



Broward County

Legislation Details (With Text)

File #: 22-993 **Version:** 1

Status: Agenda Ready

In control: AVIATION DEPARTMENT

On agenda: 6/14/2022 **Final action:** 6/14/2022

Title: A. MOTION TO WAIVE Section 39.3, Non-Terminal Rates and Charges - Fort Lauderdale-Hollywood International Airport and North Perry Airport, Broward County Administrative Code to permit an amortization period of 25 years for the investment in new facilities.

ACTION: (T-12:57 PM) Approved. (Refer to minutes for full discussion.)

VOTE: 9-0.

B. MOTION TO APPROVE Agreement of Lease between Broward County and ACAP Broward County, LLC at Broward County's Fort Lauderdale-Hollywood International Airport in substantially the form of Exhibit 1; and authorize the Director of Aviation to make changes that do not increase the financial cost to the County and to execute the agreement on behalf of Broward County provided it has been reviewed and approved as to legal sufficiency by the Office of the County Attorney.

ACTION: (T-12:57 PM) Approved. (Refer to minutes for full discussion.)

VOTE: 9-0.

Sponsors:

Indexes:

Code sections:

Attachments: 1. Exhibit 1 - ACAP Agreement of Lease

Date	Ver.	Action By	Action	Result
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Broward County Commission Regular Meeting

Director's Name: Mark Gale

Department: Aviation

Division: Business

Information

Requested Action

A. MOTION TO WAIVE Section 39.3, Non-Terminal Rates and Charges - Fort Lauderdale-Hollywood International Airport and North Perry Airport, Broward County Administrative Code to permit an amortization period of 25 years for the investment in new facilities.

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Why Action is Necessary

Motion A: the Broward County Board of County Commissioners ("Board") must approve any waiver of the Broward County Administrative Code.

Motion B: Chapter 2, Section 2-40 (a) of the Broward County Code of Ordinances, requires that the Board authorize any commercial activities or occupy any portion of the airport for any purpose unless specifically authorized by the County.

What Action Accomplishes

Motion A: This action waives Section 39.3 of the Broward County Administrative Code ("Administrative Code") to permit a 25-year amortization period for the minimum capital expenditure requirement of \$22,000,000 investment in capital improvements in new facilities rather than a 20-year amortization period.

Motion B: This action approves an Agreement of Lease ("Agreement") to allow ACAP Broward County, LLC ("ACAP") to occupy Broward County ("County") owned-property at Broward County's Fort Lauderdale-Hollywood International Airport ("FLL").

Is this Action Goal Related

No

Previous Action Taken

None.

Summary Explanation/Background

THE AVIATION DEPARTMENT RECOMMENDS APPROVAL OF THE ABOVE MOTIONS.

Motion A: This action waives Section 39.3 of the Administrative Code to permit a 25-year amortization period for the minimum capital expenditure requirement of \$22,000,000 investment in new facilities rather than a 20-year amortization period.

Motion B: This action approves an Agreement to allow ACAP to occupy County-owned property at FLL for activities connected to maintenance and operation of aircraft for a charter or scheduled airline.

ACAP desires to enter into a direct Agreement of Lease ("Agreement") with the County to develop and occupy approximately 10 acres at FLL ("Premises"). The proposed Agreement has a one-year due diligence period, two years for construction period and 25 years for amortization, for a total term of 28 years, with a minimum capital expenditure requirement of \$22,000,000 for capital improvements completed by the last day of the third (3rd) lease year ("Completion Date").

ACAP proposes to construct an approximately 54,000 sq. ft. hangar with an additional 12,000 sq. ft. of office space, install signage, paving of ramp, parking, and taxiways between the main taxiway and the Premises. No rent shall be due during the period from the Effective Date through the Completion Date, as that period of time encompasses the Due Diligence Period and Construction Period.

The Agreement is conditioned on the complete relocation of the Keolis ground transportation buses currently occupying the Premises. If the ground transportation buses are not relocated within 180 days after the Effective Date of the Agreement, the Agreement authorizes the Director of Aviation to extend the Due Diligence Period and other milestone dates by one-year.

The proposed Agreement has been reviewed and approved as to form by the Office of the County Attorney.

Source of Additional Information

Mark E. Gale, CEO/Director of Aviation, (954) 359-6199

Fiscal Impact

Fiscal Impact/Cost Summary

Rent commences on the fourth (4th) Lease Year and it is estimated to be \$339,800 per year. The rent will be adjusted annually by the greater of 3% or the Consumer Price Index.