



Broward County

Legislation Text

File #: 20-1688, Version: 1

Broward County Commission Regular Meeting

Director's Name: Mark Gale

Department: Aviation

Division: Administration

Information

Requested Action

MOTION TO APPROVE Terminal Building Lease Agreement between Broward County and Azul Linhas Aereas Brasileiras S.A., Inc., for the lease and use of 1,250 square feet of airline ticket office space in Terminal 3, Arrival Level, at Broward County's Fort Lauderdale-Hollywood International Airport, commencing November 3, 2020, and terminating November 2, 2025; 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 any commercial activities or the occupation of space at Broward County's Fort Lauderdale-Hollywood International Airport ("FLL").

What Action Accomplishes

Approves the Terminal Building Lease Agreement ("TBLA") between Broward County ("County") and Azul Linhas Aereas Brasileiras S.A., Inc., ("Azul") to lease space in Terminal 3 ("T3"), in accordance with the provisions of the TBLA, which establishes the payment of rent for the leased space at FLL.

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 the TBLA between the County and Azul to lease space in T3 in accordance with the provisions of the TBLA, which establishes the payment of rent for the leased space at FLL.

On December 1, 2015 (Item No. 5), the Board approved a TBLA between the County and Azul to lease and use 808 square feet of airline ticket office space in T3 to provide airline services at FLL. The current TBLA expires on November 2, 2020.

The proposed TBLA allows Azul to lease 1,250 square feet of airline ticket office space in T3, Arrival Level to continue providing airline services at FLL.

Azul has posted a security deposit in the amount of \$85,575, which is the estimated amount of three months' rent, per Article 6 in the TBLA. The term of this Agreement shall commence on November 3, 2020, and terminate on November 2, 2025.

Azul payments will be based on the actual amount payable under the proposed TBLA and will be adjusted according to the rates and charges established in Chapter 39 of the Broward County Administrative Code ("Administrative Code").

On July 20, 2020, Broward County Aviation Department ("BCAD") informed Azul of a total past due balance of \$887,396. Azul has set-up payment arrangements and is working with BCAD to pay their outstanding balance in four monthly installments of \$221,849. As of October 1, 2020, Azul is still in arrears with the County in the amount of \$556,282, which includes fees for their TBLA and Field Usage Agreement (Exhibit 3).

The proposed TBLA has been reviewed and approved as to form by the Office of the County Attorney and the Risk Management Division.

Source of Additional Information

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

Fiscal Impact

Fiscal Impact/Cost Summary

The estimated annual rent for the first lease year is \$342,300 in revenue to the BCAD, and will be adjusted annually according to Chapter 39 of the Administrative Code.