



CITY OF FORT LAUDERDALE
City Commission Agenda Memo
REGULAR MEETING

#15-1384

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

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

DATE: November 3, 2015

TITLE: Resolution Accepting a Deed of Release from the Federal Aviation
Administration and Terminating the Associated Pledge Agreement on the
Oster Property at Fort Lauderdale Executive Airport

Recommendation

It is recommended that the City Commission approve a resolution accepting a deed of release from the United States of America through the Federal Aviation Administration (FAA) releasing a previous restriction on ad valorem and personal property taxes relating to the Oster property and terminating the associated pledge agreement.

Background

The Oster property is part of what was the first sale of Fort Lauderdale Executive Airport (FXE) land to the John Oster Manufacturing Company. The original sale price for the property was \$123,000. The FAA issued a deed of release on December 5, 1963, for approximately 81.31 acres, which released the property from the restrictions set forth in the original quitclaim deed from the United States. In addition, the City signed a pledge agreement on December 10, 1963 containing substantially the same conditions on the sale transaction as were contained in the deed of release (both attached as Exhibit 1).

One of the FAA requirements was that the Airport Fund should receive 100% of the City's share of the ad valorem property taxes generated by the sold property. The payment is made to FXE in the form of a payment in lieu of taxes from the General Fund. The pledged money was for airport development relating to aeronautical activities in the improvement of FXE. During the time-period of 1964 through September 2015, the Airport Fund received approximately \$6,951,621 in ad valorem tax revenue from the General Fund since the sale of the property (see Exhibit 2), in addition to receiving the market price. These payments have been made by the City's General Fund, without fail since that time.

A pledge agreement of this type requiring the General Fund to remit to the Airport Fund all of its share of the ad valorem taxes on the property would not be required if the transaction were taking place today. In fact, no other deed of release for Executive Airport property contains such a requirement. The improvements to the airport and existing facilities meet the standards set forth by the FAA. Furthermore, the Airport Fund is self-sustaining and has a current reserve balance of \$11,189,990. Therefore, the FAA has determined tax from the Oster property is no longer necessary as a revenue stream to sustain the Airport Fund and future development and has executed a new deed of release (Exhibit 3).

Resource Impact

There will be a positive fiscal impact to the City's General Fund in the amount of \$256,998.

Strategic Connections

This 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 stakeholders.
- 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 - Deed of Release/Pledge Agreement

Exhibit 2 - Spreadsheet

Exhibit 3 - Letter from FAA and New Deed of Release

Exhibit 4 - Resolution

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