



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

#19-0875

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

FROM: Chris Lagerbloom, ICMA-CM, City Manager

DATE: October 2, 2019

TITLE: Resolution Approving Lease Agreement with Broward County Sheriff's
Office for Parcel 3 at Fort Lauderdale Executive Airport - **(Commission
District 1)**

Recommendation

It is recommended that the City Commission approve a resolution authorizing the City Manager to execute a Lease Agreement with the Broward County Sheriff's Office for Parcel 3 at the Fort Lauderdale Executive Airport (FXE).

Background

Buehler Aviation Research Foundation, Inc. (Foundation) leases Parcel 3, consisting of 4.47 acres (see Exhibit 1), under a lease agreement dated October 1, 1964. This lease expires on October 19, 2019 (Exhibit 2). The Parcel has been improved with approximately 29,280 square feet of hangar facilities built in 1975 and is currently sub leased to the Broward County Sheriff's Office (BSO) Aviation and other specialized BSO units. The current annual lease payments total \$72,009.96 (\$0.37 per square foot).

A five-year lease extension was granted in 2014 to allow the Airport and the Foundation time to develop a long-term strategy for the future development of the parcel. The Foundation has indicated they are unable to make the capital investment and are not interested in developing the site further. Therefore, they are allowing the land lease to expire as scheduled.

BSO approached Airport staff with a request to continue operating at FXE by directly leasing Parcel 3. Staff contracted with Slack, Johnston & Magenheimer (SJM) to prepare an appraisal report of the parcel improvements which established the fair market annual rent for the existing hangar facility, aircraft ramp area and vehicular paved parking areas, excluding the underlying land.

SJM conducted a survey of aeronautical pavement and building rental rates at similar general aviation airports nationwide. Based on the overall analysis, SJM estimated the fair market rent for the hangar building to be \$7.35 psf, and the improved pavement to be \$0.05 psf. The underlying land is \$0.40 psf, which is determined through an

appraisal method and is set for a three-year term.

BSO is requesting a long-term lease beginning on October 20, 2019 and has agreed to a five-year lease term through October 19, 2024. The terms also include two five-year renewal options. In addition, BSO has agreed with the appraisal analysis resulting in a new annual rent payment of \$300,000 (\$25,000 monthly) with annual Consumer Price Index adjustments.

At its meeting on August 22, 2019, the Aviation Advisory Board supported staff's recommendation to approve the proposed Lease with BSO.

Resource Impact

The expiration of the current agreement will have a negative fiscal impact of \$72,009.96; however, the new lease will have a positive fiscal impact of \$300,000; resulting in a net positive impact of \$227,990.04 per year plus applicable consumer price index adjustments.

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 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 – Location Map of Parcel 3

Exhibit 2 – Lease Agreement

Exhibit 3 – Resolution

Prepared by: Rufus A. James, Transportation and Mobility

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