



Broward County

Legislation Text

File #: 21-568, Version: 1

Broward County Commission Regular Meeting

Director's Name: Mark Gale

Department: Aviation

Division: Business

Information

Requested Action

MOTION TO APPROVE Consent to Security Agreement between Broward County and Fort Lauderdale Fuel Facilities, LLC, to enter into a security and collateral agreement to provide funding for construction of improvements at Broward County's Fort Lauderdale-Hollywood International Airport and to defease existing bonds, effective upon approval by the Broward County Board of County Commissioners; and authorize the Mayor and Clerk to execute.

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

Approves a Consent to Security Agreement between Broward County ("County") and Fort Lauderdale Fuel Facilities, LLC ("FLFF") to allow FLFF to enter into a security and collateral agreement in favor of Wilmington Trust, National Association, as Indenture Trustee under the Trust Indenture, and utilize the Ft. Lauderdale-Hollywood International Airport Fuel System Interline Agreement ("Interline Agreement") as collateral.

Is this Action Goal Related

No

Previous Action Taken

None

Summary Explanation/Background

THE AVIATION DEPARTMENT RECOMMENDS APPROVAL OF THE ABOVE MOTION.

This action approves a Consent to Security Agreement between the County and FLFF to allow FLFF to enter into a security and collateral agreement for construction of improvements at Broward County's Fort Lauderdale-Hollywood International Airport ("FLL") and to defease certain revenue bonds authorized by the Board on March 12, 2013 and utilize the Interline Agreement as collateral.

FLFF is a consortium of airlines formed to enter into a lease with the County for the operation and maintenance of a fuel system at FLL.

On June 12, 2012 (Item No. 6), the Board approved the Fuel System Lease Agreement (“Lease Agreement”) allowing FLFF to maintain and operate the Fuel System at FLL. The Lease Agreement requires FLFF to obtain the County’s consent to encumber the Interline Agreement.

On March 12, 2013 (Item No. 1), the Board approved a Consent Agreement to permit a leasehold mortgage and a collateral assignment of the revenues from the operation of the fuel farm to secure the Fuel System Revenue Bonds, Series 2013, in a not-to-exceed amount of \$40,000,000, with a term not-to-exceed 25 years. Further, the Board approved the First Amendment to the Lease Agreement in order to allow for the construction of the underground hydrant fuel system in Terminal 4, a new 1.15-million-gallon aboveground storage tank in the fuel farm, and an extension of the term of the Lease Agreement for 25 years, or through September 30, 2038. The term of the Lease Agreement includes two five-year renewal options. The term of the Lease Agreement, including the two renewal options, is not amended by this Consent to Security Agreement.

On September 10, 2020 (Item No. 3), the Board approved Consent to Security Agreement to allow FLFF to enter into a security and collateral agreement for a petroleum products terminaling agreement and construct a jet fuel terminal facility at Port Everglades.

The financing in this Consent to Security Agreement consists of \$65,200,000, of which \$32,200,000 is to construct new fuel storage tanks and an operations building at FLL and approximately \$33,000,000 is to defease the Series 2013 bonds. As security for FLFF's obligation to repay the financing, FLFF is required to grant a security interest in the Interline Agreement in favor of Wilmington Trust, National Association, as Indenture Trustee under the Trust Indenture. The current leasehold mortgage securing the bonds will be released following defeasance of the bonds.

The Consent to Security Agreement has been reviewed as to form by the Office of the County Attorney.

Source of Additional Information

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

Fiscal Impact

Fiscal Impact/Cost Summary

This action does not have a fiscal impact.