



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

**#15-0797**

---

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

**FROM:** Lee R. Feldman, ICMA-CM, City Manager

**DATE:** July 7, 2015

**TITLE:** Resolution Approving the Third Amendment to the Amended and Restated  
Lease Agreement with Zeley Aviation, Inc. - Parcel 2 at Fort Lauderdale  
Executive Airport

---

**Recommendation**

It is recommended that the City Commission approve a resolution authorizing the City Manager to execute a Third Amendment to the Amended and Restated Lease Agreement for Parcel 2 with Zeley Aviation, Inc. (Zeley Aviation) at the Executive Airport to provide for an extended time-period, to July 31, 2015, in order to complete construction improvements.

**Background**

Zeley Aviation, Inc. leases Parcel 2 consisting of 13.18 acres at the Executive Airport under terms of a lease expiring on October 1, 2041. The annual lease payment for this Parcel is \$178,218.94 and is adjusted annually in accordance with the consumer price index. The next adjustment is scheduled for April 1, 2016.

Improvements on the property total 121,620 square feet and are comprised of two conventional hangars and 22 T-hangars totaling approximately 49,242 square feet built in 1975, two conventional hangars built in 1980 totaling 34,999 square feet, and two additional hangars totaling approximately 37,379 square feet built in 1999. Sub lessees on the Parcel are Banyan Air Services, Inc. (Banyan) and Sheltair Aviation Facilities, Inc. (Sheltair).

The Amended and Restated Lease required Zeley Aviation, and its development partners, Banyan and Sheltair, to demolish the older section of the parcel including the two conventional hangars and T-hangars and construct three new aircraft storage hangars totaling 52,800 square feet with 7,440 square feet of office space.

The Lease was amended effective April 17, 2012 to modify the redevelopment plan with the replacement of a proposed paint shop with a conventional storage hangar resulting in approximately 55,000 square feet of new facilities.

Zeley Aviation and the sub lessees experienced issues with the redevelopment plan and presented a revised site plan for City approval. The new plan included the demolition of the 22 T-hangars and construction of one hangar totaling a minimum of 20,000 square feet with office space, construction of a new ramp, and completion of significant drainage improvements totaling approximately \$2.3 million.

According to the terms of the Lease for Parcel 2, Zeley Aviation was required to construct the improvements by April 1, 2015. Due to unidentified underground utilities that were located after the T-hangar demolition, Zeley encountered unexpected delays. Working in conjunction with the City's Building Division, Zeley Aviation was required to determine the status of the utilities and relocate them accordingly to the satisfaction of the Building Division.

Additionally, as the new construction adjoined adjacent properties with existing hangars in close proximity, there were additional concerns during construction as to fire separation between the new and older structures. Ultimately, it was decided to modify the building plans and incorporate fire sprinklers to provide the maximum fire protection and to resolve all safety concerns.

As of March 2015, Zeley Aviation has completed 75% of the improvements and continues to make progress towards completion. Zeley Aviation is requesting an extension of the construction improvement deadline to complete the remaining construction improvements by July 31, 2015.

### **Resource Impact**

There is no budgetary impact associated with this item.

### **Strategic Connections:**

This item is a *Press Play Fort Lauderdale Strategic Plan 2018* initiative, included within the Business Development Cylinder of Excellence, specifically advancing:

- Goal 7: Be a well-positioned City within the global economic and tourism markets of the South Florida region, leveraging our airports, port, and rail connections.
- Objective 4: Deliver best-in-class regional general aviation airport amenities and services to domestic and international.
- Initiative 1: Examine the highest and best use of airport property to stimulate economic development and create jobs.

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

Attachments:

Exhibit 1 – Lease Amendment

Exhibit 2 – Resolution

---

Prepared by: Julie Leonard, Deputy Director, Transportation and Mobility

7/7/15  
CAM #15-0797

Page 2 of 3

Department Director: Diana Alarcon, Transportation and Mobility