



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

**#22-0057**

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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 Second Amendment to Lease Agreement with  
Sheltair Executive South, LLC for Parcel 7B 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 Second Amendment to the Lease Agreement with Sheltair Executive South, LLC (Sheltair) for Parcel 7B at the Fort Lauderdale Executive Airport (FXE) changing the name of the Lessee from Sheltair Executive South, Inc. to Sheltair Executive South, LLC (Sheltair) for Parcel 7B at FXE and permitting Sheltair Executive South, LLC to complete improvements on Parcels 1B, 4, 5, and O.

**Background**

Sheltair leases Parcel 7B by virtue of an Amended and Restated Lease dated April 2020. The leasehold consists of 5.08 acres of General Aviation Airport (GAA) zoned property and has been improved with the construction of one 15,000 square foot corporate hangar facility, underground aviation fuel storage tank, automobile parking, and three box hangars totaling approximately 30,000 square feet (Exhibit 1). The current annual rent is \$89,717 per year (\$0.41 per square foot) with 28 years remaining on the Lease. The Lessee was originally identified as “Sheltair Executive South, Inc.” in the Amended and Restated Lease Agreement for Parcel 7B. However, in 2020, the Lessee converted “Sheltair Executive South, Inc.” to “Sheltair Executive South, LLC,” a Florida Limited Liability Company. Staff recommends that the City enter into a lease amendment to change the name of the Lessee to “Sheltair Executive South, LLC.”

Sheltair and its affiliates have been tenants at FXE for nearly 40 years and they 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 have 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.

The Amended and Restated Lease 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. 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 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 of \$1,490,000. Sheltair 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 is proposing to fulfill the expenditure requirement by performing asphalt replacement and strengthening on adjacent Sheltair Parcels 1B, 4, 5, and O (Exhibit 2).

The engineering plans have been designed, and the estimated total cost of work proposed is estimated at \$1,101,102. 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 the adjacent Sheltair parcels. Upon approval, the anticipated completion time is expected to be April 2022.

Staff recommends that the unused Phase 1 Capital Expenditure on Parcel 7B be applied to Parcels 1B, 4, 5, and O for asphalt replacement and strengthening to fulfill the remaining expenditure requirement of approximately \$1,101,102. At its meeting of December 2, 2021, the Aviation Advisory Board supported staff's recommendation to amend the lease.

### **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**

22-0134

22-0135

22-0136

22-0137

**Attachments**

Exhibit 1 – Parcel Layout

Exhibit 2 – Sheltair Letter

Exhibit 3 – Second Amendment to Lease Agreement

Exhibit 4 – 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