



**CITY OF FORT LAUDERDALE
City Commission Agenda Memo
CONFERENCE MEETING**

#26-0335

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

FROM: Rickelle Williams, City Manager

DATE: April 21, 2026

TITLE: International Swimming Hall of Fame Project Update – Joint Attractions –
City Manager’s Office (**Commission District 2**)

Background

City staff and Hall of Fame Partners, LLC (HOFP) will provide the City Commission with an update on the planned programming of the West Building. The presentation will focus on the creation of a joint attraction for the International Swimming Hall of Fame and Ft. Lauderdale Aquarium experiences.

Project History

On September 19, 2023, the City Commission adopted a resolution approving a Comprehensive Agreement (CA) with Hall of Fame Partners, LLC (HOFP) for a qualified project (Project) that included the construction, maintenance, and operation of the East and West buildings (Improvements) at the International Swimming Hall of Fame Complex (Property) located at 501 Seabreeze Boulevard (CAM #23-0723). Pursuant to the terms of the CA, the City leased the Property to HOFP to facilitate the construction, operation, and maintenance of the Improvements. Once constructed, HOFP would lease the Improvements to the City (Master Facilities Lease) which would in turn sublease the facilities to the International Swimming Hall of Fame, Inc. (ISHOF), a Florida Not-for-Profit Corporation, and ISHOF Peninsula, LLC (Peninsula), a wholly owned subsidiary of ISHOF. ISHOF and Peninsula were then to sub-sublease the Improvements to various entities.

At the time of approval, total project costs were estimated at \$190 million, resulting in a maximum annual commitment for the City under the Master Facilities Lease of \$11 million annually (expected range of \$9.5 million - \$11 million), commencing on substantial completion of the Project. The City’s obligation under the Master Facilities Lease would be offset by revenues generated from sub-subleased space in the buildings as well as other revenues generated by the Project, pursuant to a revenue sharing formula included in the CA. The PFM Financial Advisors, LLC (PFM) report dated August 3, 2023, provided a range of City financial commitment/exposure during the term of the project from a positive \$162,646 to a negative \$3,366,437 under a base case and four (4) separate revenue scenarios (increasing approximately three percent (3%) per year).

The CA provides that the City will have the opportunity to review and comment on the plans and budget for the respective phases. Phase 1, which included the demolition and abatement of the West building, seawall construction, Ocean Rescue building construction, and related soft costs, closed in October 2024. Phase 2 included the West building (ISHOF Museum, including exhibits and tenant improvements, event center, intracoastal and rooftop restaurants, diving grandstands and VIP Suites, parking garage, and related soft costs). Phase 3 included the East building (ISHOF Welcome Center, coffee shop/café, Flow Rider, commercial office space, rooftop public terrace, and related soft costs). Phase 4 included commercial and hospitality tenant improvements and furniture, fixtures, and equipment, signage, hardscape, landscape, public dock, and related soft costs.

Based on subsequent City Commission and community feedback, as well as the addition of an aquarium to the Project, HOFP presented a revised Project and increased Project budget at the November 4, 2025, Conference Meeting (CAM #25-1056) that included the following:

- Request to revise sections of the CA relating to private funding, to allow for current and future grant awards (including the recent award of \$4,270,769 from the Florida Inland Navigation District for the seawall portion of Phase 1);
- Request to increase the maximum Master Facilities Lease payment from \$11 million to \$13.6 million (attributable to an increase in project budget from \$190 million to \$218.8 million, as well as increases in interest rates and capitalized interest since CA approval);
- Request to change the revenue sharing formula, increasing City Preferred Revenues from \$2 million to \$4.75 million in order to offset the increase in the maximum Master Facilities Lease payment; and
- Request for other changes necessary to reflect the East building change (renovation vs. reconstruction) and the addition of the elevated promenade.

The City engaged PFM to provide an updated report based on the above proposed amendments to the CA. The report provides a range of City financial commitment/exposure during the term of the project from a positive \$1,104,129 to a negative \$1,381,999 under a base case and five (5) separate revenue scenarios (increasing by approximately three percent (3%) per year).

As part of the PFM analysis, HOFP provided copies of signed leases and Letters of Intent (LOI) as follows (representing 100% of lease-based revenue from the East and West buildings and 75% of lease-based kiosk revenue):

- Apogee Lauderdale LLC – 29,309 square feet West building (lease);
- Fort Lauderdale Aquarium LLC – 20,000 square feet West building (lease);

- Alchemy Attractions LLC – 20,000 square feet West Building (LOI);
- Apogee Lauderdale LLC – 12,000 square feet East building (LOI);
- Deep Blue Attractions LLC – Seven (7) kiosks on elevated promenade (LOI);
- Apogee Lauderdale LLC - Six (6) kiosks on elevated promenade (LOI);
- Team Horner – VIP Suite (LOI);
- Capital Group – VIP Suite (LOI); and
- AquaCal – Naming rights - promenade (LOI).

Staff reviewed the SunBiz business registration filings for each of the organizations above, and noted several are single-purpose entities formed for purposes of participating in this project. Principals of these organizations include individuals affiliated with Capital Group Realty (HOFP ownership entity) and/or International Swimming Hall of Fame.

