

AVIATION ADVISORY BOARD
Fort Lauderdale Executive Airport
Administrative Office-Multipurpose Room
6000 NW 21 Avenue
Fort Lauderdale, FL
Thursday, June 9, 2005
1:30 p.m. – 2:45 p.m.

<u>Board Members</u>	<u>Present/Absent</u>	<u>Cumulative Attendance</u>	
		<u>1/1/05 – 12/31/05</u>	
		<u>Present</u>	<u>Absent</u>
Tom Newman, Chair	P	3	1
Bunney Brenneman, Vice Chair	P	4	0
John Milledge	P	4	0
Bernie Petreccia	P	4	0
Christopher Pollock	P	3	2
Joseph Scerbo	P	2	2
Steve Stella	P	4	0
Sharon Woods	P	3	1
John McKaye	P	4	0

Airport/City Staff

Clara Bennett, Airport Manager
Mark J. Cervasio, Assistant Airport Manager
Alex Erskine, Airport Operations Supervisor
Bruce Larkin, Director of Business Enterprises
Carlton Harrison, Airport Operations Aide
Florence Deardorff, Operations Aide
Fernando Blanco, Acting Airport Engineer
Vicki Minard, Assistant City Attorney
Kimberly Albright, FXE ATCT
Bonnie Schulz, FXE ATCT

Visitors

Dan Taylor
Ed Mitchell
Jim Mayo
Jeff Helyer, Lloyd Estate Neighborhood Association
Tracy Lautenschlager, Greenberg Traurig

The meeting was called to order at 1:32 p.m. by Chair Newman and roll was taken.

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1. Approve Minutes of April 28, 2005 Meeting

Motion was made by Mr. Petreccia and seconded by Vice Chair Brenneman to approve the minutes of the April 28, 2005 meeting. In a voice vote, the motion passed unanimously.

Chair Newman announced that Mr. Holdridge had moved out of Fort Lauderdale and resigned from the Board.

2. East Half of Lot 20 and Lot 21 Lease Proposal

Ms. Bennett explained that the East Half of Lot 20 and Lot 21 consisted of approximately 3.94 acres of unimproved land. The property was zoned Airport Industrial Park (AIP) and is located in the Executive Airport Industrial Airpark along NW 64th Street, east of 21st Avenue. A recent appraisal of the property valued the land at \$7.25 per square foot for a total land value of approximately \$1,244,288.

Ms. Bennett continued that FXE had received a proposal from Nortek Realty Holdings LLP (Nortek) to lease this property. Nortek proposed to construct approximately 45,664 square feet of single-story office/flex complex worth approximately \$4 million.

Nortek had offered to lease this property at a rental rate of \$0.725 per square foot, or 10% of Fair Market Value, for 50 years with 5-year CPI adjustments. The proposed annual lease revenue would be approximately \$124,428. Additionally, Nortek had agreed to an adjustment of the rental rate every 20 years, based on appraised value of vacant land, with a maximum adjustment of 10% per interval.

Staff recommended:

1. Execution of Lease Agreement for the East Half of Lot 20 and Lot 21 with Nortek Realty Holdings LLP or an affiliate at a rate of \$0.725 per square foot for a term of 50 years with five-year CPI adjustments and adjustments of the rental rate every 20 years, based on appraised value of vacant land, with a maximum adjustment of 10%.
2. Execution of a Real Estate Brokerage Agreement with Mr. Edward P. Mitchell of CB Richard Ellis for the payment of real estate brokerage commission in accordance with City Resolution 05-28.

Mr. Dan Taylor explained that they would return to the AAB for approval when they had a completed site plan. Mr. Jim Mayo, architect, presented a very basic rendering and described the project. The project consisted mainly of two single-story office buildings with a small warehouse component.

Ms. Bennett explained to Mr. Scerbo that the amount for commissions is 4% of the appraised value at 50% of the rental receipts until paid. Mr. Petreccia estimated that for a \$48-\$49,000 total, it would take approximately 4 months.

Motion was made by Mr. Petreccia and seconded by Mr. Milledge to approve staff's recommendations for execution of a lease agreement and a real estate brokerage agreement. In a voice vote, motion passed unanimously.

3. Assignment of ACP Office I, LLC Lease for Lots 22, 41 and 42 to Cypress Executive Investors, LLC, a Florida Limited Liability Company

Ms. Bennett announced that this item was pulled from the agenda.

4. FY 2005/2006 Capital Improvement Plan

Mr. Cervasio explained that the Airport had prepared a draft five-year Capital Improvement Plan (CIP) beginning with Fiscal Year 2005/2006 for submission to the City's CIP Committee. The Airport's CIP would be included with the overall City plan which the Committee would present to the City Commission for approval.

