



## **FORT LAUDERDALE DESERVES AN OFFER IT CAN'T REFUSE**

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The long-term tenants of prime city land in Fort Lauderdale have a dream. They want to turn their self-described "tired, underutilized" Bahia Mar beach resort property into a swank Waldorf-Astoria.

They want to revamp the existing hotel, and they want to build three new high-rises: one for the Waldorf hotel and two for luxury residences flanking the Intracoastal. They want to build a 100,000-square-foot building along A1A with restaurants, shops and offices.

They also say they want to keep the annual boat show, a huge local event, at the site permanently.

Here's what they also want: Zoning changes and a 45-year extension of their lease, all the way to the year 2107.

Here's what the city would get: A park on top of a parking garage.

Let me repeat. Private entities want a lease extension and zoning changes on premium public land that could make them bundles of money, and we would get a quasi-public park controlled by the tenants.

Oh sure, there's talk of hundreds of millions, or even billions, of new dollars flowing into city and county tax coffers over the decades as a result of the redevelopment.

And the project would enable the city to make more from the current lease, which runs through 2062. The city now gets 4 percent of certain revenues from the property as rent, and the cut is scheduled to increase to 4.25 percent in 2012.

But here's my advice to city commissioners before this goes further: Don't sell yourselves short. And don't sell the city out.

By all means, smile when you look at the pretty pictures, as you did at a public workshop last week. Try not to drool too much when you think of how much tax and rent money this could bring.

But don't forget to ask the hard questions and drive a harder bargain.

"What are we giving away, and what are we getting?" Fort Lauderdale resident Anne



Hilmer asked at the workshop.

So before you extend the lease and re-zone the land, remember that you can play hardball as easily as the tenants, LXR Luxury Resorts and Hotels. LXR, controlled by the Blackstone Group, also owns the Pier 66 resort and the Fort Lauderdale Grande Hotel across from Port Everglades.

At last week's workshop, LXR indicated the Bahia Mar redevelopment couldn't go forward without the lease extension and the 30-acre site would continue to under-perform in its current state.

Three of five commissioners expressed support: Mayor Jim Naugle, Cindi Hutchinson and Christine Teel. Vice Mayor Charlotte Rodstrom objected to the residential component. Only Carlton Moore raised wholesale concerns.

"I don't believe the way we're doing this is right," Moore said.

I'm not necessarily opposed to the ambitious development, but the city needs to guard itself. At the workshop, city attorney Harry Stewart said the terms of the current lease could be changed if the lease is extended.

That's a powerful weapon for the city, as is the tenants' position that the redevelopment can't take place without the lease extension.

Instead of just agreeing to the developers' wishes, the city needs to get an offer it can't refuse.

Maybe that means a big lump sum up front from the developer. Maybe that means a higher share of the site's annual profits, say 7 percent or 8 percent instead of 4.25 percent. And it should certainly mean a higher annual guarantee than the current minimum of \$300,000.

LXR said it paid the city about \$1.26 million in rent last year. A landlord should do better with a prime marina-hotel site sitting between the Intracoastal and the Atlantic. But that shouldn't mean jumping at any pitch that comes along.

If Fort Lauderdale really thinks its residents want to go this direction, with more luxury high-rises on the beach, the least the city could do is milk our land for all it's worth.

Michael Mayo's column runs Tuesday, Thursday and Sunday. Read him online weekdays at [Sun-Sentinel.com/mayoblog](http://Sun-Sentinel.com/mayoblog). Reach him at [mmayo@sun-sentinel.com](mailto:mmayo@sun-sentinel.com) or 954-356-4508.

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