,900,656	\$1,948,172	\$1,996,876	\$2,046,798
Annual Ground Rent (Commercial - Grows 1% Per Year)	\$4,920,388	\$4,969,592	\$5,019,288	\$5,069,480	\$5,120,175
Annual Ground Rent (Residential - Grows by 15% every 10 Years)	\$2,843,805	\$2,843,805	\$2,843,805	\$2,843,805	\$2,843,805
Property Taxes (Commercial and Residential - Grows by 0.5%/Year)	\$10,302,787	\$10,354,301	\$10,406,073	\$10,458,103	\$10,510,393
Total	\$20,910,238	\$21,082,037	\$21,256,363	\$21,433,266	\$21,612,798

	Year 51	Year 52	Year 53	Year 54	Year 55
Branded Residential Development One Time Fee					
One-Time Payment to Community Trust Fund					
On-Going Payments to Community Trust Funds (0.125% of Sales)	\$1,118,916	\$1,146,889	\$1,175,562	\$1,204,951	\$1,235,074
Transfer Fee	\$2,097,968	\$2,150,417	\$2,204,178	\$2,259,282	\$2,315,764
Annual Ground Rent (Commercial - Grows 1% Per Year)	\$5,171,377	\$5,223,091	\$5,275,322	\$5,328,075	\$5,381,356
Annual Ground Rent (Residential - Grows by 15% every 10 Years)	\$3,270,376	\$3,270,376	\$3,270,376	\$3,270,376	\$3,270,376
Property Taxes (Commercial and Residential - Grows by 0.5%/Year)	\$10,562,945	\$10,615,760	\$10,668,839	\$10,722,183	\$10,775,794
Total	\$22,221,583	\$22,406,534	\$22,594,276	\$22,784,867	\$22,978,365

	Year 56	Year 57	Year 58	Year 59	Year 60
Branded Residential Development One Time Fee					
One-Time Payment to Community Trust Fund					
On-Going Payments to Community Trust Funds (0.125% of Sales)	\$1,265,951	\$1,297,600	\$1,330,040	\$1,363,291	\$1,397,373
Transfer Fee	\$2,373,658	\$2,433,000	\$2,493,825	\$2,556,171	\$2,620,075
Annual Ground Rent (Commercial - Grows 1% Per Year)	\$5,435,169	\$5,489,521	\$5,544,416	\$5,599,860	\$5,655,859
Annual Ground Rent (Residential - Grows by 15% every 10 Years)	\$3,270,376	\$3,270,376	\$3,270,376	\$3,270,376	\$3,270,376
Property Taxes (Commercial and Residential - Grows by 0.5%/Year)	\$10,829,673	\$10,883,821	\$10,938,240	\$10,992,932	\$11,047,896
Total	\$23,174,828	\$23,374,318	\$23,576,898	\$23,782,630	\$23,991,580

	Year 61	Year 62	Year 63	Year 64	Year 65
Branded Residential Development One Time Fee					
One-Time Payment to Community Trust Fund					
On-Going Payments to Community Trust Funds (0.125% of Sales)	\$1,432,308	\$1,468,115	\$1,504,818	\$1,542,439	\$1,581,000
Transfer Fee	\$2,685,577	\$2,752,716	\$2,821,534	\$2,892,072	\$2,964,374
Annual Ground Rent (Commercial - Grows 1% Per Year)	\$5,712,417	\$5,769,542	\$5,827,237	\$5,885,509	\$5,944,365
Annual Ground Rent (Residential - Grows by 15% every 10 Years)	\$3,760,933	\$3,760,933	\$3,760,933	\$3,760,933	\$3,760,933
Property Taxes (Commercial and Residential - Grows by 0.5%/Year)	\$11,103,136	\$11,158,652	\$11,214,445	\$11,270,517	\$11,326,870
Total	\$24,694,370	\$24,909,957	\$25,128,967	\$25,351,470	\$25,577,541

	Year 66	Year 67	Year 68	Year 69	Year 70
Branded Residential Development One Time Fee					
One-Time Payment to Community Trust Fund					
On-Going Payments to Community Trust Funds (0.125% of Sales)	\$1,620,525	\$1,661,038	\$1,702,564	\$1,745,128	\$1,788,756
Transfer Fee	\$3,038,483	\$3,114,446	\$3,192,307	\$3,272,114	\$3,353,917
Annual Ground Rent (Commercial - Grows 1% Per Year)	\$6,003,808	\$6,063,846	\$6,124,485	\$6,185,730	\$6,247,587
Annual Ground Rent (Residential - Grows by 15% every 10 Years)	\$3,760,933	\$3,760,933	\$3,760,933	\$3,760,933	\$3,760,933
Property Taxes (Commercial and Residential - Grows by 0.5%/Year)	\$11,383,504	\$11,440,421	\$11,497,624	\$11,555,112	\$11,612,887
Total	\$25,807,253	\$26,040,684	\$26,277,911	\$26,519,016	\$26,764,080

