



Broward County

Legislation Text

File #: 20-2339, Version: 1

Broward County Commission Regular Meeting

Director's Name: Mark Gale

Department: Aviation

Division: North Perry Airport

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 extend the term of the Agreement of Lease between Broward County and LaDim Aviation, LLC, for a period of six months, providing for a lease term of 30 years and six months.

ACTION: (T-10:21 AM) Approved.

VOTE: 8-0. Commissioner Bogen voted in the affirmative telephonically. Commissioner Rich was inaudible during the vote.

B. MOTION TO APPROVE First Amendment to the Agreement of Lease between Broward County and LaDim Aviation, LLC, for property located at North Perry Airport by extending the due diligence period, construction completion date, and the term of the agreement for six months, and delaying the on-set of rent for a period of six months; and authorize the Mayor and Clerk to execute.

ACTION: (T-10:21 AM) Approved.

VOTE: 8-0. Commissioner Bogen voted in the affirmative telephonically. Commissioner Rich was inaudible during the vote.

Why Action is Necessary

Motions A and B: Chapter 2, Section 2-40(a) of the Broward County Code of Ordinances, requires the Broward County Board of County Commissioners ("Board") authorize any commercial activities or occupancy of any portion of Broward County's Fort Lauderdale-Hollywood International Airport ("FLL") and North Perry Airport ("HWO").

What Action Accomplishes

Motion A: This action waives Section 39.3(a) of the Broward County Administrative Code ("Administrative Code") to permit a six-month extension to the existing term of the Agreement of Lease ("Agreement") between Broward County ("County") and LaDim Aviation, LLC ("LaDim") for a total lease term of 30 years and six months with a lease termination date of June 30, 2050.

Motion B: This action amends the Agreement between the County and LaDim by extending the due diligence period to June 30, 2021, extending the construction completion date until June 30, 2022,

extending the term of the Agreement until June 30, 2050, and delaying the on-set of rent until July 1, 2021.

Is this Action Goal Related

No

Previous Action Taken

None.

Summary Explanation/Background

THE AVIATION DEPARTMENT RECOMMENDS APPROVAL OF THE ABOVE MOTIONS.

LaDim is currently leasing approximately 5.7 acres of property at HWO to construct and operate a minimum of 40,000 square feet of aircraft storage facilities and 24 aircraft tie-down parking spaces. The total minimum capital investment required in the Agreement is \$3,000,000. The leased property is located in an area where the Federal Aviation Administration (“FAA”) needed to evaluate the departure slope for Runway 28R. The FAA took longer than anticipated to conduct their evaluation, therefore, resulting in a delay. The delay by the FAA resulted in the inability of LaDim to determine the suitability of the property for its development and conclude all of its due diligence and pre-construction tasks during the existing due diligence period.

Motion A

This action waives Section 39.3(a) of the Administrative Code to permit a six-month extension to the existing term of the Agreement between the County and LaDim for a total lease term of 30 years and six months with a lease termination date of June 30, 2050.

Motion B

This action amends the Agreement between the County and LaDim by extending the due diligence period to June 30, 2021, extending the construction completion date to June 30, 2022, extending the term of the Agreement until June 30, 2050, and delaying the on-set of rent until July 1, 2021.

On December 3, 2019 (Item No. 3) the Board approved the Agreement between the County and LaDim for a lease term of 30 years. Section 39.3(a) of the Administrative Code provides that lease terms are to be limited to 30 years.

The proposed First Amendment allows LaDim to continue its due diligence activities for a period of six months. LaDim must complete the construction of the aircraft storage facilities and aircraft tie-down parking spaces on the property by June 30, 2022. Rent will become payable on July 1, 2021, and the term of the Agreement will be extended until June 30, 2050.

The proposed First 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

Beginning on July 1, 2021, LaDim will pay the County \$54,615 annually in rent, plus applicable taxes. Rent is subject to an annual adjustment based upon the greater of 3% or Consumer Price Index. Total fiscal impact of this action over the 30 years and six months term is estimated at approximately \$2,500,000 or Consumer Price Index.