

City of Fort Lauderdale
City Commission Agenda Item

#12-1235

TO: Honorable Mayor & Members
Fort Lauderdale City Commission

FROM: Lee Feldman, City Manager

DATE: August 21, 2012

TITLE: Parcel 15 – Executive Airport – FXE Parcel 15, LLC – First Amendment to the Amended and Restated Lease Agreement – Consent Resolution

Recommendation

It is recommended that the City Commission approve a resolution authorizing the City Manager to execute a First Amendment to the Amended and Restated Lease Agreement with FXE Parcel 15, LLC allowing for a new property description increasing the leased parcel size by 44,954 square feet to 347,253 square feet at a rental rate of \$0.33 per square foot.

Background

FXE Parcel 15, LLC (FXE Parcel 15) leases Parcel 15 at Executive Airport by virtue of an Amended and Restated Lease commencing on January 1, 2012 with a term of 30 years. Improvements on the property total 50,510 square feet and are comprised of two hangars built in 1976 and two built in 2001. The parcel totals 6.94 acres and rental payments are \$44,771.37 per year. Under the current terms of the Amended and Restated Lease, effective July 1, 2013 the rent will be increased to \$99,804.54 adjusted annually thereafter in accordance with the Consumer Price Index. Market adjustments will also occur at years 10 and 20.

Within 36 months of the commencement date of the lease, FXE Parcel 15 will redevelop Parcel 15 with the demolition of one hangar built in 2001 and totaling 15,000 square feet and construction of two new aircraft storage hangars totaling 17,100 and 10,000 square feet respectively, resulting in an additional 12,100 square feet of hangar on the parcel. The redevelopment requires a minimum capital investment of \$3 million to construct the new hangars and associated ramp space.

The Lessee has been working to complete the design of the improvements and anticipates breaking ground on construction within the next few weeks. FXE Parcel 15, LLC has requested an increase in the size of the parcel for additional ramp space to accommodate aircraft parking and further enhance the safe and efficient flow of aircraft maneuvering on the ramp. Staff has determined that an area totaling approximately 44,954 square feet (1.03 acre) contiguous to the northwest portion of the existing leasehold would accomplish the tenant's goals without impacting potential future airport development.

This item was reviewed and approved by the Aviation Advisory Board at its June 28, 2012 meeting.

This additional area would result in a new parcel size of 347,253 square feet, or 7.97 acres. With this additional square footage the new annual rent for Parcel 15 will be \$114,593 at the \$0.33 per square foot rental rate.

Resource Impact

The Lease Amendment results in additional positive fiscal impact to the city in the amount of \$14,888.46 per year beginning July 1, 2013.

Attachments:

Exhibit 1 - FXE Parcel 15, LLC - First Amendment to the Amended and Restated Lease Agreement

Exhibit 2 - Resolution

Prepared By: Clara Bennett, Acting Deputy Director Transportation & Mobility

Department Director: Diana Alarcon, Director Transportation & Mobility

Finance Director Certification: _____