

Item # 59

ADDITIONAL MATERIAL

10:00 a.m. Regular Meeting

FEBRUARY 27, 2018

SUBMITTED AT THE REQUEST OF

VICE-MAYOR MARK BOGEN

John M. Milledge

PROFESSIONAL ASSOCIATION
ATTORNEYS AT LAW

February 12, 2018

Mayor Beam Furr
Vice Mayor Mark D. Bogen
Commissioner Nan H. Rich
Commissioner Michael Udine
Commissioner Chip LaMarca
Commissioner Steve Geller
Commissioner Tim Ryan
Commissioner Barbara Sharief
Commissioner Dale V.C. Holness

Broward County Governmental Center
115 S. Andrews Avenue, Room 421
Fort Lauderdale, FL 33301

Re: New Lease for Butterfly World

Dear Mayor and Commissioners:

Over 30 years ago, Broward County asked Ron Boender to locate his planned butterfly exhibition on county parks land that had recently been acquired and was in need of adding amenities. Mr. Boender was well known in the community for raising butterflies and bringing them to Broward's schools for children to learn and enjoy. The approximately three acre location in Tradewinds Park that was offered was a former drain field that was not directly located on Sample Road and was internal to the park. The financial terms of the original agreement required Butterfly World to pay rent to the County, as well as being responsible for all costs and expenses not only relating to the facility construction, but for all operation and maintenance expenses of Butterfly World. Mr. Boender and partners filled the site, constructed all improvements, and have maintained and operated Butterfly World at their sole cost and expense since the beginning.

Over the years Butterfly World has consistently expanded to add new amenities. The facility is maintained to the highest standards. The improvements, though some are decades old, are maintained in like-new condition. Butterfly World has never asked the County for any financial help or concessions whatsoever. Amendments to the original agreement have involved expansion to amenities and construction of a parking lot. Again, the amenities and parking lot were built and maintained at Butterfly World's sole cost and expense. In fact, the parking is available not just for Butterfly World, but for the Tradewinds Park patrons using the shelters, the playground and adjacent soccer fields.

It can be argued that this lease with Butterfly World has been the best public-private partnership in Broward County's history. The facility has served well as a special and unique park amenity for Broward residents, both young and old alike. However, it has so many other benefits for taxpayers and the public. Tourists come to visit this aviary from all over the world, many of which come and stay and visit Broward County solely for that purpose. And as everyone is

Page Two

February 12, 2018

Re: New Lease for Butterfly World

aware, literally thousands of school children have field trips to Butterfly World every year as an educational experience to learn the amazing butterfly life cycle from egg, to caterpillar, to pupa, to butterfly. Mr. Boender and his technical staff are recognized as world-renowned experts on butterflies, insects, and horticulture. The facility has a research center in which ongoing research in collaboration with the University of Florida and other academic institutions is conducted, including the publication of several books and papers published in scientific journals. Finally, while other facilities have had problems and made financial demands upon the County in order to survive, Butterfly World has quietly met all of its obligations at the highest standards while fairly compensating its workforce.

Butterfly World very much wishes to extend the agreement on a long term basis for the approximate 3 acres of land that they occupy and to continue to improve the facility, including adding exhibits and amenities. We have, however, reached an impasse negotiating a new agreement/lease for Butterfly World. The one central issue has to do with the amount of increase of the rent/compensation paid to the County. We have offered to increase rent from \$18,000 to \$30,000 per year, as well as the continuation of the \$1.50 gate fee that nets the County approximately \$100,000 per year, that would bring the County's total compensation to approximately \$130,000, annually.

The county negotiators want to both change the relationship and greatly increase compensation by demanding minimum annual rent of 3% gross rent or \$115,000, whichever is greater. This is addition to the \$100,000 annually collected from gate receipts. Under county negotiation demands, total compensation as a result of Butterfly World visitors would be a minimum of \$215,000 a year. This amount of compensation greatly exceeds what other park users generate for the size of land that Butterfly World operates on. "Precedent" has been argued for the percentage rent demand, however Butterfly World and the agreement with the County precedes all other arrangements. It would not have been anticipated or contemplated when the original agreement was entered into, that at the conclusion of the current deal, that if Butterfly World performed as it has, meeting all expectations, that a rent increase of over 500% could be possible. Finally, Butterfly World does not believe it can meet such compensation demands without detrimental impacts to operations and maintenance. In other words, the original formula has been a success and is needed for the facility to continue.

In summary, we would ask you to approve a reasonable rent increase in line with what has been offered, which is consistent with the original formula that has produced great benefits both monetary and non-monetary, tangible and intangible, for all taxpayers and residents of Broward County.

Sincerely,



John M. Milledge

cc: Bertha Henry, Broward County Administrator
Dan West, Director Broward County Parks and Recreation
George Tablack, County CFO/Director of Finance and Administrative Services Department
Andrew Meyers, County Attorney