



CITY OF FORT LAUDERDALE
City Commission Agenda Memo
REGULAR MEETING

#18-0191

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

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

DATE: February 20, 2018

TITLE: Motion to Authorize the City Manager to Commence Negotiations for a
Lease Agreement with Drive Shack Inc. for the Development and
Improvement of Parcel C in the Airport Industrial Park at Fort Lauderdale
Executive Airport

Recommendation

It is recommended that the City Commission authorize the City Manager to commence negotiations for a Lease Agreement with Drive Shack, Inc. (Drive Shack) for the development and improvement of Parcel C in the Airport Industrial Park at Fort Lauderdale Executive Airport (FXE).

Background

Parcel C site is located in the Airport Industrial Park on FXE non-aeronautical property at 6499 NW 12th Avenue and zoned Airport Industrial Park (AIP). The undeveloped site is approximately 10.29 acres (448,218 square feet), rectangular, with a north and south boundary approximately 1,248 feet in length, and an east and west boundary approximately 328 feet in width (Exhibit 1).

In accordance with the Charter, advertising or solicitation for public bid is not required of Airport properties. However, in an effort to maximize the number of proposals submitted for a project that best suits the City, Airport, and surrounding communities, FXE staff coordinated with the City's procurement group to prepare a solicitation for bid on Parcel C (Exhibit 2).

The City's procurement group advertised an RFP and received three proposals for the development and improvement of Parcel C. Proposals were received by Drive Shack Inc. (Exhibit 3), East Group Properties, L.P (Exhibit 4), and Midgard Group Inc. (Exhibit 5). East Group Properties subsequently removed their proposal from further consideration. After a review of the proposals, Drive Shack was selected. As a result of the selection, the City received a bid protest from Midgard.

Upon further review and discussion with the City Attorney's Office, Procurement staff, and Airport staff, it was determined that it would be in the City's best interest to reject all bids. On August 9, 2017 the City issued a bid protest response upholding the protest and recommending rejection of all bids (Exhibit 6).

During the August 22, 2017 City Commission meeting, a motion was made to reject all bids with the recommendation that staff meet with Drive Shack and Midgard and discuss alternative options that would meet the needs of both entities. City staff, along with Colliers International, met with both Drive Shack and Midgard on December 4, 2017. In the meeting, staff presented several alternative, adjacent and vacant parcels that would be available for discussion for Midgard to lease and develop. These parcels would not accommodate the needs of Drive Shack for their development purposes. Staff understood from Midgard that although the available parcels may be able to accommodate their development plan, Parcel C was the parcel they were most interested in leasing and developing.

After meeting with Drive Shack and Midgard, staff maintains its initial recommendation that the City move forward in leasing Parcel C to Drive Shack for them to develop an entertainment golf venue that will be consistent with the vision of Uptown Fort Lauderdale. Additionally, staff believes the development will be supported by the current businesses, as well as encourage new business and provide entertainment growth for the Uptown area where people can live, work and play. The proposed facility will feature three stories of hitting suites to allow entertainment and competition in a technologically-enhanced golf game. The facility will also include a restaurant, lounge areas, conference rooms, and adequate parking.

On January 19, 2018, the City Attorney's Office received a letter from Becker & Poliakoff (Exhibit 7) on behalf of Midgard, indicating issues with how the City is proceeding. After thorough review of their letter, the City believes that the issues raised in the letter are without merit. Therefore, City staff recommends approval of the motion.

Resource Impact

There is no current year fiscal impact.

Strategic Connections

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

- Goal 7: Be a well-positioned City within the global economic and tourism markets of the South Florida region, leveraging our airports, port, and rail connections.
- Objective 4: Deliver best-in-class regional general aviation airport amenities and services to domestic and international.
- Initiative 1: Examine the highest and best use of airport property to stimulate economic development and create jobs.

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

Attachments

Exhibit 1 – Parcel Map
Exhibit 2 – Solicitation
Exhibit 3 – Drive Shack, Inc. Proposal
Exhibit 4 – East Group Properties, L.P. Proposal
Exhibit 5 – Midgard Group, Inc. Proposal
Exhibit 6 – Response to Bid Protest
Exhibit 7 – Letter from Becker& Poliakoff

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