



CITY OF FORT LAUDERDALE

**AVIATION ADVISORY BOARD
FORT LAUDERDALE EXECUTIVE AIRPORT
ADMINISTRATIVE OFFICE – MULTIPURPOSE ROOM
6000 NW 21 AVENUE, FORT LAUDERDALE, FLORIDA
THURSDAY, FEBRUARY 22, 2018 1:30 P.M.**

	Attendance	Cumulative Attendance 7/17 through 6/18	
		Present	Absent
Ed Kwoka, Chair	P	6	0
Ed Rebholz, Vice Chair	P	6	0
Louis Gavin	P	4	2
Joshua Kroon (via telephone)	P	3	3
Vacant			
Tom Moody	P	5	1
Stephen O'Malley	P	5	1
Dana Pollitt	P	5	1
Duke Siotkas	P	4	2
John Watt	P	6	0
Commissioner Marlon Bolton, City of Tamarac [non-voting]	P	5	1
Jeff Helyer, City of Oakland Park [non-voting]	A	5	1

Airport Staff

- Rufus A. James, Airport Manager
- Carlton Harrison, Assistant Airport Manager
- Spencer Thornton, Assistant Airport Manager
- Florence Straugh, Noise Abatement Officer
- Karen Reese, Business Assistance Coordinator
- Fernando Blanco, Airport Engineer
- Julie Leonard, Deputy Director, Transportation and Mobility
- Donna Varisco, Administrative Assistant I
- Nick Slagle, Operations Supervisor
- Michael Mitchel, Recording Secretary, Prototype, Inc.

CALL TO ORDER

Chair Kwoka called the meeting to order at 1:30 p.m.

1. Roll Call

Roll was called and it was noted a quorum was present.

Motion made by Mr. Pollitt, seconded by Vice Chair Rebholz, to allow telephonic participation by Mr. Kroon. In a voice vote, the **motion** passed unanimously.

VOTING ITEMS

1. Approve Minutes of January 25, 2018 Meeting

Motion made by Mr. O'Malley, seconded by Mr. Moody, to approve. In a voice vote, the **motion** passed unanimously.

2. Fort Lauderdale Executive Airport South Perimeter Loop Road Project – Contract Award – Florida Blacktop, Inc. – Project 12260

Mr. Blanco stated that at present, service vehicles and equipment must cross Runway 31 in order to be positioned at the north or south areas. This affects tower operations and airfield traffic, and increases the possibility of unauthorized incursions. An asphalt perimeter road will be constructed along the southeastern end of Runway 31 to minimize runway crossings.

The City received five bids for this contract, which were opened on January 31, 2018. The bid submitted by Florida Blacktop, Inc. has met all requirements and has been deemed the lowest cost response by a responsible bidder. Staff recommends award of the contract to Florida Blacktop, Inc. in the amount of \$358,937. The project is expected to begin in May or June 2018 and last up to two months. Most work will be done at night.

Motion made by Vice Chair Rebholz, seconded by Mr. Watt, to accept Staff's recommendation. In a voice vote, the **motion** passed unanimously.

3. Reservation of Easement Agreement for an Alternate Access Road to Parcel 8 H

Mr. James advised that Parcel 8H consists of approximately 5.1 acres. A project for the construction of two hangars and office space on the parcel is currently underway. An adjacent parcel consisting of 8.6 acres, Parcel 8B, is leased by KCFXE. This lease is set to expire in 2039. The property has been improved with the construction of three medium-sized hangars.

KCFXE has a second development phase which consists of two large hangars totaling roughly 20,000 square feet as well as office space. The Airport has received a request from KCFXE to acquire Parcel 8G, which currently contains a vacant office building of approximately 20,000 square feet. KCFXE proposes to renovate the office building and use it as a terminal facility for future development.

This renovation will have an impact on the access road to Parcel 8H. Airport Staff has evaluated alternate access points and identified a space adjacent to Parcel 8J that can be used as an alternate access road if KCFXE chooses to proceed with full development of Parcel 8G. Staff has also reached out to the Broward County Environmental Engineering and Permitting Division, which has indicated that the location of the proposed alternate road would not be subject to licensing, preservation, or mitigation requirements. Staff recommends entering into an easement agreement with Southeast Toyota Distributors for an entrance and exit lane to be reserved as an alternate road to access Parcel 8H.

Chair Kwoka asked if build-out is prohibited in this area. Mr. James confirmed that the subject area includes local area concerns, including natural habitat vegetation and gopher tortoises.

Mr. Matt Morral, representing Southeast Toyota Distributors, stated that his client has easement rights as part of its lease agreement; W Aviation would be changing these rights when proceeding with their third phase of development. He explained that his concern was for alternative access in order to conclude negotiations with W Aviation.

