



Broward County

Legislation Text

File #: 21-439, Version: 1

Broward County Commission Regular Meeting

Director's Name: Mark Gale

Department: Aviation

Division: North Perry Airport

Information

Requested Action

MOTION TO APPROVE Third Amendment to the Agreement of Lease between Broward County and Hollywood Aviation, LLC, extending the term of the Agreement by an additional five years, extending the termination date from April 30, 2022, to April 30, 2027; 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 the Broward County Board of County Commissioners ("Board") authorize commercial activities or occupancy of any portion of the Broward County's Fort Lauderdale-Hollywood International Airport ("FLL") and North Perry Airport ("HWO").

What Action Accomplishes

Extends the current term of the Agreement of Lease ("Agreement") between Broward County ("County") and Hollywood Aviation, LLC ("Hollywood Aviation") for an additional five years, extending the termination date from April 30, 2022, to April 30, 2027, in consideration of its investment in additional improvements to the leasehold at HWO.

Is this Action Goal Related

No

Previous Action Taken

None.

Summary Explanation/Background

THE AVIATION DEPARTMENT RECOMMENDS APPROVAL OF THE ABOVE MOTION.

This action extends the current term of the Agreement between the County and Hollywood Aviation for an additional five years, extending the termination date from April 30, 2022, to April 30, 2027, in consideration of its investment in additional improvements to the leasehold at HWO.

On April 8, 1997 (Item No. 63), the Board approved the Agreement between the County and Hollywood Aviation for the lease of 7.53 acres of land, including T-Ports, T-Hangars, Community Hangars, and maintenance/office space, commencing May 1, 1997 and expiring April 30, 2007, for a Fixed Base Operation ("FBO") at HWO.

On June 15, 2004 (Item No. 6), the Board approved the First Amendment to the Agreement, which provided for a minimum capital expenditure of \$110,000 by Hollywood Aviation, extended the termination date to April 30, 2017, and adjusted the rent annually by the greater of the Consumer Price Index or 3%.

On June 8, 2010 (Item No. 3), the Board approved the Second Amendment to the Agreement, which extended the term of the Agreement by five years to April 30, 2022, for an additional \$92,128 in capital improvements to the maintenance hangar and the removal of an underground fuel storage tank on the Leased Premises. Currently, Hollywood Aviation complies with the Airport Minimum Standards for operating as an FBO and has completed all construction required under the Agreement.

The proposed Third Amendment allows Hollywood Aviation to extend the termination date of the Agreement to April 30, 2027, for additional improvements on the Leased Premises. In addition to the previously required and completed improvements, Hollywood Aviation is required to perform additional improvements consisting of resurfacing the transient ramp with new asphalt, installing six-inch deep pervious concrete pavement in the flight school tie-down parking area, and seal coating the remaining pavement on the Leased Premises. The total investment for additional improvements is \$65,000.

The Broward County Aviation Department acknowledges Hollywood Aviation's proposed \$65,000 investment in excess of the required minimum investment and recommends extending the Agreement to April 30, 2027. If the new improvements are not completed in compliance with the terms of the proposed Third Amendment, the Agreement will terminate on April 30, 2022.

The proposed Third Amendment has been reviewed and approved 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

The total estimated rent to be collected during the five-year extension period will be approximately \$880,611.