	Year 71	Year 72	Year 73	Year 74	Year 75
Branded Residential Development One Time Fee					
One-Time Payment to Community Trust Fund					
On-Going Payments to Community Trust Funds (0.125% of Sales)	\$1,833,475	\$1,879,312	\$1,926,294	\$1,974,452	\$2,023,813
Transfer Fee	\$3,437,765	\$3,523,709	\$3,611,802	\$3,702,097	\$3,794,650
Annual Ground Rent (Commercial - Grows 1% Per Year)	\$6,310,063	\$6,373,163	\$6,436,895	\$6,501,264	\$6,566,277
Annual Ground Rent (Residential - Grows by 15% every 10 Years)	\$4,325,073	\$4,325,073	\$4,325,073	\$4,325,073	\$4,325,073
Property Taxes (Commercial and Residential - Grows by 0.5%/Year)	\$11,670,952	\$11,729,306	\$11,787,953	\$11,846,893	\$11,906,127
Total	\$27,577,327	\$27,830,563	\$28,088,017	\$28,349,778	\$28,615,939

	Year 76	Year 77	Year 78	Year 79	Year 80
Branded Residential Development One Time Fee					
One-Time Payment to Community Trust Fund					
On-Going Payments to Community Trust Funds (0.125% of Sales)	\$2,074,408	\$2,126,269	\$2,179,425	\$2,233,911	\$2,289,759
Transfer Fee	\$3,889,516	\$3,986,754	\$4,086,422	\$4,188,583	\$4,293,298
Annual Ground Rent (Commercial - Grows 1% Per Year)	\$6,631,939	\$6,698,259	\$6,765,241	\$6,832,894	\$6,901,223
Annual Ground Rent (Residential - Grows by 15% every 10 Years)	\$4,325,073	\$4,325,073	\$4,325,073	\$4,325,073	\$4,325,073
Property Taxes (Commercial and Residential - Grows by 0.5%/Year)	\$11,965,658	\$12,025,486	\$12,085,614	\$12,146,042	\$12,206,772
Total	\$28,886,594	\$29,161,840	\$29,441,775	\$29,726,502	\$30,016,123

	Year 81	Year 82	Year 83	Year 84	Year 85
Branded Residential Development One Time Fee					
One-Time Payment to Community Trust Fund					
On-Going Payments to Community Trust Funds (0.125% of Sales)	\$2,347,003	\$2,405,678	\$2,465,820	\$2,527,465	\$2,590,652
Transfer Fee	\$4,400,630	\$4,510,646	\$4,623,412	\$4,738,997	\$4,857,472
Annual Ground Rent (Commercial - Grows 1% Per Year)	\$6,970,235	\$7,039,937	\$7,110,337	\$7,181,440	\$7,253,254
Annual Ground Rent (Residential - Grows by 15% every 10 Years)	\$4,973,834	\$4,973,834	\$4,973,834	\$4,973,834	\$4,973,834
Property Taxes (Commercial and Residential - Grows by 0.5%/Year)	\$12,267,806	\$12,329,145	\$12,390,790	\$12,452,744	\$12,515,008
Total	\$30,959,507	\$31,259,239	\$31,564,192	\$31,874,480	\$32,190,220

	Year 86	Year 87	Year 88	Year 89	Year 90
Branded Residential Development One Time Fee					
One-Time Payment to Community Trust Fund					
On-Going Payments to Community Trust Funds (0.125% of Sales)	\$2,655,418	\$2,721,804	\$2,789,849	\$2,859,595	\$2,931,085
Transfer Fee	\$4,978,909	\$5,103,382	\$5,230,966	\$5,361,740	\$5,495,784
Annual Ground Rent (Commercial - Grows 1% Per Year)	\$7,325,787	\$7,399,045	\$7,473,035	\$7,547,766	\$7,623,243
Annual Ground Rent (Residential - Grows by 15% every 10 Years)	\$4,973,834	\$4,973,834	\$4,973,834	\$4,973,834	\$4,973,834
Property Taxes (Commercial and Residential - Grows by 0.5%/Year)	\$12,577,583	\$12,640,471	\$12,703,673	\$12,767,192	\$12,831,028
Total	\$32,511,531	\$32,838,535	\$33,171,357	\$33,510,126	\$33,854,973

