



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

**#21-0368**

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

**FROM:** Chris Lagerbloom, ICMA-CM, City Manager

**DATE:** April 20, 2021

**TITLE:** Resolution Approving a Second Amendment to Lease Agreement with  
Terminal Ventures, LLC for Parcel 8G 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 Terminal Ventures, LLC for Parcel 8G at the Fort Lauderdale Executive Airport (FXE).

**Background**

Terminal Ventures, LLC (Terminal Ventures) leases Parcel 8G, consisting of 1.97 acres of aviation property located at the Fort Lauderdale Executive Airport. The listed company operates a Fixed Base Operation (FBO), a charter company, and provides a variety of services to piston and jet aircraft. The property has been improved with a two-story office building, which is approximately 10,000 square feet per floor with ample parking. Unfortunately, the building has been vacant since 2016, resulting in vandalism to the interior, and now requires significant rehabilitation.

The Lease term for this Parcel commenced on March 1, 2020 with a term of 20 years, expiring on February 29, 2040. Rental payments are \$35,925 (\$0.40 per square foot) per year and are adjusted annually in accordance with the Consumer Price Index. The next adjustment is scheduled for March 1, 2022.

According to the terms of the Lease Agreement, Terminal Ventures is required to renovate Parcel 8G in three phases with a total investment of at least \$1,130,000. Phase I involved the demolition of the interior of the building within three months of the commencement date of the Lease Agreement. Phase I was completed on schedule.

Phase II consists of interior remodeling of the first floor, exterior improvements consisting of new landscaping, painting, and restriping of the parking lot. Phase II was scheduled to be completed on or before December 31, 2020 and required a minimum investment of \$625,000.

Phase III consists of interior remodeling of the second floor. In accordance with the terms of the Lease Agreement, Terminal Ventures must invest a minimum of \$505,000 for Phase III improvements, which were initially scheduled to be completed by July 31, 2021.

Mr. Ignacio A. Martinez is a Manager for Terminal Ventures and is responsible for completing the renovation project.

According to Mr. Martinez, a significant part of Terminal Ventures' revenue came from travel to and from Venezuela. Due to the worldwide COVID-19 pandemic, Venezuela's airspace was shut down to all aviation flights throughout 2020. The airspace recently reopened, but only to commercial service flights originating from four countries.

Despite this economic setback, Terminal Ventures has continued to make timely rental payments for Parcel 8G. Terminal Ventures is requesting an additional 12 months to complete the renovations, extending the date of completion for Phase II to on or before December 31, 2021 and extending the date of completion for Phase III to on or before July 31, 2022.

At its meeting of March 25, 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*.

### **Attachments**

Exhibit 1 – Second Amendment to Lease Agreement

Exhibit 2 – Lease Agreement

Exhibit 3 – First Amendment to Lease Agreement

Exhibit 4 – Resolution

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Prepared by: Rufus A. James, Airport Director

Charter Officer: Chris Lagerbloom, ICMA-CM, City Manager's Office