



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

#19-1195

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

FROM: Chris Lagerbloom, ICMA-CM, City Manager

DATE: December 3, 2019

TITLE: Resolution Approving the Third Amendment to the Ground Lease Agreement with Las Olas SMI, LLC (“Suntex”) for City-owned Property located at 240 East Las Olas Circle – **(Commission District 2)**

Recommendation

It is recommended that the City Commission adopt a resolution approving the Third Amendment to the Ground Lease Agreement with Las Olas SMI, LLC (“Suntex”) for City-owned property located at 240 East Las Olas Circle, commonly known as the Las Olas Marina.

Background

On June 21, 2016, the City Commission adopted Resolution 16-102 declaring its intent to lease City-owned property known as the Las Olas Marina located on 240 East Las Olas Circle and a portion of the Las Olas Intracoastal Parking Lot located on 201 South Birch Road, both properties commonly known as the Las Olas Marina. Suntex Marina Investors, LLC. (“Suntex”) was the sole bid responder. As part of its bid submittal, Suntex included a Base Proposal, an Alternate A Proposal (Base Proposal plus Restaurant), an Alternate B Proposal (Mega Yacht Proposal) and an Alternative C Proposal (Mega Yacht Proposal plus Restaurant). On October 5, 2016, the City Commission approved Resolution 16-175 awarding the Las Olas Marina Lease to Suntex. On October 18, 2016, the City Commission adopted Resolution 16-180 authorizing the negotiation of the lease and the approval of Alternative C-3 Proposal from the Suntex bid package. On July 11, 2017, the City Commission adopted Resolution 17-154 approving the ground lease with Suntex for a 50-year term.

On April 2, 2019 (CAM #19-0394), the City Commission adopted Resolution 19-69 authorizing the execution of the First Amendment to the Ground Lease Agreement extending the Pre-Development Period from May 3, 2019 to December 31, 2019 (note: the Pre-Development Period is the time during which Suntex must complete preliminary tasks and obtain certain approvals). The City Commission approved the Second Amendment on July 9, 2019 (CAM #19-0708) which replaced the site plan known as Alternate C-3 with a new site plan known as Alternate Proposal Site D.

This proposed Third Amendment:

1. Extends the timeframe for finalizing a Parking Agreement between Suntex and the City for use of the Las Olas Parking Garage and execution of a long-term agreement between Suntex and the Marine Industries Association of South Florida, Inc. regarding the Fort Lauderdale International Boat Show from December 31, 2019 to April 1, 2020; and
2. Moves the completion date for the following requirements from on or before the end of the Pre-Development Period (December 31, 2019) to on or before the end of the Construction Approvals Period as defined in the lease (May 2, 2021):
 - Delivery of a title commitment;
 - Execution of subordination, non-disturbance and attornment agreements;
 - Execution of an assignment and assumption agreement;
 - Execution of a sublease to Sovereignty Submerged Land Lease; and
3. Delays the start of the Commencement Date, date of Possession, and Initial Base Rent Period until the completion of all Pre-Development Approvals, execution of an assignment and assumption agreement, and approval of the sublease to Sovereignty Submerged Land Lease with the State of Florida Trustees of the Internal Improvement Trust Fund, effectively on or before May 2, 2021.

All other terms and conditions of the Ground Lease Agreement, as amended, are unchanged.

Suntex is required to invest no less than \$19,425,063 in initial improvements toward redevelopment of the site. The redevelopment will consist of a new waterfront support facility containing a ship store, boat and boater services; 68 boat slips with 7,000 linear feet of dock space; and at least two restaurants. On July 9, 2019, the City Commission approved the project's site plan (CAM #19-0689).

Resource Impact

There is no fiscal impact associated with this action.

Strategic Connections

This item supports the *Press Play Fort Lauderdale 2024 Strategic Plan*, specifically advancing:

- The Public Places Focus Area
- Goal 3: Build a healthy and engaging community
- Objective 1: Improve access to and enjoyment of our beach, waterways, parks and open spaces for everyone.

Attachments

12/03/2019
CAM #19-1195

Exhibit 1- Proposed Third Amendment
Exhibit 2 - Resolution

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