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## **MEMORANDUM**

**Date:** April 10, 2018

**To:** Pompano Beach City Commission

**From:** Adriane Esteban, Project Manager

**Thru:** Greg Harrison, City Manager  
Kim Briesemeister, CRA Co-Executive Director

**Re:** Third Amendment to the Parcel E Ground Lease

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In July 2014, the Pompano Beach City Commission approved the Amended and Restated Development Agreement between the City of Pompano Beach (City) and Pompano Pier Associates, LLC (PPA) relating to the City owned parcel near the Pier known as the Pier Development Site. This agreement included the Parcel Ground Lease form for the parcels. In March 2015, the Parcel Ground Lease for Parcel E was executed. Then in April 2016, a First Amendment to the Parcel E Ground Lease was executed and a Second Amendment subsequently was approved by the City Commission in October 2017. At this time, staff is recommending to enact a Third Amendment to the Parcel E Ground Lease.

The Second Amendment to the Parcel Ground Lease for Parcel E provided for an abatement of minimum rent for the period from July- December 2017, since the income of Existing Concession Building had been affected by the construction of the new Pier Structure. The tenant of the developer operating the Existing Concession Building has found that business continues to be affected by the construction of the new pier structure. Although the developer is supportive of the City efforts to construct a new pier, they are also cognizant of their tenant's struggles and therefore are asking for a solution that all parties involved can accommodate. A Third Amendment to the Parcel E Ground Lease is presented to provide rent abatement for Parcel E for an additional period of time until the fence is removed or at the latest December 31, 2018, which should coincide with the completion of the new pier structure. Approval of this amendment shows the City and developer's commitment to create a world class destination and successful new development in the City of Pompano Beach.