



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

**#23-0093**

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

**FROM:** Greg Chavarria, City Manager

**DATE:** February 7, 2023

**TITLE:** Resolution Authorizing City Manager to Execute an Amended and Restated Lease Agreement with MNREH Florida, LLC for Parcel 2A at the Fort Lauderdale Executive Airport – **(Commission District 1)**

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**Recommendation**

Staff recommends the City Commission adopt a resolution authorizing the City Manager to execute an Amended and Restated Lease Agreement with MNREH Florida, LLC for Parcel 2A, in substantially the form attached, at the Fort Lauderdale Executive Airport (FXE).

**Background**

MNREH Florida, LLC (MNREH) leases Parcel 2A at the Fort Lauderdale Executive Airport (FXE) by virtue of a lease dated April 1, 2005, which will expire on March 31, 2035 (Exhibit 1). The Parcel 2A Lease is zoned General Aviation Airport and is purposed as an aeronautical use property sitting on approximately 2.184 acres (95,135 square feet) with structural improvements. The current annual land rent for the property is \$45,586.09 (\$0.48 psf) and is subject to annual Consumer Price Index (CPI) adjustments.

At the June 24, 2021 Aviation Advisory Board meeting staff recommended the Lease Assignment of Parcel 2A to MNREH. MNREH is a registered Florida Limited Liability company with Mr. David MacNeil as the sole member. Mr. McNeil is an American businessman, entrepreneur, owner, and Chief Executive Officer of WeatherTech. He has been a long-time sub-tenant at FXE, owning and operating several aircraft, and will be using the Parcel 2A facilities to house his fleet of personal aircraft.

The improved facility contains a total area of approximately 30,014 square feet and includes two 10,000-gallon fuel tanks on the leasehold. The hangar portion of the building contains 17,570 square feet and is constructed of pre-engineered metal construction, and the remaining improvements consist of 12,444 square feet of attached office and storage support area.

We have received a proposal from MNREH to renovate the existing facility and improve the entire property with an investment valued \$6,000,000 (Exhibit 2). The renovated work will include interior and exterior work, which will consist of the following:

- New hangar doors and exterior metal panels
- Application of new stucco on office building
- New HVAC equipment throughout entire facility
- Full remodel of existing interior offices
- Complete overhaul underground fuel storage system
- Addition of new offices
- New impact windows
- Back-up generator
- Landscape refresh

MNREH is requesting a Lease amendment and has agreed to increase the annual ground rent from the current rate of \$45,586.09 (\$0.48 psf) to approximately \$52,228.44 (\$0.55psf) upon City Commission approval, to include annual CPI adjustments for the remaining lease term through March 31, 2035. Beginning October 1, 2034, an appraisal of the land and improvements will be performed to establish Improvement Rent. Improvement Rent will commence on April 1, 2035 and will include Two (2) Ten (10) year options to extend the Lease with annual CPI adjustments continuing through March 31, 2055. In addition, beginning October 2044 an appraisal of land and improvements will be performed to ensure consistency with market adjustments.

This proposal further improves an existing facility, promotes capital investment, and recognizes quality improvements. The improvements meet the current aviation needs of the Lessee while generating additional revenues for the Airport.

At its meeting of August 25, 2022, the Aviation Advisory Board supported staff's recommendation to execute the Amended and Restated Lease Agreement for Parcel 2A.

**Resource Impact**

There is no fiscal impact associated with this action.

**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 – Aerial Photos

Exhibit 2 – New Renditions

Exhibit 3 - Amended and Restated Lease Agreement

Exhibit 4 – Resolution

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Prepared by: Rufus A. James, Airport Director

Director: Rufus A. James