Motion made by Mr. Pollitt, seconded by Mr. O'Malley, to move forward with Staff recommendations to enter into an easement agreement with Southeast Toyota. In a voice vote, the **motion** passed unanimously.

4. Walk-On – Parcel 9, 32, & 33 – Sheltair FXE Northside, LLC – First Amendment to Lease Agreement

Mr. James explained that Sheltair signed a lease for Parcels 9, 32, and 33 in October 2015. The lease is for 30 years and covers approximately 18.1 acres. The current base rental payment on Parcel 9 is approximately 54 cents per square foot. The base rent for Parcels 32 and 33 are 37 cents per square foot. Schedules commence upon receipt of a certificate of occupancy.

According to the terms of the lease, Sheltair has applied to replace existing buildings and develop the property with modern facilities valued at roughly \$25 million. These facilities will consist of eight corporate hangars with office space, workshops, and a terminal lobby.

There has been a delay in the development of the parcel due to a lawsuit by an adjacent fee simple property not owned by the Airport. The suit has since been settled and Sheltair will acquire this property for future development. Sheltair is requesting an additional two years be added to the lease due to the delays in construction, extending the lease expiration date to December 31, 2047.

In consideration for this additional time, Sheltair has agreed to commence rental payments for Parcels 32 and 33 upon approval of the lease amendment. This would

bring the rent for these parcels to \$56,384.48 per year, or 18.5 cents per square foot, during the construction phase. If a certificate of occupancy (CO) is received prior to November 1, 2019, rent will be increased to 37 cents per square foot. If the CO is not received by that date, the rent will increase to \$112,768.98.

The full development of Parcels 32 and 33 is affected by drainage swale, which collects offsite storm runoff from non-Airport properties to the north, including the fee simple property acquired by Sheltair. An offsite storm runoff agreement was established by the City and the developer in the 1960s. To allow Sheltair to develop Parcels 32 and 33, the Airport will be responsible for a percentage of storm runoff from the adjacent fee simple properties. Sheltair has agreed to construct an infield drainage system to redirect offsite storm runoff from properties to the north.

The cost to construct the infield drainage system is estimated at \$1.5 million. The Airport's percentage of the total cost is roughly 70%, with Sheltair responsible for the remaining 30%.

Chair Kwoka expressed concern that the Airport could be challenged if construction of the swale is not put out for bid appropriately. Mr. James replied that Sheltair has indicated that due diligence was done regarding the bid process.

Mr. James concluded that Staff recommends a lease amendment to the Sheltair parcels 9, 32 and 33 to include an additional two years due to delays in commencing construction, which would extend the lease expiration date to December 31, 2047. It would also increase the rent for Parcels 32 and 33 to \$56,384.48 per year. Further rent increase to parcels 32 and 33 would occur to \$112,768.98 per year upon receipt of a CO or by November 1, 2019. The amendment would also provide for construction of a drainage system to redirect offsite storm runoff from adjacent fee simple properties to the north.

Michael Moskowitz, representing Sheltair, provided a brief overview of the history of the four subject parcels, including Parcels 9, 32, 33, and a fee simple parcel owned by another company. Sheltair had sought to lease Parcels 32 and 33 from the City and to acquire Parcel 9 from its previous owner. Because this owner had a sizable creditor, the acquisition of Parcel 9 was a complicating factor. He noted an access point on the fee simple parcel through which its owner could access the taxiway for operations, repairs, and maintenance. As a result of the lease transaction approved by the City on October 30, 2015, the City required this access point to be closed.

Mr. Moskowitz continued that in November 2015, the creditor of the previous owner of Parcel 9 filed suit against both Sheltair and the City of Fort Lauderdale, contending that it was inappropriate to close the access point, as they claimed it affected their lien rights and the value of their debt. This suit lasted for approximately two years and was settled in late 2017. During the two-year period, neither the City nor Sheltair was able to proceed with construction on the site. Once litigation was settled, Sheltair purchased the

fee simple parcel and is ready to proceed with development of the leased parcels, which will construct 155,000 square feet of hangars at a cost of over \$25 million.

Mr. Moskowitz moved on to address drainage, stating that in the 1960s, the City had allowed three parcels to drain across City Parcels 32 and 33. While Sheltair is responsible for paying for its own drainage, they cannot accommodate the drainage from these two additional parcels on-site. The only accommodation for this drainage is to allow it to drain into the infield portions by constructing a piping system beneath a taxiway. Sheltair and the City discussed which entity should be responsible for drainage from these parcels, determining that Sheltair will be responsible for constructing drainage, with the City to pay 70% of the construction costs.

Motion made by Mr. Watt, seconded by Mr. Moody, to approve per Staff recommendation. In a voice vote, the **motion** passed unanimously.

Telephonic Communication was lost with Mr. Kroon during Mr. Moskowitz's presentation.

UPDATE ITEMS

A. Noise Compatibility Program

Ms. Straugh stated that the City created two press releases, one regarding the automated passport control kiosks in Customs and another for the WebTrak for the Airport.

