



CITY OF FORT LAUDERDALE
City Commission Agenda Memo
CONFERENCE MEETING

#21-0312

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

FROM: Chris Lagerbloom, ICMA-CM, City Manager 

DATE: March 16, 2021

TITLE: **REVISED BUS 1** - Bahia Mar Discussion - (Commission District 2)

At the February 2, 2021 Conference Meeting, the City Commission requested the opportunity to discuss the Bahia Mar Lease. On September 1, 1962, the City entered into a lease agreement with Fort Lauderdale Candlelight Corporation (“Candlelight”) for the purpose of constructing and operating a restaurant, lounge, yacht club, motel/hotel, convention hall, marine facilities, and other similar businesses for an initial term of 50 years. The successor to Candlelight is Rahn Bahia Mar LLC, formerly known as Rahn Bahia Mar, Ltd (“Rahn Bahia”).

In 1995, the lease was amended and restated to add an additional 50 years to the lease term. Currently, the Lease will terminate on September 30, 2062, at which time, all permanent improvements and all hotel furnishings on the real property will revert to the City. Starting October 1, 1995, the lease agreement provides for a minimum guaranteed annual rental of \$300,000 per year and an annual percentage of 4.25% of gross operating revenue, less the minimum guaranteed rent previously paid. Starting on October 1, 2037, Lessee shall pay a base rent of the greater of \$300,000 or 80% of the average annual rent payable during the three lease years immediately preceding the lease year for which the minimum annual rental was calculated, and the annual percentage rental of the gross operating revenue remains unchanged at 4.25%.

Below is a ten-year history of payments received under the lease:

	Minimum Guaranteed Amount	Contingent Amount
FY2011	\$300,000	\$ 668,540
FY2012	300,000	616,989
FY2013	300,000	531,388
FY2014	300,000	1,146,018
FY2015	300,000	1,164,507
FY2016	300,000	1,218,946
FY2017	300,000	1,256,182

FY2018	300,000	1,270,637
FY2019	300,000	1,331,405
FY2020	300,000	1,585,042
Total	\$ 3,000,000	\$ 10,789,655

The below exhibits have been added to provide additional information in preparation for the conference meeting.

Exhibit 1 – City Attorney’s Memorandum Regarding the Proposed Amended and Restated Master Lease and Phased Lease Submitted for Review by Bahia Mar and Summary of Current Lease

Exhibit 2- Amended and Restated Master Lease Agreement

Exhibit 3 – Phased Lease Agreement

Prepared by Luisa Agathon, Senior Assistant to the City Manager

Charter Office: Chris Lagerbloom, ICMA-CM, City Manager