



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

**#22-0135**

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

**FROM:** Chris Lagerbloom, ICMA-CM, City Manager

**DATE:** February 1, 2022

**TITLE:** Resolution Approving a Third Amendment to Amended and Restated Lease Agreement with Gerald M. Holland, Trustee for Parcel 4 at 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 a Third Amendment to the Amended and Restated Lease Agreement with Gerald M. Holland, Trustee, d/b/a SHELTAIR (“Sheltair”) for Parcel 4 at the Fort Lauderdale Executive Airport (FXE) to permit Sheltair Executive South, LLC to complete improvements on Parcel 4.

**Background**

Sheltair leases Parcel 4 by virtue of an Amended and Restated Lease dated December 21, 2004. The leasehold consists of 19.84 acres of General Aviation Airport (GAA) zoned property and has been improved with office space, hangars, and vehicular parking (Exhibit 1). The current annual rent is \$543,379.90 with 15 years remaining on the Lease.

Sheltair and its affiliates have been tenants at the Fort Lauderdale Executive Airport (FXE) for nearly 40 years and currently lease property on nine (9) individual leaseholds. Sheltair has developed more than 3.5 million square feet of aviation space on 15 airports across Florida and are also engaged in hangar construction projects in Georgia, Colorado, and New York. The company’s aviation facility development, ownership, and operation experience are well known throughout the aviation industry.

Gerald M. Holland is the CEO of Sheltair Executive South, LLC which leases Parcel 7B at the Fort Lauderdale Executive Airport. The Amended and Restated Lease for Parcel 7B contained a scope, schedule, and minimum capital expenditure for required improvements to the property, which included new ramp, landscape improvements, roof replacement, and hangar door replacement. Total investment in new and refurbished facilities proposed by Sheltair is approximately \$1.8 million. Originally, the demolition of existing asphalt ramp and installation of new ramp was proposed as poured concrete at a cost of \$1.3 million for Parcel 7B. Leading up to the planned phasing for the ramp replacement, it was determined that a concrete pour would have a greater impact on the sub-tenants and their operations. Therefore, the decision was made to complete a mill

and overlay of the existing asphalt. Asphalt is less expensive than concrete, however the capital expenditure for improvements is still required to be fulfilled.

Sheltair Executive South, LLC has met the required Phase 1 scope of work but has only accomplished a final capital expenditure of approximately \$416,385, which is significantly less than the proposed minimum expenditure. Sheltair Executive South, LLC is committed to fulfilling the capital expenditure requirement for Phase 1 and is also required to further invest in each of the hangars on Parcel 7B in later phases. Due to the limited size of the site, Sheltair Executive South, LLC is proposing to fulfill the expenditure requirement by performing asphalt replacement and strengthening on adjacent Parcel 4.

	<b>Parcel 7B</b> CAM 22-0057	<b>Parcel 1B</b> CAM 22-0134	<b>Parcel 4</b> CAM 22-0135	<b>Parcel 5</b> CAM 22-0136	<b>Parcel O</b> CAM 22-0137	<b>Total</b>
Required	\$1,490,000	\$0	\$0	\$0	\$0	\$0
Completed	\$416,385	\$0	\$0	\$0	\$0	\$0
Alternate	\$0	\$423,989.33	\$40,816.22	\$528,865.20	\$107,431.98	\$1,101,102
Balance	\$1,073,615					

The engineering plans have been designed, and the estimated total cost of work proposed on Parcel 4 is estimated at \$40,816.22. This new proposal brings needed rehabilitation of older asphalt ramp facilities to accommodate the larger cabin business jets that frequent the Airport and will meet the current asphalt design criteria on Parcel 4. Upon approval, the anticipated completion time is expected to be April 2022.

Staff recommends that the unused Phase 1 Capital Expenditure from Parcel 7B be applied to Parcel 4 for asphalt replacement and strengthening to fulfill the remaining expenditure requirement of approximately \$40,816.22. At its meeting of December 2, 2021, the Aviation Advisory Board supported staff's recommendation to accept the proposed terms for work on Parcel 4.

**Resource Impact**

There is no fiscal impact to the City associated with this item.

**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 best-in-class regional general aviation airport amenities and services

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

This item supports the Advance Fort Lauderdale 2040 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.

**Related CAMs**

22-0057

22-0134

22-0136

22-0137

**Attachments**

Exhibit 1 – Parcel Layout

Exhibit 2 – Sheltair Letter

Exhibit 3 – Third Amendment to Amended and Restated Lease Agreement

Exhibit 3 – Resolution

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Prepared by: Rufus A. James, Airport Director – City Manager’s Office

Charter Officer: Chris Lagerbloom, ICMA-CM, City Manager’s Office