



Broward County

Legislation Details (With Text)

File #:	22-995	Version:	1
		Status:	Agenda Ready
		In control:	AVIATION DEPARTMENT
On agenda:	6/14/2022	Final action:	6/14/2022
Title:	<p>A. MOTION TO APPROVE Term Sheet ("Term Sheet") attached hereto as Exhibit 1 between Broward County ("County") and 2500 SW 39th Acquisition, LLC ("Buyer") related to, among other things, the sale of 3.1771 acres of Fort Lauderdale-Hollywood International Airport property ("Parcel") to Buyer pursuant to Section 125.045, Florida Statutes, and the design and construction of an approximately 90,000 square foot advanced manufacturing facility for the manufacturing of flight and launch components for the aerospace, defense, and space industries.</p> <p>ACTION: (T-12:53 PM) Approved. (Refer to minutes for full discussion.)</p> <p>VOTE: 9-0.</p> <p>B. MOTION TO AUTHORIZE County Administrator, subject to the County obtaining any and all required Federal Aviation Administration approvals and releases, to approve and execute on behalf of the County a purchase and sale agreement and other applicable documents referenced in the Term Sheet (collectively, "Purchase and Sale Documents"), provided the Purchase and Sale Documents are in substantial conformance with the Term Sheet, do not increase the financial cost or decrease the financial benefit to the County, and are approved as to legal sufficiency by the Office of the County Attorney.</p> <p>ACTION: (T-12:53 PM) Approved. (Refer to minutes for full discussion.)</p> <p>VOTE: 9-0.</p>		
Sponsors:			
Indexes:			
Code sections:			
Attachments:	1. Exhibit 1 - Executed Term Sheet - Sintavia		

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

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B. MOTION TO AUTHORIZE County Administrator, subject to the County obtaining any and all required Federal Aviation Administration approvals and releases, to approve and execute on behalf of the County a purchase and sale agreement and other applicable documents referenced in the Term Sheet (collectively, "Purchase and Sale Documents"), provided the Purchase and Sale Documents are in substantial conformance with the Term Sheet, do not increase the financial cost or decrease the financial benefit to the County, and are approved as to legal sufficiency by the Office of the County Attorney.

ACTION: (T-12:53 PM) Approved. (Refer to minutes for full discussion.)

VOTE: 9-0.

Why Action is Necessary

Motions A and B: Broward County Board of County Commissioners ("Board") approval is required to approve the Term Sheet and authorize the County Administrator to approve and execute the Purchase and Sale Documents.

What Action Accomplishes

Motions A and B: Approve the Term Sheet and authorize the County Administrator to approve and execute the Purchase and Sale Documents.

Is this Action Goal Related

No

Previous Action Taken

None.

Summary Explanation/Background

THE AVIATION DEPARTMENT RECOMMENDS APPROVAL OF THE ABOVE MOTIONS.

On May 9, 2019, Sintavia, LLC ("Sintavia") inaugurated its new 55,000 square foot advanced manufacturing facility located at 2500 SW 39 Street, Hollywood, Florida ("Current Facility"). Sintavia is a leading tier one metal additive manufacturer for the aerospace and defense industry.

On June 3, 2021, Sintavia provided the County with an unsolicited proposal to purchase certain County-owned property adjacent to the Current Facility for the purpose of expanding its manufacturing operations. Sintavia proposed to, among other things, pay fair market value for the County-owned property, construct a 70,000 square foot manufacturing facility on such property, invest approximately \$30,000,000, create 80 jobs within three years and 150 jobs within five years, provide competitive salaries for all new employees, and work with the Greater Fort Lauderdale Alliance through their Prosperity Broward initiative.

On December 7, 2021 (Item No. 4), the Board authorized the Director of Aviation, in conjunction with the Real Property Division, to enter into negotiations with Sintavia for the sale of approximately 3.5 acres of Fort Lauderdale-Hollywood International Airport property.

On April 13, 2022, the Florida Department of Transportation released the Parcel from any state grant assurances. The County is currently pursuing a release from the Federal Aviation Administration ("FAA").

After significant negotiation, the County and the Buyer have agreed upon the attached Term Sheet. The Buyer is owned by Apogee Investment Partners, LLC, which is wholly owned by Neff (defined below), which owns 94% of Sintavia. The Parcel will be leased to Sintavia. The Term Sheet provides, among other things, as follows:

- The County will sell the Parcel to the Buyer for \$4,843,790.00 (this amount is subject to change if the FAA requires an additional or updated appraisal of the Parcel).
- Buyer will design and construct on the Parcel an approximately 90,000 square foot advanced manufacturing facility for the manufacturing of flight and launch components for the aerospace, defense, and space industries ("Manufacturing Facility").
- Prior to the Facility Completion Date (as defined in the Term Sheet), the Parcel may only be used in connection with the design and construction of the Manufacturing Facility. After the Facility Completion Date, and continuing for a period of 25 years, the Parcel may only be used for the manufacturing of flight and launch components for the aerospace, defense, and space industries or other type of advanced manufacturing.
- Buyer will invest a minimum of \$30,000,000 ("Capital Investment Commitment"). The Capital Investment Commitment includes a minimum of \$14,400,000 for the design and construction of the Manufacturing Facility and a minimum of \$15,600,000 for the purchase and installation of the printers and ancillary equipment used in the manufacturing process.
- Buyer will use good faith efforts to reserve at least twenty-five percent (25%) of the actual construction costs for qualified County Certified Business Enterprises.
- Buyer will, within three years after the Facility Completion Date, create and maintain at least 80 permanent full-time jobs for new employees. In addition, Buyer shall, within five years after the Facility Completion Date, create and maintain at least another 70 permanent full-time jobs for new employees, resulting in an aggregate total of 150 full-time jobs.
- Buyer will pay the County liquidated damages if the Buyer fails to fulfill its commitments as outlined in the Term Sheet.
- Buyer's parent company, Neff Capital Management LLC ("Neff"), will execute a parental guaranty agreement requiring Neff to pay any liquidated damages referenced in the Term Sheet in the event Buyer fails to timely pay such liquidated damages.
- The Buyer will grant the County an easement that will allow the County to use the Parcel for storm water retention purposes during any period in which the Buyer is not physically constructing the Manufacturing Facility. The easement shall terminate upon completion of the Manufacturing Facility.

The Purchase and Sale Documents will provide the framework for the creation of 150 high-paying jobs and the enhancement and expansion of economic activity within the County. As such, the County is able to sell the Parcel to the Buyer (without competitively bidding the Parcel) pursuant to Section 125.045, Florida Statutes, which states that "it constitutes a public purpose to expend public funds for economic development activities, including . . . leasing or conveying real property . . . to private enterprises for the expansion of businesses existing in the community or the attraction of new businesses to the community."

Source of Additional Information

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

Fiscal Impact

Fiscal Impact/Cost Summary

The County will sell the Parcel to the Buyer for \$4,843,790, with the proceeds of the sale deposited in the County's Airport Enterprise Fund. This amount is subject to change if the FAA requires an additional or updated appraisal of the Parcel.