



Broward County

Legislation Details (With Text)

File #: 22-773 **Version:** 1

Status: Agenda Ready

In control: AVIATION DEPARTMENT

On agenda: 5/24/2022 **Final action:** 5/24/2022

Title: MOTION TO APPROVE Agreement of Lease between Broward County and Federal Express Corporation at Broward County's Fort Lauderdale-Hollywood International Airport in substantially the form of Exhibit 1, and authorize the Director of Aviation to make nonmaterial 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.

Sponsors:

Indexes:

Code sections:

Attachments: 1. Exhibit 1 - Federal Express 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

MOTION TO APPROVE Agreement of Lease between Broward County and Federal Express Corporation at Broward County's Fort Lauderdale-Hollywood International Airport in substantially the form of Exhibit 1, and authorize the Director of Aviation to make nonmaterial 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.

Why Action is Necessary

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

What Action Accomplishes

Allows Federal Express Corporation ("FedEx") 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 MOTION.

This action allows FedEx to occupy County-owned property at FLL for activities connected to domestic or international cargo operations.

FedEx has been operating at FLL as an authorized subtenant to Virginia-Carolina, a joint venture ("VC") pursuant to an Agreement of Lease effective May 26, 1992, as amended.

The current VC Agreement of Lease will naturally expire on May 31, 2022. FedEx desires to enter into a direct Agreement of Lease with the County to occupy approximately 31.25 acres at FLL.

This Agreement of Lease ("Agreement") has a term of 20 years, with a minimum capital expenditure requirement of \$10,000,000 for capital improvements completed by the last day of the fifth (5th) lease year ("Completion Date").

The proposed Agreement was not executed by FedEx at the time of submission for this action. Consequently, due to time constraints associated with the expiration of its current sub-lease on May 31, 2022, with the VC, this action authorizes the Director of Aviation to make nonmaterial 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.

Source of Additional Information

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

Fiscal Impact

Fiscal Impact/Cost Summary

The rent for the first (1st) lease year will be \$2,098,828, plus applicable sales taxes annually, or \$174,902, plus applicable sales taxes monthly. The rent will be adjusted annually by the greater of 3% or the Consumer Price Index and will be adjusted to full market rent on the first day of the eleventh (11th) lease year.