	Year 91	Year 92	Year 93	Year 94	Year 95
Branded Residential Development One Time Fee					
One-Time Payment to Community Trust Fund					
On-Going Payments to Community Trust Funds (0.125% of Sales)	\$3,004,362	\$3,079,471	\$3,156,458	\$3,235,369	\$3,316,253
Transfer Fee	\$5,633,179	\$5,774,008	\$5,918,358	\$6,066,317	\$6,217,975
Annual Ground Rent (Commercial - Grows 1% Per Year)	\$7,699,476	\$7,776,470	\$7,854,235	\$7,932,777	\$8,012,105
Annual Ground Rent (Residential - Grows by 15% every 10 Years)	\$5,719,909	\$5,719,909	\$5,719,909	\$5,719,909	\$5,719,909
Property Taxes (Commercial and Residential - Grows by 0.5%/Year)	\$12,895,183	\$12,959,659	\$13,024,457	\$13,089,579	\$13,155,027
Total	\$34,952,108	\$35,309,517	\$35,673,417	\$36,043,952	\$36,421,270

	Year 96	Year 97	Year 98	Year 99
Branded Residential Development One Time Fee				
One-Time Payment to Community Trust Fund				
On-Going Payments to Community Trust Funds (0.125% of Sales)	\$3,399,160	\$3,484,139	\$3,571,242	\$3,660,523
Transfer Fee	\$6,373,424	\$6,532,760	\$6,696,079	\$6,863,481
Annual Ground Rent (Commercial - Grows 1% Per Year)	\$8,092,226	\$8,173,149	\$8,254,880	\$8,337,429
Annual Ground Rent (Residential - Grows by 15% every 10 Years)	\$5,719,909	\$5,719,909	\$5,719,909	\$5,719,909
Property Taxes (Commercial and Residential - Grows by 0.5%/Year)	\$13,220,802	\$13,286,906	\$13,353,341	\$13,420,108
Total	\$36,805,521	\$37,196,862	\$37,595,451	\$38,001,449

Annual Payments

Bahia Mar | Ground Lease Extension Proposal

Annual Payments/Value to the City:		Notes
Ground Rent	\$4,770,353	(C)
Property Taxes	\$8,231,556	(D)
Transfer Fee	\$610,388	(E)
	\$13,612,297	

Continuing Annual Payments | Commercial Property

	total sq. ft.	ave. rent price	gross revenue	annual payment to City		
		\$ per sq. ft.		Colliers Proposed Rate	Tate proposed Rate	ground rent
Office, Retail, etc.	87,644	\$75	\$6,573,300	6.00%	5.00%	\$394,398
Hotel			\$20,000,000	5.00%	4.25%	\$1,000,000
Marina			\$25,000,000	7.00%	5.75%	\$1,750,000
						\$3,144,398

Continuing Annual Payments | Branded Residential Property

	units	ave. sq. ft.	total sq. ft.	Colliers Proposed Rate	annual payment to City	
					Tate proposed Rate	ground rent
Branded Residences	350	2,825	988,750	\$1.50/SF	\$1.00/SF	\$1,483,125
Branded Hotel Residences	60	1,587	95,220	\$1.50/SF	\$1.00/SF	\$142,830
			1,083,970			\$1,625,955

Continuing Annual Property Taxes | Commercial Property

Gross revenue	costs	NOI	property taxes				annual allocation to City	
			cap rate	sales discount	taxable value (B)	millage	Tate proposed Rate	property taxes
Hotel, Marina, etc.								
					\$99,668,000	0.0041193	100.0%	\$410,562
Office, Retail, etc.								
\$6,573,300	30.0%	\$4,601,310	7.0%	15.0%	\$55,873,050	0.0041193	100.0%	\$230,158
								\$640,720

Continuing Annual Property Taxes | Residential Property

total sq. ft.	ave. sale price	sales value	property taxes			annual allocation to City	
	\$ per sq. ft.		sales discount	taxable value	millage	Tate proposed Rate	property taxes
1,083,970	\$2,000	\$2,167,940,000	15.0%	\$1,842,749,000	0.0041193	100.0%	\$7,590,836
							\$7,590,836

