



City Auditor's Office

CITY OF
FORT LAUDERDALE

Regular
Meeting
12/5/2017
R-4

Provided by
Kriston
maus

Memorandum

Memo No: 17/18-02

Date: December 4, 2017

To: Honorable Mayor and Commissioners

From: John Herbst, CPA, CGFO, CGMA
City Auditor

Re: **Bahia Mar Redevelopment Revenue Projections**

Last week I received a revenue projection schedule from Jimmy Tate, consistent with the plans for the Site Plan Level IV submittal for the redevelopment of the Bahia Mar property.

Since the configuration is conceptual at this point, a formal business plan was not available for review. The revenue figures should be viewed as a rough estimate of the potential impact to the City's lease revenue, assuming no changes to the lease terms are made.

The attached schedule was provided with the following caveats:

Attached hereto, please find a proposed revenue projection analysis, as requested. Although the report is based upon the disclaimers and assumptions highlighted therein, please make note that we did try to be as accurate as possible in regard to potential realities of current revenue streams from the hotel (we assumed a 25% decrease in tower building from the adjusted revenue stream which takes into consideration any potential loss of revenue due to nearby construction) and marina (we assumed a 15% decrease in the marina income (not boat show income) just in case there is a little decrease of revenue although we don't see that occurring since we are developing in phases and the buildings are relatively small and the marina can easily be protected).

Again, this report is based upon multiple future projections and assumptions, many of which we can't control and some that we can control. Hence the assumptions are subject to change once the development commences. Additionally, we make no representation that these forward looking projections and assumptions are accurate and or binding.

My review was limited solely to assessing the reasonableness of the projections, based on the assumptions herein. I did not audit the schedule, examine evidence supporting the amounts and assumptions made, nor independently attempt to develop figures for the average room rates, average occupancy rates or potential impact of construction on existing revenue streams.

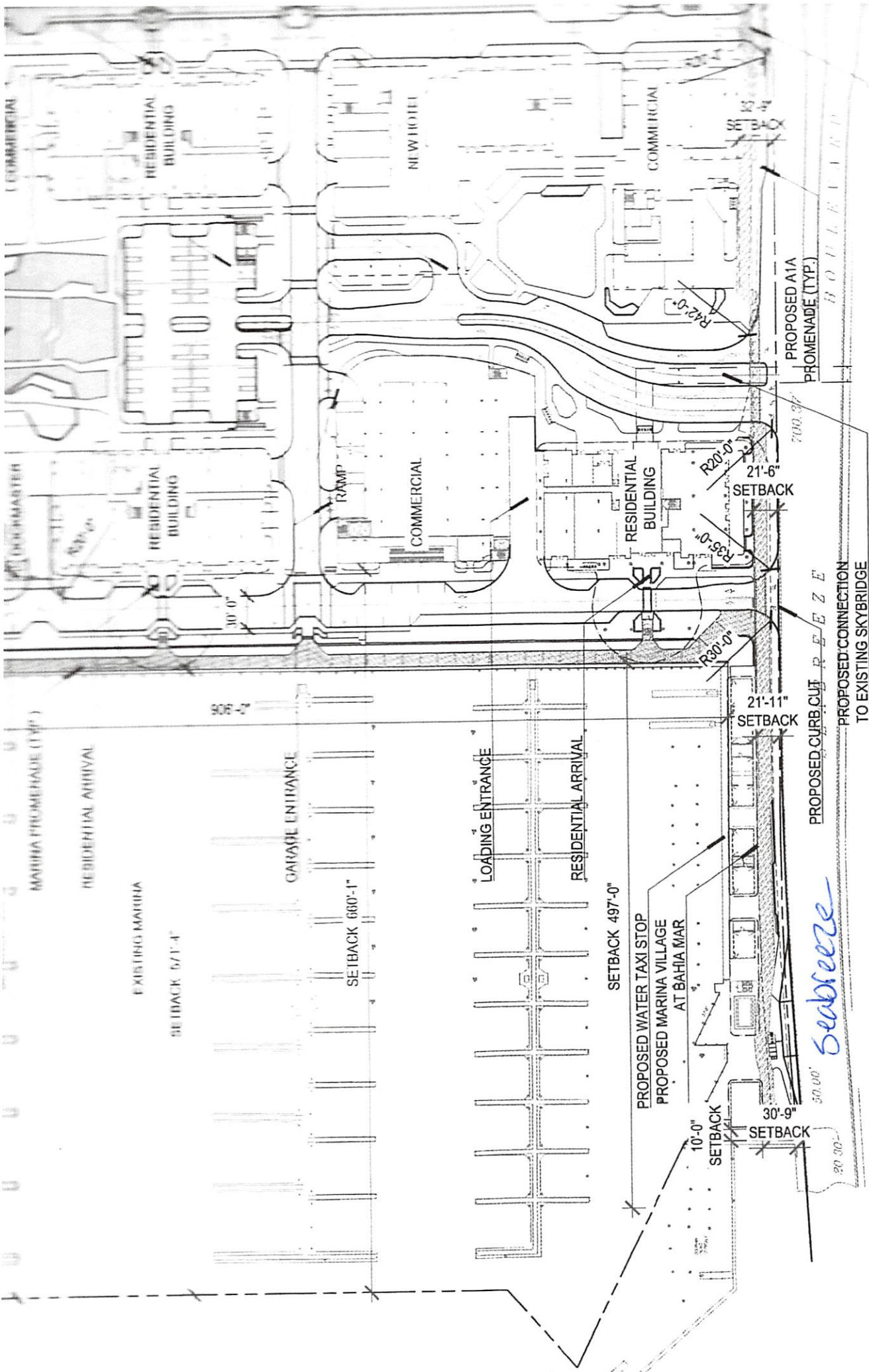
Based on my review, the worksheet formulas are generally accurate, the amounts used for residential and commercial rates appear reasonable, and the reductions in revenue due to the construction and lease-up phases make the revenue figures more conservative. In short, the total revenue and associated annual rent to the City offer a practical starting point for estimating the financial impact of the proposed redevelopment.

By the end of the 10 year construction and leasing period, the City can expect to see its annual rent go from \$1.6 to \$3.7 million, an increase of \$2.1 million.

One additional revenue stream not included in this analysis is the increased ad valorem taxes that will be generated by the new construction. City staff is presently working with the Property Appraiser's Office to come up with a preliminary estimate of that amount.

Attachment

cc: Lee R. Feldman, City Manager
Cynthia A. Everett, City Attorney
Jeff Modarelli, City Clerk
Stanley Hawthorne, Assistant City Manager
Christopher Lagerbloom, Assistant City Manager



PROPOSED RELOCATED CURB CUT

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EXISTING BEACH CROSSOVER

EXISTING BEACH PARKING

Seabreeze

L-105



No clear views of fishery village

What is the view of the fishery village?