



Broward County

Legislation Details (With Text)

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File created: 10/22/2019 **In control:** AVIATION DEPARTMENT

On agenda: 12/3/2019 **Final action:**

Title: MOTION TO APPROVE Agreement of Lease between Broward County and Ladim Aviation, LLC., for an aircraft tie-down and storage facility at North Perry Airport, effective upon approval by the Broward County Board of County Commissioners and terminating on the last day of the 30th lease year; and authorize the Mayor and Clerk to execute.

Sponsors:

Indexes:

Code sections:

Attachments: 1. Exhibit 1 - Agreement Summary, 2. Exhibit 2 - Ladim Agreement

Date	Ver.	Action By	Action	Result
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Broward County Commission Regular Meeting

Director's Name: Mark Gale

Department: Aviation

Division: North Perry Airport

Information

Requested Action

MOTION TO APPROVE Agreement of Lease between Broward County and Ladim Aviation, LLC., for an aircraft tie-down and storage facility at North Perry Airport, effective upon approval by the Broward County Board of County Commissioners and terminating on the last day of the 30th lease year; and authorize the Mayor and Clerk to execute.

Why Action is Necessary

Chapter 2, Section 2-40(a) of the Broward County Code of Ordinances, requires the Broward County Board of County Commissioners ("Board") authorize any commercial activities or occupancy of any portion of Broward County's Fort Lauderdale-Hollywood International Airport ("FLL") and North Perry Airport ("HWO").

What Action Accomplishes

Approves an Agreement of Lease ("Agreement") between Broward County ("County") and Ladim Aviation, LLC ("Ladim") to construct an aircraft tie-down space and storage facilities at HWO.

Is this Action Goal Related

No

Previous Action Taken

None.

Summary Explanation/Background

THE AVIATION DEPARTMENT RECOMMENDS APPROVAL OF THE ABOVE MOTION.

This action will approve an Agreement between the County and Ladim to construct an aircraft tie-down space and storage facilities at HWO.

On November 3, 2018, and November 10, 2018, the Broward County Aviation Department ("BCAD") advertised a Request for Letters of Interest ("RLI") for available parcels at HWO. BCAD periodically advertises RLI's to develop vacant property at HWO in order to meet the current and future needs of airport users and increase revenue to the airport. BCAD staff received three development proposals for a parcel located on the west side of HWO.

BCAD staff reviewed each proposal and considered the strength, weakness, proposed investment, and the current and future needs of HWO as related to each proposal. Ladim was identified as the proposal that committed to the largest capital investment in HWO and best matched the aeronautical needs of HWO.

Section 39.3 of the Broward County Administrative Code Section (a) 1 states: "The term of a lease shall be limited to 20 years. The County may consider a longer or shorter term based on the magnitude of investment in airport facilities, prevailing economic conditions in the industry or benefits to the community. However, in no event, shall the lease term exceed 30 years. Section 39.3 (a) 2, reads in part: "The amortization period for investments in new facilities generally will not exceed 20 years."

As part of HWO's development plan, Ladim will lease approximately 5.7 acres to construct a minimum of 40,000 square feet of aircraft storage facilities and 24 aircraft tie-down parking spaces. Total minimum capital investment required in the Agreement of Lease is \$3,000,000. The construction will be phased over a period of two years. The lease is for a term of 30 years and has an amortization period of 30 years.

The proposed Lease Agreement has been reviewed and approved as to form by the Office of the County Attorney and the Risk Management Division.

Source of Additional Information

Mark E. Gale, A. A. E., CEO/Director of Aviation, (954) 359-6199

Fiscal Impact

Fiscal Impact/Cost Summary

Beginning on the first day of the Second Lease Year, Ladim will pay the County \$54,615 annually in rent, plus applicable taxes. Rent is subject to an annual adjustment based upon the greater of 3% or Consumer Price Index. Total fiscal impact of this action over the 30-year term is estimated at approximately \$2,500,000.