



CITY OF FORT LAUDERDALE
City Commission Agenda Memo
REGULAR MEETING

#16-0760

TO: Honorable Mayor & Members
Fort Lauderdale City Commission

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

DATE: June 21, 2016

TITLE: Resolution Declaring the Intent to Lease the Las Olas Marina

Recommendation

It is recommended that the City Commission adopt a resolution pursuant to Charter Section 8.09 declaring the City's intent to lease the Las Olas Marina located at 240 E. Las Olas Circle, Fort Lauderdale, Florida 33316 and a portion of the parking lot located at 240 E. Las Olas Circle.

Background

Staff seeks authorization to initiate the process under Charter Section 8.09 toward leasing the Las Olas Marina by adopting a Resolution declaring the City's intent to lease the property. Under Charter Section 8.09 this is a three-resolution process.

Section 8.09 of the City of Fort Lauderdale Charter provides that City property may be leased for a maximum term of 50 years (plus five years for construction), under certain proscribed conditions. The Resolution will seek proposals from parties interested in leasing and operating the marina with a rental term of not to exceed fifty (50) years, inclusive of renewal periods.

Per the Charter, the property shall be offered upon competitive conditions for lease. Sealed bids shall be delivered to the City's Procurement Division on or before 2:00 PM August 23, 2016. The sealed bids must be accompanied by a proposal security in the amount of \$100,000 and a deposit in an amount equal to at least ten (10) percent of the first year's base revenue in the form of cash, cashier's check or certified check payable to the City. The proposal security and the deposit may be submitted as individual or combined amounts, respectively within one or two checks. The City Commission will meet on October 4, 2016 at 6:00 PM for the purpose of reviewing all bids and determining the proposal which, in its judgment, is the most advantageous lease for the City, but the City Commission may reject any and all bids at any time. A second resolution will be adopted at that meeting selecting the successful proposal and

authorizing the preparation and negotiation of a lease agreement. The third resolution adopts the final lease which will be presented to Commission for approval.

CBRE, the City of Fort Lauderdale's real estate brokerage firm, has met with the City Attorney's Office, the City Auditor's Office, and the City Manager's Office to address improvements to the RFP since the City Commission on June 7, 2016. Amongst the changes made to the RFP are the following:

- Bidders will be asked to submit full 50-year pro-formas in excel spreadsheet format including formulas. The pro-forma should include individual line items that support all proposed/projected revenues and expenses, inclusive of line items for gross slip revenue, gross marina operation revenue other than slip revenue, gross ship store revenue, gross revenue received from the Fort Lauderdale International Boat Show, and the gross revenues for any other proposed income streams as well as individual line items associated for each of the corresponding percentage revenue calculations that apply to these revenue sources. (we need the ability to mark these are trade secrets not subject to FS.119);
- Bidders will be asked to submit proposed/projected slip rates, both in season and out of season, by vessel range size;
- Bidders will be asked to submit proposed/projected occupancy rates;
- Bidders will be asked to submit proposed/projected revenues from the Fort Lauderdale International Boat Show, and any supporting documentation as far as proposed agreements (if available);
- Bidders will be asked to submit a proof of concept regarding the proposed dock construction and materials to be used, specifically regarding but not limited to engineering design, slip configuration, operational feasibility, construction costs, proposed dock anchoring systems, and life expectancy;
- The office space contemplated in the garage is no longer available; bidders must accommodate the ship's store/marina office elsewhere;
- Bidders must deliver the minimum average combined Rent (minimum base revenue + percentage revenue) to the City of \$1.25 Million per annum over a 10-year period and are responsible for negotiating any reduction in fee sharing for the uplands development directly with the state;
- The Lease Commencement will be upon approval by the City Commission and the State;
- Base Revenue abatement will be allowed for up to 4 years given the timing and associated boat show impact;

- Base Revenue shall be payable in equal monthly installments, with increases of a minimum of 10% every five years, starting from the Lease Commencement initial minimum Base Revenue rate of \$1.00 Million per annum (without abatement and net of any fee sharing with the State) over the entire term of the Lease; ie in Years 6, 11, 16, 21, 26, 31, 36, 41, and 46.

Strategic Connections

This item is a Press Play Fort Lauderdale Strategic Plan 2018 initiative, included within the Internal Support Cylinder of Excellence, specifically advancing:

- Goal 12: Be a leading government organization, managing resources wisely and sustainably
- Objective 1: Ensure sound fiscal management
- Initiative 1: Achieve a structurally balanced budget through viable revenue sources, smart financial management, comprehensive financial forecasting, and results-oriented and efficient services

Resource Impact

There is a no fiscal impact to the City associated with this item.

Attachment
Exhibit 1 – Resolution

Prepared by: Ryan Henderson, City Manager's Office

Department Director: Lee Feldman, ICMA-CM, City Manager