Continuing Payments from Transfer Fee on Residential Sales
 Branded Residential Units

	units	units (E)	ave. sq. ft.	total sq. ft. sold	ave. sale price	base gross sales	Colliers Proposed Rate	annual payment to City (E)	
		7.50%		each year (E)	\$ per sq. ft. (F)	(F)		Tate proposed Rate	gross \$
Branded Residences	350	26	2,825	73,450	\$2,000.00	\$146,900,000	0.375%	0.375%	\$550,875
Branded Hotel Residences	60	5	1,587	7,935	\$2,000.00	\$15,870,000	0.375%	0.375%	\$59,513
		31		81,385					\$610,388

Notes

- A. Annual fee to City increases per CPI each year:
 - calculated as of October 1 of the prior year for the following calendar year
 - annual adjustments will have a floor of 1.0% and cap of 3.0%)
- B. Assessed value for hotel & marina is per 2021 TRIM Notice.
- C. Annual rent was approximately \$1,635,000 for 2019 (pre COVID).
- D. Annual property taxes for 2021 will be \$2,033,000 per 2021 TRIM Notice.
- E. assumes 7.5% of units turn each year
- F. Gross Sales Price shall be the sales price net of title insurance, documentary stamps, recording charges, legal fees, sales commissions, and other similar costs or charges.
- G. Boatshow revenue is part of the hotel marina income

Revenue Sharing

Ground Lease Extension Proposal

One-Time Revenue Share Payments to City (not including any Bonus Payments (see Note A))	\$69,374,080
--	---------------------

Assumptions | Branded Residential Units

units	ave. sq. ft.	total sq. ft.	ave. sale price	base gross sales
			\$ per sq. ft. (B)	
350	2,825	988,750	\$ 2,000.00	\$ 1,977,500,000
60	1,587	95,220	\$ 2,000.00	\$ 190,440,000
		1,083,970		\$ 2,167,940,000

One-Time Payments | Branded Residential Units (assuming a \$1,500 per sq. ft. sales price)

units	ave. sq. ft.	total sq. ft.	ave. sale price	gross sales price	revenue share with City		
			\$ per sq. ft. (B)	(B)	rate (A)		\$
350	2,825	988,750	\$1,200.00	\$1,186,500,000	Base Rate	2.00%	\$23,730,000
			\$800.00	\$791,000,000	Bonus Payment	5.00%	\$39,550,000
60	1,587	95,220	\$1,200.00	\$114,264,000	Base Rate	2.00%	\$2,285,280
			\$800.00	\$76,176,000	Bonus Payment	5.00%	\$3,808,800
Residential Property One-Time Payment to City:							\$69,374,080

Notes

- A. If any sale produces an average sales price per sq. ft. greater than \$1,200, then the one time payment would increase as follows:
- If the sales price is between \$1,200 and \$1,500 psf, then the City will be paid 3.00% of such portion of the sales price over \$1,200 psf.
 - If the sales price is between \$1,500 and \$1,800 psf, then the City will be paid 4.00% of such portion of the sales price over \$1,200 psf.
 - If the sales price is greater than \$1,800 psf, then the City will be paid 5.00% of such portion of the sales price over \$1,200 psf.

For example, if the sales price of any unit is \$1,750 psf, then the fee paid to the City for that unit would be:

ave. sq. ft.	gross sales	sales price	ave. sale price	revenue share with City	
	price	by sq. ft.	\$ per sq. ft. (B)	rate (A)	\$
2,825	\$4,943,750.00	\$3,390,000.00	\$1,200.00	2.000%	\$67,800
		\$1,553,750.00	\$550.00	4.000%	\$62,150 Bonus Payment
		\$4,943,750.00	\$1,750.00		
Branded Residential Unit One-Time Payment to City:					\$129,950

- B. Gross Sales Price shall be the sales price net of title insurance, documentary stamps, recording charges, legal fees, sales commissions, and other similar costs or charges.

Community Trust Fund

Ground Lease Extension Proposal

One-Time Payment to Community Trust Funds	\$5,419,850
Annual Payments to Community Trust Funds	\$325,540

- allowable uses shall be: Affordable Housing, Inner City Parks Programs, Environment/Sustainability Programs, Homelessness, Arts & Culture, Historic Preservation
- allowable uses shall include operational expenses but not capital related expenses
- funds to be held by and administered by Community Foundation of Broward or United Way of Broward
- City to appoint a non-political board to request annual donations from funds to community causes

Assumptions | Branded Residential Units

units	ave. sq. ft.	total sq. ft.	ave. sale price	base gross sales
			\$ per sq. ft. (A)	(A)
350	2,825	988,750	\$2,000.00	\$ 1,977,500,000
60	1,587	95,220	\$2,000.00	\$ 190,440,000
		1,083,970		\$ 2,167,940,000
Annual Turn	7.50%	of units		

