



Broward County

Legislation Text

File #: 22-777, Version: 1

Broward County Commission Regular Meeting

Director's Name: Mark Gale

Department: Aviation

Division: Business

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 permit an amortization period of 25 years for the investment in new facilities.

ACTION: (T-10:59 AM) Approved. (Refer to minutes for full discussion.)

VOTE: 9-0.

B. MOTION TO APPROVE Agreement of Lease between Broward County and National Jets Real Estate Holdings, LLC at Broward County's Fort Lauderdale-Hollywood International Airport in substantially the form of Exhibit 1, authorize the Director of Aviation to make nonmaterial changes that do not increase the financial cost to the County and to execute the agreement on behalf of Broward County provided it has been reviewed and approved as to legal sufficiency by the Office of the County Attorney.

ACTION: (T-10:59 AM) Approved. (Refer to minutes for full discussion.)

VOTE: 9-0.

Why Action is Necessary

Motion A: Waivers to the Broward County Administrative Code ("Administrative Code") must be approved by the Broward County Board of County Commissioners ("Board").

Motion B: Chapter 2, Section 2-40 (a) of the Broward County Code of Ordinances, requires that the 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

Motion A: This action waives Section 39.3 of the Administrative Code to permit a 25-year amortization period for the minimum capital expenditure requirement of \$18,000,000 investment in capital improvements in new facilities rather than a 20-year amortization period.

Motion B: This action approves a lease agreement to allow National Jets Real Estate Holdings, LLC ("National Jets") to occupy County-owned property at Broward County's Fort Lauderdale-Hollywood

International Airport ("FLL").

Is this Action Goal Related

No

Previous Action Taken

None.

Summary Explanation/Background

THE AVIATION DEPARTMENT RECOMMENDS APPROVAL OF THE ABOVE MOTIONS.

Motion A: This action waives Section 39.3 of the Administrative Code to permit a 25-year amortization period for the minimum capital expenditure requirement of \$18,000,000 investment in new facilities rather than a 20-year amortization period.

Motion B: This action approves a Lease Agreement to allow National Jets to occupy County-owned property at FLL to operate a Fixed Based Operation ("FBO").

National Jets has been operating at FLL as an authorized subtenant to Virginia-Carolina, a joint venture ("VC") pursuant to an agreement of lease effective May 26, 1992, as amended and has been utilizing the Aircraft Fuel Farm Facility ("Fuel Farm") located on property leased to The Carolina Group, Inc. ("Carolina Group") pursuant to an Agreement of Lease effective August 22, 2017.

Both the VC and the Carolina Group Agreements of Lease will naturally expire on May 31, 2022. National Jets desires to enter into a direct Agreement of Lease with the County to occupy approximately 16.5 acres at FLL and has requested that the existing Fuel Farm remain in place and has agreed to assume any and all pre-existing, current, or future obligation and liabilities relating thereto.

This Agreement of Lease ("Agreement") has a construction period of 4 lease years and an amortization period of 25 lease years for a total term of 29 lease years, with a minimum capital expenditure requirement of \$18,000,000 for capital improvements completed by the last day of the fourth (4th) lease year ("Completion Date"). The Agreement permits National Jets to request an extension of the term for an additional ten lease years if National Jets exceeds their required minimum capital expenditure requirement by not less than \$1,000,000 and is in full compliance with all terms and conditions of the Agreement. The extension of term is subject to Board approval.

The proposed Agreement of Lease was not executed by National Jets at the time of submission for this action. Consequently, due to time constraints associated with the expiration of its current sub-lease on May 31, 2022, with the VC, Motion B authorizes the Director of Aviation to execute the agreement on behalf of Broward County to make nonmaterial changes that do not increase the financial cost to the County and provided it has been reviewed and approved as to legal sufficiency 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

The rent for the first (1st) lease year will be \$1,016,368, plus applicable sales taxes annually, or \$84,697, plus applicable sales taxes monthly. The rent will be adjusted annually by the greater of 3% or the Consumer Price Index except in the fifth (5th), fifteenth (15th), and twenty-fifth (25th) lease years. The rent will be adjusted based on an appraisal on the first day of the fifth (5th), fifteenth (15th), and twenty-fifth (25th) lease years.