



# Broward County

## Legislation Text

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File #: 21-196, Version: 1

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### **Broward County Commission Regular Meeting**

**Director's Name:** Mark Gale

**Department:** Aviation

**Division:** Business

### **Information**

#### **Requested Action**

**MOTION TO APPROVE** Third Amendment to the Agreement of Lease between Broward County and Azorra Aviation, LLC, at Broward County's Fort Lauderdale-Hollywood International Airport; and authorize Mayor and Clerk to execute same.

#### **Why Action is Necessary**

Chapter 2 of the Broward County Code of Ordinances provides that all changes to lease agreements be approved by the Broward County Board of County Commissioners ("Board").

#### **What Action Accomplishes**

Extends certain benchmarks of the Agreement of Lease ("Agreement") between Broward County and Azorra Aviation, LLC ("Azorra") regarding the completion of construction on the Development Parcel and the onset of rent, eliminates phased development, updates insurance requirements, revises the footprint of the Development Parcel, and requires Azorra to reimburse Broward County ("County") its proportionate share of the construction costs of a retention pond.

#### **Is this Action Goal Related**

No

#### **Previous Action Taken**

None.

#### **Summary Explanation/Background**

THE AVIATION DEPARTMENT RECOMMENDS APPROVAL OF THE MOTION.

This action will amend the Agreement to extend certain benchmark dates, eliminate phased development, update insurance requirements, revise the footprint of the parcel to accommodate a taxilane, and require Azorra to reimburse the County its proportionate share of costs incurred by the County for the construction of a retention pond to support development at the Airport.

On December 9, 2014 (Item No. 57) the Board approved the Agreement for a term of 31 years, terminating on December 31, 2045. The Agreement requires Azorra to expend a minimum capital investment of \$10,000,000 on a 25-acre Development Parcel located on the west side of Fort Lauderdale-Hollywood International Airport ("FLL"). The Agreement permits Azorra to continue to occupy their current parcel of approximately eight acres located on the north side of FLL to provide fixed base operation services until the construction on the development parcel of the leased premises

("Development Parcel") is completed. Once the Development Parcel is complete, the remainder of the leased premises located on the north side of the Airport ("Current Parcel") reverts back to the County.

On October 25, 2016 (Item No. 2) the Board approved the First Amendment to the Agreement to extend the term for an additional year and to modify certain terms and conditions of the Agreement. The First Amendment allowed the Broward County Aviation Department ("BCAD") to temporarily use the Development Parcel for overflow parking during the holiday season, construction contractor parking, and the relocation of the BCAD's bus operation.

On June 12, 2018 (Item No. 3) the Board approved the Second Amendment to the Agreement to extend the term, construction related dates, and other benchmark dates for one additional year. The Second Amendment addressed the period of time the BCAD used Azorra's Development Parcel for holiday parking, construction contractor parking, and relocation of the bus operation.

This proposed Third Amendment requires Azorra to reimburse the County its proportionate share of costs incurred by the County for the construction of a retention pond, updates insurance requirements, extends certain benchmark dates, removes all references to construction Phase 1 and Phase 2 dates, and revises the footprint of the Development Parcel to accommodate a proposed taxilane.

The extension of the benchmark dates is based upon discussions between BCAD and Azorra relating to impacts from a proposed taxilane at FLL as a result of the Master Plan Update and delays caused by the lack of demolition contractors during the ongoing pandemic. Azorra is ready to move forward with construction of the improvements contemplated by the Agreement.

All improvements will be constructed under a single phase. The completion date for all improvements on the Development Parcel is December 31, 2022 and rent for the Development Parcel will commence on January 1, 2023.

#### **Source of Additional Information**

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

#### **Fiscal Impact**

##### **Fiscal Impact/Cost Summary**

The rent for the Development Parcel become due on the first day of the 9th Lease Year. The rent amount will be determined by appraisal but it is estimated to be approximately \$818,404 per year, thereafter rent will be adjusted annually by Consumer Price Index (CPI) or 3%, whichever is greater.

Azorra will pay for its cost share of the retention pond in one of the following two methods: (i) in full on or before the first day of the ninth Lease Year (January 1, 2023); or (ii) in equal monthly amounts, commencing on January 1, 2023, and continuing on the first day of each calendar month thereafter for a period of ten years, of \$7,020.