One-Time Payments | Branded Residential Units

units	ave. sq. ft.	total sq. ft.	ave. sale price	base gross sales	initial payment to Trust Fund	
			\$ per sq. ft. (A)	(A)	rate	gross
Branded Residences						
350	2,825	988,750	\$2,000.00	\$1,977,500,000	0.250%	\$4,943,750
Branded Hotel Residences						
60	1,587	95,220	\$2,000.00	\$190,440,000	0.250%	\$476,100
Residential Property One-Time Payment to Community Trust Funds:						\$5,419,850

Continuing Payments from Transfer Fee on Residential Sales

units	units (B)	ave. sq. ft.	total sq. ft. sold	ave. sale price	base gross sales	annual payment to Trust Fund (B)		
	7.50%		each year (B)	\$ per sq. ft. (A)	(A)	Colliers Proposed Rate	Tate proposed Rate	gross \$
Branded Residences								
350	26	2,825	73,450	\$2,000.00	\$146,900,000	0.200%	0.125%	\$293,800
Branded Hotel Residences								
60	5	1,587	7,935	\$2,000.00	\$15,870,000	0.200%	0.125%	\$31,740
	31		81,385					\$325,540

Notes:

- Gross Sales Price shall be the sales price net of title insurance, documentary stamps, recording charges, legal fees, sales commissions, and other similar costs or charges.
- assumes 7.5% of units turn each year

Guiding notes: This opportunity comes with a lot of riparian right – there are no comparable ground leases of this magnitude with a mix of uses that includes a boat show. Market condo sales are approximately \$2,500/SF. The computed retail and office rents of \$75/SF NNN are also market rate. Construction costs range from \$250 to \$350 per square foot for commercial development and \$500 to \$600 per square foot for hotel/condo development, based on current construction benchmarks and recent new developments.

Based upon a 5% cap rate, the value would be \$251,280,000 or \$6,443,077/usable acre after the improvements generate the necessary annual cash flow of roughly \$12,000,000.

