



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

#15-1002

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

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

DATE: August 18, 2015

TITLE: Resolution Approving a Deed of Release from the Federal Aviation
Administration of Parcels 19B, 25, 26, and 27 at Fort Lauderdale
Executive Airport

Recommendation

It is recommended that the City Commission approve a resolution accepting a Deed of Release from the United States Department of Transportation, Federal Aviation Administration (FAA) and authorizing the City Manager to execute such Deed of Release and accept the terms and conditions for the purchase of parcels 19B, 25, 26, and 27 for the proposed Schlitterbahn Waterpark.

Background

On July 10, 2014 the City Commission authorized execution of a lease agreement for parcels 19B, 25, 26 and 27 with FTL Waterresort, LLC to develop a water park. 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.

The FAA was not in support of the lease agreement and instead suggested that the City of Fort Lauderdale's general fund purchase the property from the City of Fort Lauderdale's Executive Airport Fund in order to release certain federal deed and grant restrictions on the property to allow for the future lease of the property.

Meacham and Associates, Inc., the City's appraiser, conducted an appraisal indicating the net fair market value of the property, as of January 3, 2015 at \$12,085,000. The City then requested a release of the deed and grant restrictions on the subject property. A release permitting the lease, sale or other disposal of real property transferred under the Surplus Property Act of 49 U.S.C. Section 47151 is only granted when it is clearly shown that such property is no longer needed to directly support an airport purpose or activity and sale of such property will benefit civil aviation by producing an equal or greater benefit to the airport than continued retention of the land.

In a letter dated July 6, 2015, the FAA notified the City that the subject property meets the conditions mentioned for release, subject to the City's acceptance of the deed and certain conditions.

The following are the terms to be accepted by the City to release and purchase parcels 25, 26, 27 and 19B:

1. An appraisal determined the properties at a net value of \$12,085,000. The City shall make ten equal payments to the Fort Lauderdale Executive Airport (Airport Fund) from the General Fund commencing on August 1, 2015 and every August 1st thereafter, through and including August 1, 2024. Note that a budget amendment was approved on July 7, 2015 (CAM #15-0766) to transfer \$1,208,500 from the General Fund to the Fort Lauderdale Executive Airport Fund. In order to meet the conditions of the Deed and Release, the first payment in the amount of \$1,208,500 was made on July 31, 2015.
2. Interest on outstanding principal shall be set at the 10-year Treasury Bill Rate on August 1, 2015. Interest will be simple and compounded annually. The rate is 2.20%
3. After each payment is made (as specified in number one above), the City will notify the FAA that the payment has been made, including the amount stated in principal and interest, and document the Fort Lauderdale Executive Airport's (Airport Fund) receipt of said payment.
4. Maintain accurate records of the above listed expenditures in accordance with accepted business practices, and for three years after the approved project is completed, keep the records open for inspection by the FAA at any time.
5. Ensure that whoever the land is initially and subsequently conveyed to, including the airport owner, they and their successors and assigns protect the rights and interests of the public in Fort Lauderdale Executive Airport and prevent any use of subject property that would constitute an airport hazard, including wildlife hazards.
6. Update the Airport Layout Plan and Exhibit "A" Property Inventory Map upon acceptance of the release to reflect the new airport boundaries.
7. Ensure that they and their successors and assigns retain, for the use and benefit of the public, the right of flight for the passage of aircraft in the airspace above the surface of the subject property, the right for existing and future aircraft to generate noise in that airspace, and the right to use the airspace to land on or take off from the airport.
8. Ensure that they and their successors and assigns shall not permit/afford access from the subject property onto Fort Lauderdale Executive Airport property for aeronautical purposes.
9. Return the land to the Fort Lauderdale Executive Airport and immediately notify the FAA if:
 - a. A payment specified under Number 1 above is delayed by 60 days; or
 - b. The final payment under Number 1 above is not made by October 1, 2024.

10. Returning the land to the Fort Lauderdale Executive Airport will terminate this release without further consideration paid to any party.

Resource Impact

There will be an impact to the general fund in the amount of \$1,208,500, and a positive impact to the Executive Airport Enterprise Fund in the same amount.

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 – Letter from FAA

Exhibit 2 – Resolution

Prepared by: Julie Leonard, Transportation and Mobility

Department Director: Diana Alarcon, Transportation and Mobility