Based on City Commission feedback at the November 4, 2025, Conference Meeting, staff and HOFP met to discuss additional strategies to mitigate City risk as part of the project. HOFP proposed the following revisions to the CA and related documents, in addition to the requested revisions above:

- During the thirty (30)-year term of the CA, in the event of a negative balance to the City at the end of a fiscal year (after calculating City revenues less the Master Facilities Lease payment) using the revenue sharing model set forth in Section 5.02 of the CA, HOFP agrees to no revenue share split between City and ISHOF (i.e., City receives 100% of the amount subject to revenue sharing) for the applicable fiscal year with the negative balance. Upon the City receiving the applicable funds via revised calculation, the 50/50 split (City/ISHOF) will be restored for the next fiscal year. In the event that the City does not receive funds as calculated and prescribed via no revenue share split (City/ISHOF), both parties agree that the no revenue share split will be maintained into the next fiscal year on a monthly basis until funds are received by the City (i.e., the City is made whole).
- For the thirty (30) years after commencement of the Master Facilities Lease payment, in the event of a positive balance to the City at the end of a fiscal year (after calculating City revenues less the Master Facilities Lease payment) using the revenue sharing model set forth in Section 5.02 of the CA, HOFP agrees that fifty percent (50%) of the ISHOF revenue share will be placed in a City held interest bearing escrow account, which may be drawn down by the City in the event of previous years or future years negative balances. The escrow account will be maintained through the term of the CA, and any remaining balance at the end of the term will be split equally (50/50) between the City and ISHOF.

On January 6, 2026, the City Commission approved the First Amendment to the Comprehensive Agreement with Hall of Fame Partners via Resolution No. 26-10 (CAM #25-1184). In addition to the bulleted items above, the First Amendment:

- Updated definitions to reflect changes to the Project;
- Specified the fiscal year and timing of reporting and payments under the revenue sharing structure; and
- Added language clarifying audit rights relating to the construction stage of the project.

On March 26, 2026, via Letter to the Commission (LTC) No. 26-087, the City Commission was informed of the Phase 2A Financial Closing. The LTC memorialized that the City Manager signed the following documents, approved as to form by the City Attorney:

- First Amendment to Ground Lease
 - Recognizes amendments to the Comprehensive Agreement (approved by City Commission on January 6, 2026) and the Master Facilities Lease;
 - Fixes term of lease to expire on January 1, 2059 (one (1) day after expiration of Master Facilities Lease); and
 - Acknowledges payment of \$5,000 ground lease rent in full.
- First Amendment to Memorandum Ground Lease - this document will be recorded with County Clerk of Courts
- First Amendment to Master Facilities Lease Agreement
 - Recognizes amendments to the Comprehensive Agreement, Ground Lease, and the Design Build Agreement;
 - Design Build Agreement between Hall of Fame Partners and Hensel Phelps. Amendment to Design Build Agreement updates; and construction amount for Phase 2A and updates liquidated damages amount;
 - Updates "Delivery Date" for each Phase;
 - Fixes term of lease to expire on December 13, 2058; ○ Fixes Rent Commencement Date to January 1, 2029;
 - Updates Rent schedule to reflect Phase 2A;
 - Updated annual rent for Phases 1 and 2A is \$4,897,682.76

commencing on January 1, 2029. Note this amount will be updated on subsequent financial closings for additional phases (maximum rent in year one (1) pursuant to the amendment to the CA is \$13,600,000).

- Refines "Additional Rent" definition (Taxes, insurance, other expenses)
 - Tap/connection charges, any impact fees - city pay direct vs. "additional rent"; and
- Updates required insurance language to reflect City's self-insurance program.
- First Amendment to Memorandum of Master Facilities Lease Agreement - this document will be recorded with County Clerk of Courts.
- Estoppel Certificate
 - Recognizes amendments to Comprehensive Agreement, Ground Lease, Master Facilities Lease;
 - Fixes Rent Commencement Date at January 1, 2029;
 - Acknowledges there is currently no Base Rent or Additional Rent owing; and
 - Acknowledges there is currently no breach or event of default by any party.
- Estoppel Affidavit of Ground Lessor
 - Acknowledges:
 - Ground Lease in full force and effect;
 - There are no defaults;
 - There are no unrecorded amendments;
 - There are no additional liens or charges; and
 - Consent to mortgage modification.
- Rent Direction Letter
 - Fixes Rent Commencement Date at January 1, 2029.

Strategic Connections

This item is a *2026 Commission Priority*, advancing the Public Places Initiative.

This item supports the *Advance Fort Lauderdale 2040 Comprehensive Plan* specifically advancing:

- The Public Places Focus Area
- The Parks, Recreation & Open Space Element
- Goal 2: Be a community with high quality parks and recreational facilities that highlight the character of our City.

Attachment

Exhibit 1 – Presentation

Prepared by: Ben Rogers, Assistant City Manager, City Manager’s Office

Charter Officer: Rickelle Williams, City Manager