



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

#25-0499

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

FROM: Rickelle Williams, City Manager

DATE: June 17, 2025

TITLE: Resolution Approving a Sublease Agreement Between the Young Men's Christian Association of South Florida, Inc. (YMCA) and the North Broward Hospital District (Broward Health); a Recognition Agreement Between Broward Health, the YMCA, and the City of Fort Lauderdale (City); an Environmental Indemnity Agreement Between Broward Health and the City; and Authorizing the City Manager to Execute All Agreements – **(Commission District 2)**

Recommendation

Staff recommends that the City Commission adopt a Resolution approving a sublease agreement between the Young Men's Christian Association of South Florida, Inc. (YMCA) and the North Broward Hospital District d/b/a Broward Health for a portion of the YMCA facility at Holiday Park. The Resolution also approves a Recognition Agreement Between Broward Health, the YMCA, and the City of Fort Lauderdale (City), and an Environmental Indemnity Agreement between Broward Health and the City. The Resolution will authorize the City Manager to execute all associated agreements on behalf of the City.

Background

On May 6, 2025, the City Commission adopted Resolution No. 25-78 declaring its intent to lease a portion of city-owned property located at Holiday Park to the YMCA, a Florida not for profit corporation, for a period not to exceed fifty (50) years pursuant to Section 8.13 of the City Charter; providing notice of intent to terminate a lease dated November 14, 2016; and providing notice of a public hearing before the City Commission at 6:00 pm on June 17, 2025.

The original lease between the City and YMCA, executed in 2016, authorized a fifty (50)-year ground lease for the development of a community-serving recreational facility. However, due to project impacts associated with the COVID-19 pandemic and other unforeseen circumstances, the YMCA requested that the City consider revising the agreement development milestones and sought to modernize the agreement terms. The existing lease did not permit subleasing for healthcare services, such as a free-standing emergency department.

To enable the development of a new, modern facility that includes both a wellness center and a free-standing emergency department operated by Broward Health, City staff and the YMCA have negotiated a new lease agreement. Most of the terms and conditions of the 2016 lease are incorporated into the new agreement. The primary modifications include the establishment of a new fifty (50)-year term and the inclusion of the free-standing emergency department as an authorized use of the premise. The new agreement allows the YMCA to construct and operate a new facility, including:

- Recreation and wellness uses;
- A new pool complex;
- Youth and teen activity centers;
- A community gathering space;
- Parking and support facilities;
- Terms permitting subleasing for public benefit uses; and
- Free-standing emergency department.

The proposed sublease agreement between the YMCA and Broward Health, the proposed Recognition Agreement between the City, the YMCA, and Broward Health, and the proposed Environmental Indemnity Agreement between the City and Broward Health are highlighted below.

Sublease Agreement

The YMCA intends to sublease a portion of the newly leased Holiday Park facility to Broward Health for the operation of a healthcare facility. The sublease supports the YMCA's effort to deliver public-serving wellness and healthcare amenities and aligns with the public use requirements of Section 8.13 of the City Charter. The key terms of the sublease include:

- Broward Health will operate a free-standing emergency department comprising approximately 12,000 square feet;
- An additional 2,000 square feet on the second floor will be used for a wellness center;
- Broward Health will have non-exclusive access to YMCA common areas to provide wellness services;
- The sublease term is thirty (30) years, with one ten (10)-year renewal option, aligned with the primary lease term; and
- Broward Health will pay annual base rent of \$892,000 to the YMCA. This rent, along with Broward Health's upfront investment, will cover all buildout, operations, and maintenance costs associated with the leased portion of the facility.

Recognition Agreement

The Recognition Agreement is intended to protect Broward Health's tenancy in the event that the primary YMCA lease is terminated. This agreement ensures continuity of public health services while limiting the City's exposure to future liabilities. The agreement confirms the City's recognition of the sublease and outlines continuity provisions, including:

- The City will recognize the sublease subject to Broward Health's compliance with its terms;
- The City acknowledges the permitted use of the subleased premises for emergency medical and related wellness services;
- The City agrees not to interfere with Broward Health's operations, provided the sublease remains in compliance;
- Broward Health will be notified of any default by the YMCA and afforded the opportunity to cure;
- Broward Health agrees to attorn to the City if the YMCA lease is terminated, ensuring uninterrupted service; and
- The City assumes no liability for prior YMCA obligations or improvements and maintains all protections under Florida sovereign immunity laws.

Environmental Indemnity Agreement

The Environmental Indemnity Agreement ensures that Broward Health, as a healthcare operator, is fully responsible for all environmental compliance and remediation within its subleased premises. This agreement protects the City from long-term environmental liabilities arising from healthcare-related operations at the facility. The key provisions include:

- Broward Health shall indemnify and defend the City against any environmental claims, damages, or expenses arising from hazardous materials or medical waste used, generated, or disposed of by Broward Health;
- The term "hazardous materials" includes medical waste and other regulated substances;
- The indemnity obligation survives the term of the lease to the extent permitted by law;
- The City retains the right to enter the property and conduct environmental testing upon notice of a violation or probable cause; and
- Legal defense must be provided by Broward Health via counsel reasonably

acceptable to the City, and with no waiver of sovereign immunity to the extent permitted by law.

The approval of this item is contingent upon the approval of Commission Agenda Memo No. 25-0498, which authorizes the termination of the existing lease with the YMCA and the execution of a new fifty (50)-year lease agreement between the City and the YMCA.

Resource Impact

There is no fiscal impact associated with this item.

Strategic Connections

This item is a *Press Play Fort Lauderdale Strategic Plan 2025* initiative, specifically advancing:

- Internal Support Focus Area
- Goal 8: Building a leading government organization that manages all resources wisely and sustainably.
- Objective: Maintain financial integrity through sound budgeting practices, prudent fiscal management, cost effective operations, and long-term planning

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

Related CAMs

25-0448

25-0498

25-0500

25-0501

25-0502

Attachments

Exhibit 1 – YMCA and Broward Health Sublease

Exhibit 2 – Recognition Agreement

Exhibit 3 – Environmental Indemnity Agreement

Exhibit 4 – Resolution

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Charter Officer: Rickelle Williams, City Manager