Task 2

Commercial Market Assessment

A. Fort Lauderdale's Economic Climate and Future Growth Potential

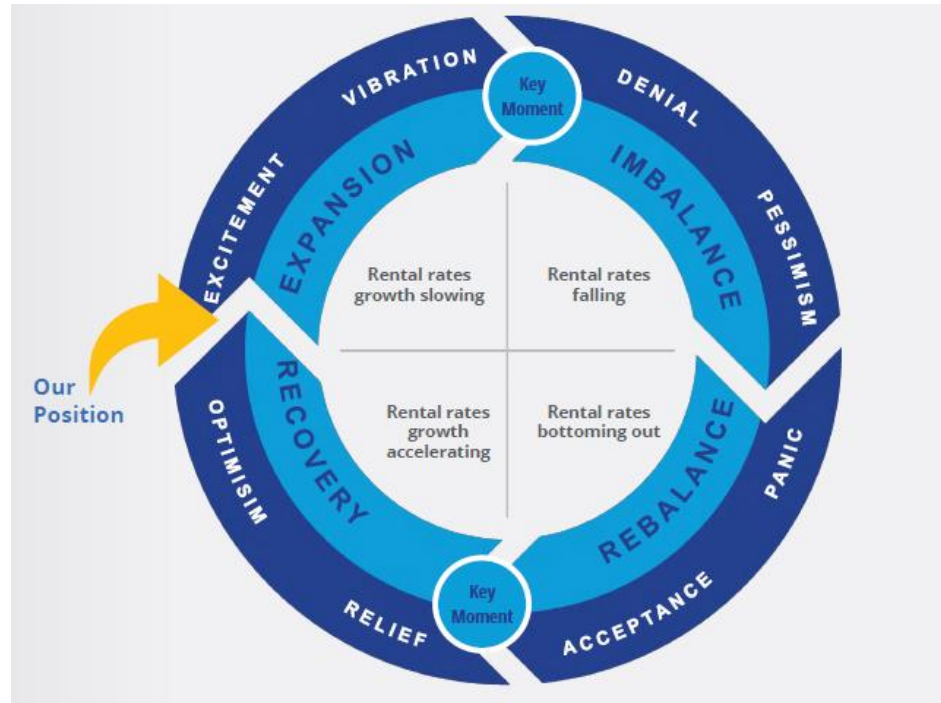
Fort Lauderdale Market Cycle

- Demand for new residential product has been outpacing supply and speeding up the recovery, particularly at the Beach.
- The strong economic recovery and mass in-migration is driving demand.
- Strong demand provided sellers with the pricing power to push prices to new record highs. Growth is expected to moderate as new supply presents increased competition; however, demand is expected to remain solid as in-migration projections remain steady.
- Additionally, the return of travel and international tourism is expected to further propel the economic recovery as hiring in leisure and hospitality will also accelerate the hiring for office support jobs.
- The Greater Fort Lauderdale unemployment rate dropped to 4.5 percent in 2021, from a pandemic high of 8.9 percent in 2020.
- Meanwhile, personal income grew by 5.7 percent in 2021 and median household income reached a high of \$63,100.
- The surge in population growth is fueled by mass in-migration – more than 10,000 net relocations to Greater Fort Lauderdale estimated in 2021, bringing the total population to 1,978,300.
- Forecasts suggest that net migration will accelerate over the next five years, and the estimated population in 2025 is 2,058,900, a 4.1 percent increase.

Greater Fort Lauderdale Economic Indicators

2016	2017	2018	2019	2020	Indicators	2021	2022	2023	2024	2025
89.3	92.3	95.8	99.2	94.9	Gross metro product (C12\$ bil)	100.8	106.8	111.1	115.2	119.1
2.9	3.4	3.8	3.6	-4.3	% change	6.1	6	4.1	3.7	3.3
820.3	836.8	853.2	865.8	809.1	Total employment (thrs)	826.3	872.2	896	908.1	915.1
2.8	2	2	1.5	-6.5	% change	2.1	5.6	2.7	1.4	0.8
4.6	4	3.4	3.2	8.9	Unemployment rate (%)	4.5	3	2.9	3.2	3.4
2.8	5	4.9	3.9	5.3	Personal income growth (%)	5.7	0.8	5.6	5.3	4.9
55.1	56.2	60	61.5	62.1	Median household income (\$ ths)	63.1	63	64.9	67	69.1
1,912.60	1,934.50	1,946.10	1,952.80	1,966.10	Population (thrs)	1,978.30	1,998.00	2,020.20	2,040.10	2,058.90
1.5	1.1	0.6	0.3	0.7	% change	0.6	1	1.1	1	0.9
20	14.9	5.2	0.9	9.4	Net migration (thrs)	10.1	15.2	18	16.1	15.3

Source: Moody's Analytics, Fort Lauderdale-Pompano Beach-Deerfield Beach MSA, August 2021



Tailwinds

- An acceleration in northeastern states and California migration trends to Fort Lauderdale is propelling demand and caused a pent-up demand for residential condo supply.
- The Fort Lauderdale condo market is bolstered by a large young professional population and a large baby boomer population. This balance is increasingly complemented by a growth of young families.
- In 2021, approximately 60% of the condos sold in Fort Lauderdale Beach (zip code 33316) were paid in cash, showing liquidity and wealth of the buyers purchasing in this area.
- Fort Lauderdale’s prime location at the heart of the South Florida metro area will fuel long term growth.

Headwinds

- Population growth and soaring demand for condos has pushed values to record high’s, pricing out some buyers.
- Rising supply volumes across South Florida will ultimately soften future increases in sales prices, however, new product and highly amenitized offerings will capture the highest prices.
- Rising mortgage interest rates.
- A de-urbanization and suburban “flight” trend taking shape in other cities.

B. Condo Market Summary | Performance Trends & Outlook

The demand for Broward County, and more specifically Fort Lauderdale's, condo market experienced unprecedented growth in the past two years. Driven by a pent-up demand, low mortgage rates, low housing market inventory, and the mass relocations of people and businesses to the area. Florida's no income tax, relaxed regulations and pro-business climate attracted thousands to flee high tax, high density areas in the Northeastern states and California. These factors fueling the condo market are not expected to end any time soon, as projections for in-migration continue to surge.

Condo/Townhome Market Statistics (2021)

	Broward County		City of FTL		ZipCode 33316	
	2021	Y/Y % Change	2021	Y/Y % Change	2021	Y/Y % Change
Closed Sales	21,858	41.6%	3,288	65.0%	387	62.6%
Closed Sales Paid in Cash	11,298	57.9%	1,807	86.1%	233	83.5%
Median Sale Price	\$217,500	15.1%	\$383,750	14.6%	\$465,000	15.5%
Average Sale Price	\$296,632	19.8%	\$563,645	15.5%	\$615,579	16.7%
Dollar Volume	\$6.5 Billion	69.5%	\$1.9 Billion	90.5%	\$238.2 Million	89.8%
% of Original List Price Received	96.60%	2.1%	96.00%	2.6%	95.40%	2.7%
Median Time to Contract	30 Days	-42.3%	47 Days	-42.7%	53 Days	-44.2%
New Listings	24,287	2.4%	3,169	-3.3%	360	-5.5%
New Pending Sales	25,696	35.3%	3,651	55.9%	427	57.0%
Pending Inventory	2,952	5.1%	413	11.6%	36	12.5%
Active Inventory	3,010	-57.9%	441	-68.8%	39	-76.4%
Months Supply of Inventory	1.7	-69.9%	1.6	-81.2%	1.2	-85.5%

