



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

FROM: Lee Feldman, ICMA-CM, City Manager

DATE: November 19, 2013

TITLE: Resolution accepting the proposal of Stirlings, LLC for the lease of Bryan Homes River House and authorizing preparation of a form of the lease – Request for Proposal (RFP) 535-11072 - \$1,150,000 (revenue for twenty-five year lease)

Recommendation

It is recommended that the City Commission adopt a resolution (Exhibit #5) pursuant to City Charter Section 8.09 accepting the proposal of Stirlings, LLC 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 Stirlings, LLC, as Lessee and requiring an initial investment amount of \$3,636,322 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 January 7, 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 with three proposals received. The evaluation committee consisted of Phil Thornburg from the Parks and Recreation Department and Jenni Morejon and Earl Prizlee, both from the Sustainable Development Department. The committee evaluated the three proposals and ranked Stirlings, LLC as the top ranked proposer.

Stirlings proposal is to expend \$3.6 million dollars to bring the property and homes to the required condition. Stirlings' rent proposal is to pay the City 4% of its gross proceeds, but to have a rent credit of that amount given to Stirlings up until the time the total renovation expenditures on the property are reimbursed to Stirlings. It is estimated it will take approximately twenty years to cover the initial investment and beginning in year twenty-one revenue to the City is estimated at approximately \$230,000 per year.

Resource Impact

There will be a positive fiscal impact to the City in the estimated revenue amount of \$1,150,000 over the twenty-five year lease.

There is no current budget impact. Rent is credited until initial investment is recovered.

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.

Attachments

Exhibit 1 – Bid Tabulation RFP 535-11072

Exhibit 2 – Final Rankings, RFP 535-11072

Exhibit 3 – Stirlings Schedule of Forecasted Rent Expense

Exhibit 4 – Resolution No. 13-84

Exhibit 5 – Proposed Resolution

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