



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

#24-0600

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

FROM: Susan Grant, Acting City Manager

DATE: September 3, 2024

TITLE: Motion Approving a Comprehensive Agreement with Water Taxi of Fort Lauderdale, LLC to Construct, Operate, and Maintain a Water Taxi Terminal and Lease City-Owned Property Located at 1001 Seabreeze Boulevard, Fort Lauderdale, Florida – (**Commission District 2**)

Recommendation

Staff recommends the City Commission approve a Comprehensive Agreement, in substantially the form attached, with Water Taxi of Fort Lauderdale, LLC to construct, operate, and maintain a water taxi terminal on and Lease City-Owned Property Located at 1001 Seabreeze Boulevard, Fort Lauderdale, Florida.

Background

On May 12, 2023, the City received an unsolicited proposal from Water Taxi of Fort Lauderdale, LLC pursuant to Section 255.065, Florida Statutes, to construct, operate, and maintain a Water Taxi Terminal located at 1001 Seabreeze Blvd, Fort Lauderdale, FL. The project includes space for the dockmaster, a ticket office, waiting area, public restaurant, and an event space. The proposer submitted the required application fee of \$25,000 in accordance with Resolution No. 13-187.

On September 19, 2023 via Resolution No. 23-208, the City Commission determined that the proposed project would serve a public purpose as 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 forty-five (45) days after the initial date of publication, up through and including 5:00 PM, November 10, 2023. The City did not receive any proposed competing proposals during the aforementioned timeframe.

On December 19, 2023, the City Commission passed Resolution 23-297 which provided notice of the decision to proceed with and acceptance of the unsolicited proposal submitted by the Water Taxi of Fort Lauderdale, LLC to construct, operate, and maintain

a water taxi terminal and lease city-owned property located at 1001 Seabreeze Boulevard, Fort Lauderdale, Florida, and authorized negotiations for an agreement.

On June 19, 2024, the PFM Consulting Group (PFM) issued a memorandum that memorialized their financial review of the deal terms. The memorandum concluded that the project development is consistent with the overall market and that based on the assumptions provided that the project is feasible. The memorandum identified additional rental revenue opportunities for the City to consider which led to additional negotiations and the inclusion of a percent rent structure.

The proposed comprehensive agreement includes:

- Term: 50 years
- Base Rent: \$120,000 annually with 5% annual escalator (current Water Taxi rent for this location is \$120,000 annually on a year to year lease)
- Percent Rent: Starts in year six by establishing a threshold that if gross revenues exceed \$8,500,000 (escalated annually at 5%), then the City will receive one half of one percent as additional rent.
- Public Benefits:
 - Seawall Improvements: The developer will assume responsibility for the City's seawall associated with parcel 504212270012.
 - Fire Station 49 Improvements: The developer is responsible for improvements to Fire Station 49 which include constructing a new enclosed fire engine bay and reconstructing the City's dock that is used for the marine boats.
 - Private Dock Usage: The City will have access to the newly constructed private docks that can be used to land and launch city vessels. The general public will have short term dock access when visiting the Water Taxi Terminal.
 - City Event Space: The City shall have up to 12 functions at the rooftop facility with no rental cost. The City is responsible for any food, beverage, or entertainment cost associated with the event(s). Water Taxi service, if requested for the event, will be provided at 50% of the standard rate.
 - Civic Association / Public Meetings: The agreement identifies that the Water Taxi must use reasonable efforts to host local civic association meeting at no-charge.

Resource Impact

There are no anticipated FY24 impacts. The proposed agreement will generate over \$25,000,000 in base rent over the next 50 years. There is a potential for additional positive fiscal impacts associated with percent rent which is based on performance.

Strategic Connections

This item is a *2024 Commission Priority*, advancing the Parks and Public Places initiative.

This item supports the 2029 Strategic Plan, specifically advancing:

- The Public Places Focus Area, Goal 5: Build a beautiful and welcoming community

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

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

- The Public Places Focus Area
- The Parks, Recreation & Open Spaces Element
- Goal 1: Be a community where persons of all ages are able to partake in a fun and healthy lifestyle

Attachments

Exhibit 1 – Location Map

Exhibit 2 – Water Taxi Fort Lauderdale LLC Unsolicited Proposal

Exhibit 3 – PFM Memorandum

Exhibit 4 – Comprehensive Agreement – Water Taxi Fort Lauderdale, LLC

Prepared by: Ben Rogers, Acting Assistant City Manager, City Manager's Office

Charter Officer: Susan Grant, Acting City Manager