Source: Florida Realtors

Condo market fundamentals in Broward County, the City of Fort Lauderdale and Fort Lauderdale Beach zip code 33316 where the subject property is located, strengthen the closer to the subject site you evaluate. The median sales price for condos in zip code 33316 is \$465,000, a 15.5% increase year-over-year, and more than double the county median. The average sales price for condos in zip code 33316 is \$615,579, a 16.7% increase year-over-year, and almost three times the county average. Moreover, 60% of sales are paid in cash and there is only 1.2 months of inventory in zip code 33316, making it a sellers' market driven by a high demand of buyers for the foreseeable future. The number of closed sales is up by 62.6% year-over-year and the total dollar volume of sales is up by 89.8% for a total of \$238.2 million in 2021. Meanwhile, the active inventory (supply for sale) is down 76% year-over-year. Buyers are competing to purchase the available supply causing condo pricing to significantly increase.

Compared to the condo market in Miami Beach (zip codes 33140 and 33139) and West Palm Beach (zip code 33401), the market demand indicators show Fort Lauderdale Beach to be leading with a median time to contract of 53 days and only 1.2 months' supply of inventory. In 2021, Miami Beach has a median time to contract of 99 days in zip code 33140 and 102 days in zip code 33139, as well as 6.1- and 5.8-months' supply of inventory, respectively. West Palm Beach is more comparable in terms of demand with 39 days median time to contract and 1 month supply of inventory.

Comparable Market Condo/Townhome Market Statistics (2021)

	Miami Beach				West Palm Beach	
	ZipCode 33140		ZipCode 33139		ZipCode 33401	
	2021	Y/Y % Change	2021	Y/Y % Change	2021	Y/Y % Change
Closed Sales	801	150.3%	1,607	111.7%	911	80.0%
Closed Sales Paid in Cash	495	169.0%	864	105.7%	584	86.6%
Median Sale Price	\$510,000	16.2%	\$460,000	50.8%	\$293,750	26.2%
Average Sale Price	\$924,168	19.1%	\$1,166,857	80.2%	\$573,027	5.9%
Dollar Volume	\$740.3 Million	198.1%	\$1.9 Billion	281.6%	\$522.0 Million	90.6%
% of Original List Price Received	93.80%	4.6%	94.20%	4.2%	96.0%	2.9%
Median Time to Contract	99 Days	-36.1%	102 Days	-28.7%	39 Days	-52.4%
New Listings	1,074	21.2%	2,157	15.5%	889	-3.8%
New Pending Sales	932	128.4%	1,841	112.3%	997	70.7%
Pending Inventory	109	25.3%	219	53.1%	76	-28.0%
Active Inventory	405	-43.3%	778	-43.0%	75	-78.4%
Months Supply of Inventory	6.1	-77.2%	5.8	-73.1%	1	-87.8%

Source: Florida Realtors

Recent Comparable Sales

Prime waterfront condo sales in Miami Beach and West Palm Beach have surpassed the \$2,000 price point per square foot. Examples are provided below based on a study of sales over a 12-month period in 2021.

Building	Location	Average List Price	Average Sales Price	Average SqFt Liv Area	Average Price Per SF
The Setai Resort & Residences	Miami Beach	\$4,225,250	\$3,865,625	1,523	\$2,437
W South Beach	Miami Beach	\$2,866,750	\$2,701,813	1,117	\$2,069
The Edition Residences	Miami Beach	\$4,005,000	\$3,852,500	1,768	\$2,325
Surf Club Condo Four Seasons	Miami Beach	\$6,182,692	\$5,789,077	2,073	\$2,738
Ritz Carlton Residences (Not Ocean-front)	Miami Beach	\$4,339,942	\$4,174,458	3,150	\$1,262
Residences by Armani Casa (Not Ocean-front)	Miami Beach	\$2,950,363	\$2,764,726	2,147	\$1,289
The Bristol	West Palm Beach	\$10,184,582	\$9,524,039	4,438	\$2,097

Source: Miami MLS

Condo Development Pipeline

Currently, there are three luxury condo development under construction on Fort Lauderdale beach adding approximately 309 units to the inventory over the next three years. The largest project is the Selena Oceanfront Residences at 3000 Alhambra Street with 196 units. The luxury development is comprised of two beachfront towers, 300 feet tall, with views of the Atlantic Ocean, Intracoastal and city skyline. Delivering this year in 2022 is the Four Seasons Private Residences, another oceanfront condo building with 22 stories, luxury amenities, 148 hotel guest rooms and 95 private residences.

