



**CITY OF FORT LAUDERDALE**  
**City Commission Agenda Memo**  
**REGULAR MEETING**

**#23-0488**

---

**TO:** Honorable Mayor & Members of the Fort Lauderdale City Commission

**FROM:** Greg Chavarria, City Manager

**DATE:** September 19, 2023

**TITLE:** Resolution Approving a Fifth Amendment to the Amended and Restarted Lease Agreement with FXE Parcel 15, LLC for Parcel 15 at the Fort Lauderdale Executive Airport and Authorizing the City Manager to Execute the Lease Agreement – **(Commission District 1)**

---

**Recommendation**

Staff recommends the City Commission adopt a resolution authorizing the City Manager to execute a Fifth Amendment to the Amended and Restated Lease Agreement with FXE Parcel 15, LLC for Parcel 15, in substantially the form attached, at the Fort Lauderdale Executive Airport (FXE).

**Background**

In 2019 the Airport completed a twenty (20) year Master Plan, which included the conversion of non-aeronautical property and airfield properties to developable leasehold property. The Airport Engineering Consultant (Kimley-Horn & Associates) performed the necessary analysis to determine the effect on Airport operations and the results were minimal. The parcels of land were identified and presented to the Federal Aviation Administration (FAA) Airport District Office (ADO) in Orlando for review on the Airport Layout Plan (ALP) and was approved by the FAA **(Exhibit 1)**.

FXE Parcel 15, LLC leases Parcel 15 consisting of 10.16 acres at Fort Lauderdale Executive Airport (FXE) under terms of a lease expiring on December 31, 2048. The annual lease payment for this parcel is \$255,840.38 (\$0.57 PSF) and is adjusted annually in accordance with the Consumer Price Index (CPI). An investment of more than \$19 million has been made consisting of hangar and apron improvements totaling 110,000 square feet.

Ms. Lynda Zur is the owner of FXE Parcel 15, LLC, and has demonstrated interest in adding one of the converted parcels along the western boundary of the Parcel 15 leasehold. Ms. Zur intends to develop the adjacent parcel of land, which has been approved by the FAA to be converted to developable aeronautical property. The adjacent property is approximately 4.15 acres (181,129 Square Feet) and includes a portion of Taxiway Charlie, which is located between the centerfield run-up area and Parcel 15.

The proposed Fifth Amendment to the Amended and Restated Lease Agreement for Parcel 15 includes the following improvements that FXE Parcel 15 plans on making to 4.15 acres of property adjacent to Parcel 15:

- Phase 1 - addition of asphalt apron space within twenty-four months of the effective date of the Fifth Amendment to the Amended and Restated Lease Agreement, which is July 1, 2023.
- Phase 2 - construction will include development of one hangar totaling a minimum of 20,000 square feet within thirty-six months of the effective date of the Fifth Amendment to the Amended and Restated Lease Agreement.

The proposed Fifth Amendment to the Amended and Restated Lease Agreement also includes an option for the Lessee, FXE Parcel 15, LLC, to exercise a ten-year lease extension upon successfully completing the aforementioned improvements. Additionally, FXE Parcel 15 is interested in developing Parcel 14, which is located east of the Parcel 15 boundary. Originally, Parcel 14 remained vacant to accommodate future access for aeronautical development of the adjacent Airport property to the south. However, due to the non-aeronautical development currently located to the south, we have determined that Parcel 14 can now be developed with an aviation improvement. Since Parcel 14 is only accessible by accessing the Parcel 15 leasehold, the proposed Fifth Amendment to the Amended and Restated Lease Agreement will provide FXE Parcel 15, LLC with the first right of refusal to lease Parcel 14 for future development.

The Airport has experienced an increase in business jet activity and the Parcel 15 addition will create additional space for larger cabin business jet aircraft operating at the Airport. This expansion will also resolve any operational issues associated with the apron ramp design and will enhance the continued growth of Ms. Zur's operation.

The development will require a minimum capital investment of \$5 million to construct the new hangar and associated ramp space. Upon Commission approval, the Parcel 15 addition will be combined for a total of 14.31 acres (623,343.6 square feet). The Fifth Amendment to the Amended and Restated Lease Agreement will include an increase in the Annual Ground Rent to the minimum established new annual rate of approximately \$360,340.10 effective July 1, 2023.

This proposal brings much-needed development of additional hangar space and allows capital investment in the Airport by a recognized Fixed Base Operator, while generating an appropriate market rental return for the Airport.

At its meeting of April 27, 2023, the Aviation Advisory Board supported staff's recommendation to execute the Lease Amendment with Parcel 15.

### **Resource Impact**

There is a positive fiscal impact in the amount of \$27,866 for the additional anticipated rent for July – September 2023. Revenue related to this agreement will be included in the FY 2023 operating budget in the accounts listed below contingent upon the approval of the Consolidated Budget Amendment CAM 23-0215.

<b>Funds available as of August 14, 2023</b>					
<b>ACCOUNT NUMBER</b>	<b>COST CENTER NAME (Program)</b>	<b>ACCOUNT/ ACTIVITY NAME</b>	<b>AMENDED BUDGET (Character)</b>	<b>AMOUNT RECEIVED (Character)</b>	<b>AMOUNT</b>
10-468-1460-542- 344-900-FXE629	Executive Airport	Service Charge – Other Transportation Charges/Par 15 FBO- Aero Industries	\$5,918,688	\$5,465,334	\$27,866
<b>APPROPRIATION TOTAL ►</b>					\$27,866

### **Strategic Connections**

This item supports the *Press Play Fort Lauderdale 2024* Strategic Plan, specifically advancing:

- The Business Development Focus Area
- Goal 5: Build an attractive global and local economic community marketplace.
- Objective: Provide the best-in-class regional general aviation airport amenities and services
- Objective: Create a responsive and proactive business climate to attract emerging industries

This item advances the *Fast-Forward Fort Lauderdale Vision Plan 2035*: We are Prosperous.

This item supports the *Advance Fort Lauderdale Comprehensive Plan*, specifically advancing:

- The Business Development Focus Area
- The Economic Development Element
- Goal 3: Recognize and include in economic development planning the role of Port Everglades and the Fort Lauderdale-Hollywood International Airport and Fort Lauderdale Executive Airports.

### **Attachments**

Exhibit 1 – Airport Layout Plan

Exhibit 2 – FXE Parcel 15, LLC 5<sup>th</sup> Amendment to Lease Agreement

Exhibit 3 – Resolution

Prepared by: Rufus A. James, Airport Director

Director: Rufus A. James