Ms. Straugh continued that noise data from January 2018 is attached to the members' backup materials. She noted that helicopter operations from the previous month contributed to more than one-third of all calls.

B. Development and Construction

Mr. Thornton reported that the Taxiway Intersection Improvement project is ongoing and is now 53% complete, having progressed to Phase 2. The sub base has been brought up to grade and electrical work is underway. The project is expected to be complete by April 2018.

The second project currently underway is the Taxiway Foxtrot Rehabilitation Project, which will improve the western half of this taxiway. Asphalt is being removed and the sub base is being re-compacted. This project has only recently begun.

C. Arrearages

Mr. James advised that a notice of default was sent to W Aviation/KCFXE, which has not paid a flowage fee due in December. If the situation is not addressed before the next

Board meeting, the members will receive copies of a memorandum of termination. There have been no previous issues with this tenant.

Mr. Moody asked if this issue could affect the lease discussed previously regarding KCFXE. Mr. James replied that the tenant's lease includes language that addresses habitual issues if this becomes an ongoing problem.

D. Communication to the City Commission

None.

E. FLL Update

Ms. Straugh mentioned that a map to the Broward County Aviation Department's (BCAD) Airport Noise Abatement Committee (ANAC) meetings for Fort Lauderdale-Hollywood International Airport (FLL) was provided, which also listed the scheduled meetings for the year. The next ANAC meeting will be held on Monday, March 12, 2018 at 6:00 p.m.

F. Airport Projects Process

Chair Kwoka recalled that at the January 25, 2018 meeting, the Board determined that they would view a presentation from Airport Staff and hear feedback from tenants who have expressed concern with the effects of runway and construction-related closures. He advised that most of the feedback he has heard has requested that the tenants be part of the discussion process at an earlier time so they can consider potential financial effects.

Mr. Harrison reviewed several of the services provided by the Airport, noting that operations have increased 12% over the previous year. The Fort Lauderdale Executive Airport (FXE) is the fifth-busiest general aviation facility in the nation.

Projects begin with the Airport Master Plan, which provides a 20-year outlook for the facility. The Master Plan considers current inventory, fleet mixture, airfield design concepts, hangar and apron space, and how to responsibly fund these items. Primary funding sources are the Florida Department of Transportation (FDOT) and the Federal Aviation Administration (FAA). Another component is discretionary funding, for which FXE may compete with other facilities.

Each year FXE meets with the FAA and FDOT to discuss the projects they hope to accomplish over the next five years. The first three years of this time period are programmed with funding. The Airport also considers pavement management plans, with a goal of rehabilitating pavement without reconstruction, and FAA design changes,

with the intent of designing a project in its first year and constructing it the next. Other scheduling concerns include wildlife, seasonal weather, holidays, and special events.

Mr. James reviewed general project coordination, noting that meetings are held before projects are sent out to bid and before design and construction begin. The Airport also holds stakeholder meetings to update tenants on what the project will affect them and provide them with an opportunity to give feedback. Work hours for most projects are between 10 p.m. and 6 a.m. to reduce these impacts. Tenants are invited to attend preconstruction meetings as well as stakeholder and weekly progress meetings.

Mr. O'Malley left the meeting at 2:28 p.m.

John Hayden, representing Sheltair, asked if tenants can influence the procurement process in order to stage the construction phase more effectively and lessen impacts, pointing out that runway closures in particular have significant impacts on tenants. Chair Kwoka confirmed that most feedback he has heard from tenants was the result of multiple runway closures, as well as consideration of how traffic is rerouted for taxiways.

Mr. Watt asked how much notice is provided for runway closures. Mr. James replied that there is typically two weeks' notice. Mr. Hayden pointed out that an issue more significant than notice is often the season when work is scheduled. Mr. James emphasized that Staff is open to working with tenants to the greatest extent possible, pointing out that because south Florida has become a year-round destination, scheduling projects can be more difficult.

Mr. James recognized Administrative Assistant Donna Varisco, who will be leaving the Airport to accept another position with the City. Angelia Basto will be promoted to the Administrative Assistant I position. He also noted that a safety expo is scheduled for Saturday, March 17, 2018, with the theme of women in aviation. The event will feature a panel discussion by professional women in aviation.

NEXT SCHEDULED MEETING DATE: Thursday, March 22, 2018 – 1:30 p.m.

There being no further business to come before the Board at this time, the meeting was adjourned at 2:41 p.m.

Any written public comments made 48 hours prior to the meeting regarding items discussed during the proceedings have been attached hereto.

[Minutes prepared by K. McGuire, Prototype, Inc.]



Fort Lauderdale
Executive Airport

Your community airport since 1947

AVIATION ADVISORY BOARD

April 26, 2018

Speaker Sign-In Sheet

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