Fort Lauderdale Beach Condos | Under Construction

Development Name	Address	Units	Delivery Date	Luxury
The Terraces	527 Orton Avenue	18	2023	Yes
Selene Oceanfront Residences	3000 Alhambra Street	196	2024	Yes
Four Seasons Private Residences	525 North Fort Lauderdale Beach Blvd	95	2022	Yes

Source: City of Fort Lauderdale Central Beach RAC Development Map, January 2022

C. SWOT (Strengths, Weakness, Opportunities, Threats) Analysis of Proposed Bahia Mar Development

Project Summary

- The Bahia Mar proposed development will feature 256 Luxury Branded Hotel Rooms, 350 Luxury Branded Residential Units, 60 Luxury Branded Furnished Hotel Units, a Marina Village Development with 250 Boat Slips, Charters, Waterfront Restaurant and other amenities and over 87,000 square feet of commercial retail space.

Strengths

- Developer, Tate Capital, has over 50 years of experience and extensive resources and infrastructure to source, analyze, value, purchase, service, and manage properties/assets.
- Supports the growth of targeted industries such as the large and growing marine industry.
- Strengthens the Tourism and Hospitality industry by providing accommodation and space for major events making Bahia Mar a key asset in attracting tourists and visitors.
- Provides housing for new residents migrating to Fort Lauderdale from high-tax and high regulation states in the Northeast and California.
- Public benefits:
 - Once completed, the Bahia Mar Development will support an estimated 1,707 jobs, generate \$61 million in Household Income and \$109 million in GDP, and contribute \$193 million in Total Economic Impact each year to the City of Ft. Lauderdale (according to Washington Economics Group, Economic Impact Analysis dated December 2021).
 - The project improves underutilized real estate. In total, the project is expected to generate at least \$708 billion in ad valorem revenue for the City of Ft. Lauderdale, including \$25.5 million during the first 10 years. Without the proposed lease, ad valorem revenues during the first 10 years are projected to total only \$4.7 million. The proposed lease terms provide significant benefit in the early years to the City of Ft. Lauderdale, providing much needed revenue for City projects and initiatives.

- The total projected revenue that the proposed lease provides to the City of Ft. Lauderdale is over \$144 million over the first 10 years, and almost \$1.3 billion throughout the 50- year term of the ground lease.
- The completion of the project will result in additional visitor spending, generating new bed tax and sales taxes for Broward County and the State of Florida, as well as additional revenue for other taxing authorities such as the Hospital and School Districts, the South Florida Water Management District and the Florida Inland Navigation District.

Weakness

- Stakeholder opposition to private condos on public land.

Opportunities

- Cater to the needs of the new residents to Fort Lauderdale.
- High demand for condos as wealthy executives relocating to South Florida seek luxury living.
- A flight to quality as existing and new residents seek luxury, highly amenitized residences.
- Fort Lauderdale is a strong condo and hospitality submarket.
- Fort Lauderdale has one of the fastest recovering tourism markets.
- Demand is expected to continue outpacing condo supply as a mass migration to South Florida continues.

Threats

- New condo developments are underway, but unlikely to tip the demand supply ratio.
- Fort Lauderdale has one of the largest supplies of condo inventory among the Broward coastal condo markets, however, the proposed condo development is among the more limited, exclusive class.
- Increasing constructions costs and supply chain delays.
- Rising interest rates for condo buyers.
- Sea level rise.



colliers.com

About Colliers

Colliers (NASDAQ, TSX: CIGI) is a leading diversified professional services and investment management company. With operations in 67 countries, our more than 15,000 enterprising professionals work collaboratively to provide expert advice to real estate occupiers, owners and investors. For more than 25 years, our experienced leadership with significant insider ownership has delivered compound annual investment returns of almost 20% for shareholders. With annualized revenues of \$3.0 billion (\$3.3 billion including affiliates) and \$40 billion of assets under management, we maximize the potential of property and accelerate the success of our clients and our people. Learn more at corporate.colliers.com, Twitter @Colliers or LinkedIn.

Accelerating success.