



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

**FROM:** Lee Feldman, ICMA-CM, City Manager

**DATE:** December 17, 2013

**TITLE:** Resolution accepting the proposal of Historic Hospitality Group, LLC for  
the lease of Bryan Homes River House and authorizing preparation of a  
form of the lease – Request for Proposal (RFP) 535-11072

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**Recommendation**

It is recommended that the City Commission adopt a resolution (Exhibit #7) pursuant to City Charter Section 8.09 accepting the proposal of Historic Hospitality Group, LLC (Exhibit #4) for the lease of Bryan Homes River House and authorizing the preparation of a form of a lease for a twenty-five year term to Historic Hospitality Group, LLC, as Lessee and requiring an initial investment amount of \$1,744,800 for renovation and rehabilitation of the Property and further authorizing the City Manager to approve the renewal options in accordance with the terms of the lease. The form of the lease will be presented to the City Commission at their February 18, 2014 regular meeting for review and to consider whether to authorize execution thereof.

**Background**

On May 7, 2013 the City Commission adopted Resolution No. 13-84 pursuant to Charter Section 8.09 declaring the Commission's intent that certain lands and improvements identified therein were no longer needed for governmental purposes and offering such lands and improvements for lease upon certain terms and conditions. Pursuant thereto a Request for Proposal (RFP) for the rehabilitation and operation of the Historic Bryan Homes located along Riverwalk Park was issued. The property was most recently operated as the Riverhouse Restaurant. The desire of the City was to reactivate the historic homes and bring a quality destination to Riverwalk Park.

RFP 535-11072 was opened on July 17, 2013 and three proposals were received. The evaluation committee consisted of Phil Thornburg, of the Parks and Recreation Department and Jenni Morejon and Earl Prizlee, both of the Sustainable Development Department. The committee evaluated the proposals and ranked Stirlings, LLC as the top ranked proposer. After a review by the City Auditor and staff, it was discovered the cost portion for the initial investment and percentage of gross proceeds was ranked incorrectly. Stirlings, LLC proposal included a 4% rent credit until the initial investment

of \$3,636,322 was recouped thereby essentially affording the City zero rent payments for the amount of time needed to recoup the investment (approximately 20 years). The other two proposers offered lower investments but without any amount to be recouped. They also offered either 3% or 5% of gross proceeds. Therefore Stirlings should have been ranked third as their effective initial investment was zero. The change in the ranking for the cost portion resulted in Historic Hospitality Group, LLC as top ranked proposer.

Historic Hospitality Groups' proposal is to expend \$1.7 million dollars to bring the property and homes to the required condition for a bed and breakfast boutique hotel. Historic Hospitality Groups' rent proposal is to pay the City 3% of its gross proceeds.

According to Charter Section 8.09 (c) the criteria under which the City Commission is to consider the proposals is set forth below:

“The City Commission shall consider any and all proposals and accept the proposal which, in its judgment, shall be the most advantageous lease for the City; but the City Commission may reject any and all bids.”

**Resource Impact**

There will be a positive fiscal impact to the City in the estimated revenue amount of \$27,161.

**REVENUE TO BE DEPOSITED:**

FY	FUND	SUB FUND	FUND NAME	INDEX #	INDEX NAME	SUB OBJ #	SUBJECT NAME	AMOUNT
2014	001	01	General	PKR100101	Real Estate	N351	Bryan Homes Lease	\$27,161.00
<b>TOTAL</b>								\$27,161.00

**Strategic Connections:**

This item is a *Press Play Fort Lauderdale Strategic Plan 2018* initiative, included in 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.

This item also furthers the *Fast Forward Fort Lauderdale 2035 Vision Plan*: We are connected.

**Attachments**

- Exhibit 1 – Bid Tabulation RFP 535-11072
- Exhibit 2 – Final Rankings, RFP 535-11072
- Exhibit 3 – Resolution No. 13-84
- Exhibit 4 – Historical Hospitality Group Proposal
- Exhibit 5 – Stirlings Proposal
- Exhibit 6 – Riverfront Cruises Proposal
- Exhibit 7 – Resolution

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