



CITY OF FORT LAUDERDALE
City Commission Agenda Memo
REGULAR MEETING

#15-0681

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

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

DATE: May 19, 2015

TITLE: Resolution Authorizing the City Manager to Enter into an Agreement with
CBRE, Inc. to Provide Financial Advisory Services for the Design,
Expansion and Redevelopment of the Las Olas Marina

Recommendation

It is recommended that the City Commission adopt a resolution authorizing the City Manager to enter into an agreement with CRBE, Inc. to provide financial technical services for the design, expansion and redevelopment of the Las Olas Marina.

Background

At the April 7, 2015 City Commission regular meeting, the City entered into the First Amendment to the Agreement and Addendum for real estate brokerage and lease management services. The First Amendment allows the City to retain CRBE, Inc. to provide financial technical services for specific development projects, and that compensation for these services will be a market-based compensation schedule determined by mutual agreement between the City and CBRE, Inc.

Additionally at the April 7, 2015 City Commission meeting the Commission directed staff to prepare a Request For Proposals for the renovation and expansion of the Las Olas Marina. Through its agreement with CBRE, Inc. to provide financial advisory services, staff has negotiated a scope of services and associated fees with CBRE, Inc. to prepare a RFP and provide other services including site due diligence, vision and planning, market engagement and other technical expertise. CBRE, Inc. will be compensated with a fee equal to 3.5% of the Net Present Value (NPV) of the entire ground lease, discounted at the Municipal General Obligation AA rated Bond Rate, using a maturity range that is consistent with the term of the ground lease. The following hypothetical scenario is an example of how the compensation would work:

Lease payment to the City for the Las Olas Marina is \$1 million annually with a minimum annual increase of 3% for 30 years. That would generate \$47,575,415 during the term of the ground lease. Discounting at 3.5% (the Muni GO AA 30 year bond rate), the NPV is \$10,572,316. At 3.5% of the NPV, the fee for CBRE, Inc. would be \$370,031.

CBRE's fee would be the responsibility of the successful proposer.

Resource Impact

The resolution has no impact to existing resources.

Strategic Connections

This item is a *Press Play Fort Lauderdale Strategic Plan 2018* initiative, included in the **Public Places Cylinder of Excellence**

- **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

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

Attachment:

Exhibit 1 – Scope of Services

Exhibit 2 – Resolution

Prepared by: Donald Morris, AICP, Economic Reinvestment Administrator

Department Director: Jenni Morejon, Sustainable Development Director