



Broward County

Legislation Text

File #: 23-912, Version: 1

Broward County Commission Regular Meeting

Director's Name: Mark Gale

Department: Aviation

Division: Business

Information

Requested Action

MOTION TO AUTHORIZE Director of Aviation to execute a Consent to Assignment of the Agreement of Lease between Broward County and Azorra Aviation, LLC for property located at Broward County's Fort Lauderdale-Hollywood International Airport to permit FB FLL Aviation LLC to become the sole member of Azorra Aviation, LLC, provided it has been reviewed and approved as to legal sufficiency by the Office of County Attorney; and authorize Mayor and Clerk to execute same.

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 any commercial activities or occupy any portion of the airport for any purpose unless specifically authorized by Broward County ("County").

What Action Accomplishes

This action authorizes the Director of Aviation to execute a Consent to the Assignment of the Agreement of Lease ("Lease") between the County and Azorra Aviation, LLC ("Azorra") to permit FB FLL Aviation LLC ("FB Aviation") to become the sole member of Azorra Aviation, LLC.

Is this Action Goal Related

No

Previous Action Taken

None.

Summary Explanation/Background

THE AVIATION DEPARTMENT RECOMMENDS APPROVAL OF THE ABOVE MOTION.

On December 9, 2014 (Item No. 57), the Board approved the Lease for a term of 31 years, terminating on December 31, 2045. The Lease included two separate parcels. An 8.36 acres parcel that has been continuously operated by a fixed based operator (Jetscape) ("Current Parcel") located on the north side of Broward County's Fort Lauderdale-Hollywood International Airport ("FLL"), and a 25 acres parcel upon which Azorra is required to expend a minimum capital investment of \$10,000,000 for improvements to be used by a fixed based operator ("FBO") ("Development Parcel") located on the west side of FLL (collectively, the "Premises"). The Current Parcel is to be returned to the County.

On October 25, 2016 (Item No. 2), the Board approved the First Amendment to the Lease to extend

the term for an additional year and to modify certain terms and conditions of the Lease. The First Amendment allowed the Broward County Aviation Department (“BCAD”) to temporarily use the Development Parcel for over-flow parking during the holiday season, construction contractor parking, and the relocation of BCAD’s bus operation (“BCAD Parking”).

On June 12, 2018 (Item No. 3), the Board approved the Second Amendment to the Lease to extend the term, construction related dates, and other benchmark dates for one additional year based upon the period of time BCAD used the Development Parcel for BCAD Parking.

On February 23, 2021 (Item No. 55), the Board approved the Third Amendment to the Lease to reimburse the County its proportionate share of costs incurred by the County for the construction of a retention pond, updated insurance requirements, extended certain benchmark dates, removed construction phases, revised the footprint of the Development Parcel to accommodate a proposed taxilane, and required all improvements to be completed by December 31, 2022.

Over the last two years, Azorra has experienced financial difficulties that has delayed the completion of the improvements on the Development Parcel, created a stagnant construction site, and resulted in the recordation of liens for non-payment of monies due to subcontractors and vendors (an event of default). Azorra informed the County that it was pursuing a sale of the Lease to a company with sufficient financial resources to complete the development requirements and satisfy all the requirements of the Lease. To that end, FB Aviation has submitted to BCAD a Business Application to permit FBO Holdings, Inc. (the sole member and parent company of Azorra) to sell 100% of the issued and outstanding membership interests of Azorra to FB Aviation.

Consent to this transaction is required because the Lease defines a change in control or ownership of Azorra as an assignment that requires the County’s consent. The consent to this assignment will be conditional and require, among other things, that the County receive satisfactory evidence that all of Azorra’s indebtedness relating to the Lease, including, but not limited to, the leasehold mortgage and all liens relating to the Premises have been unconditionally released and satisfied.

Source of Additional Information

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

Fiscal Impact

Fiscal Impact/Cost Summary

Effective January 1, 2023, Azorra is paying double rent on the Development Parcel in the amount of \$145,258 per month, rent on the current parcel in the amount of \$34,165 per month, and monthly payments in the amount of \$7,020 to reimburse the County for its proportionate share of the retention pond.