



CITY OF FORT LAUDERDALE
City Commission Agenda Memo
REGULAR MEETING

#17-0245

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

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

DATE: March 7, 2017

TITLE: Resolution Authorizing the City Manager to Execute a First Amendment to the Amended and Restated Lease Agreement with Sheltair Sixteen, LLC, for Parcels 16 and 16C at the Fort Lauderdale Executive Airport

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 Sheltair Sixteen, LLC, to include an additional 0.8 acres for Parcel 16 at Fort Lauderdale Executive Airport.

Background

Sheltair Sixteen, LLC. (Sheltair) leases Parcel 16 (Exhibit 1) consisting of 7.90 acres at Fort Lauderdale Executive Airport (FXE) under terms of a lease expiring on April 30, 2042. The annual lease payments for this parcel are \$140,980.73 (\$0.41 per square foot) and are adjusted annually in accordance with the Consumer Price Index (CPI). The next CPI adjustment is scheduled to take place on May 1, 2017. Improvements on the property total 109,075 square feet including 76,000 square feet of hangar space and a 33,075 square foot office building.

Parcel 16C housed the former U.S. Customs & Border Protection (CBP) Facility consisting of 0.689 acres (30,012 square feet), which included a 1,200 square foot one-story building. Since the opening of the new CBP facility, Parcel 16C is now vacant. In accordance with the Amended and Restated Lease Agreement for Parcel 16, dated April 17, 2012, Parcel 16C shall be incorporated into Parcel 16 upon the same terms, conditions, and at the prevailing lease rate for a new parcel size of 8.859 acres.

Sheltair proposes to demolish the vacant CBP building and construct a minimum 15,000 square feet of hangar, ramp, and parking facilities on this portion of the property at a cost of approximately \$2,500,000. Conceptual design of the improvements is underway, but existing ramp space and a driveway was not included in the April 2012 Amended and Restated Lease Agreement for Parcel 16. Sheltair requested staff to explore the possibility of increasing the size of the parcel to construct additional ramp space to accommodate aircraft parking and further enhance the safe and efficient flow of aircraft maneuvering around the parcel.

Staff has determined that an area totaling approximately 0.8 acres (34,848 square feet) contiguous to the north and west portion of the existing leasehold (Exhibit 2) would meet the needs to properly develop the site. This additional area will result in a new parcel size of 9.388 acres (408,949 square feet). With this additional square footage, the new annual rent rate for Parcel 16 will be approximately \$167,669.09 (\$0.41 per square foot) with annual adjustments in accordance with the CPI.

At its December 8, 2016 meeting, the Aviation Advisory Board supported staff's recommendation to execute a First Amendment to the Amended and Restated Lease Agreement with Sheltair Sixteen, LLC to include an additional 0.8 Acres to Parcel 16.

Resource Impact

There is a positive fiscal impact to the City in the amount of \$17,792.24. Revenue related to this lease amendment will be included in the FY 2017 operating budget in the account listed below and was contingent upon the approval of the January 4, 2017 Consolidated Budget Amendment CAM 16-1426.

Funds available as of February 10, 2017					
ACCOUNT NUMBER	INDEX NAME (Program)	CHARACTER CODE/ SUB-OBJECT NAME	AMENDED BUDGET (Character)	AMOUNT RECEIVED (Character)	AMOUNT
468-TAM070101-J630	Executive Airport	Charges for Service/ Par 16 FBO - Sheltair	\$3,502,368	\$943,952	\$17,792.24
APPROPRIATION TOTAL ►					\$17,792.24

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 - Parcel Map
Exhibit 2 - Additional 0.8 Acres
Exhibit 3 - Lease Amendment
Exhibit 4 - Resolution

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