



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

**#23-0029**

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

**FROM:** Greg Chavarria, City Manager

**DATE:** July 5, 2023

**TITLE:** Motion Approving a Comprehensive Agreement with Las Olas Parking Solutions, LLC for the Development, Operation, and Maintenance of a Multi-Use Structure with Public Parking, a Fire-Rescue/EMS Substation, and Retail, at the Southeast Corner of SE 2nd Court and SE 8th Avenue – **(Commission District 4)**

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**Recommendation**

Staff recommends the City Commission consider entering into a Comprehensive Agreement, in substantially the form attached, subject to City Attorney review and approval, with Las Olas Parking Solutions, LLC for the Development, Operation, and Maintenance of a Multi-Use Structure with Public Parking, a Fire-Rescue/EMS Substation, and Retail, at the Southeast Corner of SE 2nd Court and SE 8th Avenue.

**Background**

On June 24, 2021, the City received an unsolicited proposal pursuant to Section 255.065, Florida Statutes, to develop, operate, and maintain a multi-use structure with public parking, a Fire Rescue/EMS Substation, and retail, at the site of an existing City parking lot located at the southeast corner of SE 2nd Court and SE 8th Avenue. The proposer submitted the required application fee of \$25,000 in accordance with Resolution No. 13-187.

On November 16, 2021, through Resolution No. 21-261, the City Commission determined that the proposed project would serve a public purpose as a vehicle parking facility and a public facility or infrastructure that is used and will be used by the public at large or in support of an accepted public purpose or activity, and constitutes a qualifying project pursuant to Section 255.065, Florida Statutes. In accordance with the foregoing statute, the City advertised and accepted other proposals for the same project in accordance with Section 255.065, Florida Statutes, for a period of thirty (30) days after the initial date of publication, up through and including 5:00 PM, December 22, 2021. The City did not receive any proposed competing proposals during the aforementioned timeframe.

On May 3, 2022, through Resolution No. 22-94, the City Commission authorized the City Manager to negotiate a proposed Interim and/or Comprehensive Agreement, in

Accordance with Section 255.065, Florida Statutes.

The proposed comprehensive agreement includes:

**Private Party Investment:**

*Minimum Qualified Project Investment:* \$20,000,000.00

*Minimum Fire/EMS Station Investment:* \$2,043,500.00

**Term:**

*Inspection & Pre-Development:* Up to 55 months.

*Expiration Date:* 50 years from the Commencement Date.

**Rent:**

*Base Rent:* A base rent of \$720,000 per year (reduced to \$360,000 during the construction period). Base rent increases 5% every 10 years.

*Profit Distribution:* The Agreement includes profit sharing between the City and the Private Party after qualified expenditures. The City anticipates receiving an additional \$500,000 per year through the 50% profit sharing formula.

*Anticipated Revenue:* Staff anticipates a total annual compensation in excess of \$1,200,000 from the Base Rent and Profit Distribution. For comparative purposes, in Fiscal Year 2022, the existing parking lot generated approximately \$500,000 after expenditures.

*Miscellaneous Revenue:* In addition to the above referenced revenues, the City will receive all parking enforcement revenues and on-street parking revenues (these revenues are not included in the profit-sharing formula).

**Qualified Project:**

*Fire/EMS Station:* The developer will invest no less than \$2,043,500 towards the 6,700 square foot Fire/EMS Station which includes the shell, plumbing, electricity, air conditioning, architectural and engineering fees and tenant improvements. The City will be responsible for some of the furnishings, equipment, and specialized technologies. The City will have real costs associated with the initial activation of the Fire/EMS Station that would be included in the FY26 budget request for City Commission consideration. The City will negotiate the terms of the Fire/EMS Station Sub-Lease during the Pre-Development period. City staff anticipates that the sublease will include a \$1.00 per year annual rent and a proportionate share of the development's Operating Costs.

*Parking Garage:* The developer is required to construct multi-story parking garage with approximately 300 parking spaces. The developer is responsible for the operations and maintenance of the parking garage and the City will be responsible for revenue collections and parking enforcement. The garage will be available to the public and the City approves the parking rate structure.

*Commercial Space:* The developer will construct, operate, and maintain approximately

19,000 square feet of commercial space. The revenues associated with the commercial space will be included in the 50% profit-sharing formula.

**Miscellaneous:**

*Capital Reserves:* The Agreement requires that the Developer contribute \$5,000 per month to a Capital Reserve Account for future repair and maintenance needs.

*Developer Capital Payment:* The Agreement defines, prior to profit-sharing considerations, an eight percent return of the Developer's Capital Investment.

*Fire/EMS Station Prioritization:* The Agreement requires that the turn-key Fire/EMS Station be delivered to the City within 90 days of the first commercial space certificate of occupancy issuance.

*Inspection Period:* During the 120-day Inspection Period, the following actions need to occur:

1. The City and the Private Party shall agree as to the form of the Fire EMS Sublease.
2. The Private Party shall approve the status of the title and survey of the Property.
3. The Private Party shall prepare a survey and shall show the legal description of the Property which shall be reasonably acceptable to both Parties and upon approval shall replace the legal description and upon approval shall replace the legal description set forth on Exhibit A.
4. The City and Private Party shall agree on the percentage of City's staffing costs under the definition of City Operating Expenses and the minimum threshold for capital repairs and/or improvements set forth in Section 11.1.
5. The written agreement of the Private Party and the City of the scope of the Initial Improvements and work letter for the construction by the City of the landlord work as contemplated by the FIRE/EMS Sub-Lease.
6. The termination of the Existing License and negotiation of the written agreement between Private Party and Las Olas Holding Company of the New License.

*Pre-Development Period:* During the 18-month Pre-Development Period, the following actions need to occur:

1. The approval of the Approved Plans for the Initial Improvements.
2. The agreed upon Capital Improvement Budget.
3. Execute a mutually acceptable Subordination, Non-disturbance, and Attornment Agreements in favor of a Leasehold Mortgagee.
4. Commission and delivery of the ESA (defined below) to the City.
5. The Private Party may have obtained the DRC Approval.
6. The written agreement as to the scope of the Parking Equipment.
7. The Private Party shall obtain all governmental approvals with all appeal periods having expired (including but not limited to a building permit) for the Private Party to construct the Initial Improvements with requirements acceptable to the Private Party.

### **Resource Impact**

There are no current fiscal year impacts. Future revenues due to the City were estimated by the Private Party as part of the Unsolicited Proposal (Exhibit 2). Future expenditures for the Fire/EMS station will be negotiated during the Pre-Development period.

### **Strategic Connections**

This item is a *2022 Top Commission Priority*, advancing the Infrastructure and Resilience Initiative.

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

- Infrastructure
- Goal 1: Build a sustainable and resilient community.
- Goal 2: Build a multi-modal and pedestrian friendly community.

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

This item supports the *Advance Fort Lauderdale 2040 Comprehensive Plan* specifically advancing:

- The Infrastructure Focus Area
- Transportation And Mobility Element
- Goal 1: Ensure the equitable development of a Complete Network for transportation that prioritizes Safety and emphasizes multimodal mobility and accessibility.

### **Attachments**

Exhibit 1 – Location Map

Exhibit 2 – Las Olas Parking Solutions, LLC Unsolicited Proposal

Exhibit 3 – PFM Consulting Group Financial Assessment

Exhibit 4 – Comprehensive Agreement – Las Olas Parking Solutions, LLC

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Prepared by: Ben Rogers, Director, Transportation and Mobility

Department Directors: Ben Rogers, Transportation and Mobility