



CITY OF FORT LAUDERDALE
City Commission Agenda Memo
REGULAR MEETING

#16-0840

TO: Honorable Mayor & Members
Fort Lauderdale City Commission

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

DATE: July 12, 2016

TITLE: Resolution Approving a Funding Agreement with Project Discovery, Inc.

Recommendation

It is recommended that the City Commission pass a Resolution approving a funding agreement with Project Discovery, Inc. Approval of the agreement will have the City of Fort Lauderdale begin the process of purchasing an interest (up to 62.5%) in the property located at 400 W. Broward and owned by Project Discovery, Inc. The funds collected by Project Discovery, Inc. will go towards the development of Science Park.

Background

Project Discovery, Inc. currently owns the property at 400 West Broward Boulevard valued at \$1,600,000. The corporation has agreed to sell to the City an interest in the property with proceeds used by Project Discovery, Inc. to fund the development of Science Park. At the May 17, 2016 City Commission Conference Meeting, the City Commission was presented with the proposal that the City would buy interest in the property located at 400 W. Broward Boulevard and then lease the property back to Project Discovery, Inc. so that that Project Discovery, Inc. could develop Science Park – an addition to the Museum of Discovery and Sciences. At the June 7, 2016, City Commission Meeting, the City Commission approved a resolution with the intent to lease the property at 400 W. Broward. The lease agreement with Project Discovery is also before the Commission at this July 12, 2016, City Commission Meeting.

The two parties, Project Discovery Inc. and the City of Fort Lauderdale, agree the property is valued at \$1,600,000.00. The City has agreed to pay \$1,000,000 (62.5% interest) which shall be paid over three (3) fiscal years beginning this FY16 and subject to future fiscal year appropriations. Simultaneously, with execution of this Funding Agreement, Project Discovery, Inc. and the City of Fort Lauderdale shall execute three (3) Sales Agreements which shall be binding and enforceable.

Project Discovery agrees that the City shall have the option to acquire the remaining 37.5% interest in the property for a period of five (5) years from the Effective Date of this Agreement by providing written notice of its exercise of the option to Project Discovery, Inc. prior to the expiration of such five (5) year period.

The purchase price for the remaining interest shall be the then-current market rate established by an appraisal but in no event shall the purchase price for the remaining interest be less than \$600,000.00.

Likewise, Project Discovery, Inc. shall also have the option to acquire all right, title, and interest of the City in the property by providing written notice of its exercise of the option to the City. The purchase price for the property shall be the then-current market value of such property established by appraisal. In no event shall the purchase price for the property be less than the amount paid by the City.

Science Park will be created to encourage open-ended experimentation with the physical sciences and the development of science thinking skills. The dynamic outdoor expansion of the Museum of Discovery and Science's interactive learning experience will be a family-based zone of discovery and will welcome visitors of all ages as visitors explore thinking skills through hands on explorations in an outdoor setting. The exhibits will provide multiple content-rich opportunities to experiment with basic principles of the physical world.

In all press releases, whether print or otherwise, issued by Project Discovery, Inc. regarding Science Park in which donors are acknowledged, Project Discovery shall also acknowledge the City's contribution and support of Science Park. Project Discovery, Inc. shall further acknowledge the City's contribution and support of Science Park in a manner comparable to Project Discovery, Inc. procedures for acknowledging donors at the million dollar level, which acknowledgment shall be included on certain signage selected and installed by Project Discovery, Inc. in its sole discretion on or about the property.

The residents (neighbors) of the City of Fort Lauderdale shall receive free admission four (4) days per calendar year (upon dates mutually agreeable to the Museum of Discovery and Science and the City) to Science Park. Also, the City shall have access to one (1) evening per calendar to the exhibit areas of the Museum of Discovery and Science for an official or ceremonial use on a date mutually agreed upon and access every year to the 'balcony' of the museum on New Year's Eve so long as the City is sponsoring a block party on New Year's Eve in front of the Museum.

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 will be a current fiscal year impact to the City in the amount of \$333,333.

| Funds available as of July 5, 2016 | | | | | |
|------------------------------------|-------------------------|---|-------------------|----------------------|------------------|
| ACCOUNT NUMBER | INDEX NAME (Program) | CHARACTER CODE/ SUB-OBJECT NAME | AMENDED BUDGET | AVAILABLE BALANCE | AMOUNT |
| 001-DSD050101-4299 | Economic Development | Other Operational Expenses/ Other Contributions | \$1,018,165 | \$582,232 | \$333,333 |
| | | | | TOTAL ► | \$333,333 |

Attachments

Exhibit 1 – Funding Agreement
Exhibit 2 – Science Park Rendering
Exhibit 3 – Resolution

Prepared by: Ryan Henderson, City Manager's Office

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