If all of the identified projects were completed, they would accomplish approximately \$6.7 million of capital improvements next year. The Airport's share would be approximately \$984,375 and will come from the Airport's operating budget surplus and/or the Airport Fund.

The CIP fund would be used to support Airport and Helistop infrastructure recapitalization, the Airfield Improvement Fund reserve, and as grant-matching funds or total funding for the following potential projects: Runway 13/31 Pavement Rehabilitation; Construction of a Blast Deflection Berm around the run-up pad; Relocation of the Western 3,000' section of Taxiway Alpha; construction of Eastern Perimeter Road; Security Study / Program Update; construction of Security Improvements; Replacement of the existing ARFF vehicle.

Staff recommended that the Airport Capital Improvement Plan be submitted as part of the City's Five Year Capital Improvement Plan beginning with Fiscal Year 2005/2006.

Mr. Pollock asked if in the event that customs and immigration hours were extended, they should move that building's improvements up sooner.

Mr. Cervasio stated that the projects for 2005 and 2006 were actual, the projects for the next four years were conceptual, with adjustments each year.

Ms. Bennett stated that they agreed improvements were needed; depending on what the architect performing the building evaluation found, they would consider refurbishing or rebuilding.

Mr. Petreccia asked Mr. Cervasio if there were plans for a new control tower. Mr. Cervasio stated that the FAA was evaluating the control tower. This would be a federal project paid out of FAA funds.

Mr. Milledge asked if there was a maximum of FAA matching funds for land banking. Ms. Bennett explained that the FAA would not necessarily match their land banking funds. These were Airport funds driven by their surplus. She noted that land banking had begun five years ago and had not really kept up with land values.

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Mr. Petreccia wondered if they could set aside some of the income from the Lot 20 and 21 lease for land banking funds. Ms. Bennett said that their first priority was to develop, maintain and operate the airfield, roadways and airport services. Any surplus funds went to the enterprise fund cash reserves, which was now approximately \$10 million. They needed to remember that these funds must be held in reserve for a rainy day. These funds were pooled investments, maintained by the City with the rest of the City's cash reserves. The Airport received interest revenue each year from this account.

Ms. Bennett pointed out that the FAA was funded by taxes on tickets and fuel, so their funding was not consistent or dependable.

Motion was made by Mr. Pollock and seconded by Ms. Woods to approve the staff's recommendation that the Airport Capital Improvement Plan be submitted as part of the City's Five Year Capital Improvement Plan beginning with Fiscal Year 2005/2006.

5. Proposed FY 2005/2006 Airport Budget

Ms. Bennett gave a Power Point presentation and stated that City staff has prepared the Fiscal Year 2005/2006 Budget, including the Proposed Fiscal Year 2005/2006 Airport Division Budget. As part of the City's Business Enterprises Department, the Airport staff had prepared a budget reflecting and supporting the Airport's Mission:

To create the finest general aviation facilities and Industrial Airpark in the country, attract new business to the area, help those businesses prosper, be an asset to the City and a benefit to the community.

During the Fiscal Year 2004/2005, numerous successful programs were continued and new programs initiated, resulting in significant accomplishments including:

- Completion of Runway 8/26 Runway Rehabilitation Project totaling \$4,400,000
- Completion of Airfield Access and Security Improvements Project, Phase II totaling \$1,800,000
- Receipt of the Appreciative Partnership Award from the FAA in recognition of the outstanding work and contributions FXE had made promoting runway safety and significantly reducing runway incursions
- Adoption of new Minimum Standards for Airport Tenants
- Approval for the Noise Compatibility Program of the Part 150 Noise Study Update including the I-95 Turn for all nighttime jet departures on Runway 8
- Renegotiation of several leases generating additional revenue, approximately \$14 million in new improvements, and rehabilitation of older facilities
- Ranking as the second busiest general aviation airport in the nation based on itinerant operations

Ms. Bennett explained that in the coming year, they planned to initiate a number of new projects including:

- Design and construction of Runway 13/31 Rehabilitation Project

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- Design and construction of Taxiway Alpha Relocation Project
- Update of the Airfield Access and Security Study and implementation security and access improvements in accordance with Transportation Security Administration Guidelines for General Aviation Airports
- Continued implementation of approved recommendations of the Part 150 Noise Compatibility Study, enhancement of the Noise Abatement Program, and presentation of the 9th Annual Achievements in Community Excellence (ACE) Awards
- Installation of new Airport Directory Signs
- Design and construction of a new Airport Fire Station and Emergency Operations Center in cooperation with the Fort Lauderdale Fire Department
- Design and construction of a Centerfield Run-up Area Blast Fence
- Construction of Helistop improvements
- Completion of the Airport Reorganization and filling of vacant positions
- Update of the Airport Rules and Regulations
- Marketing and promotion of Executive Airport, the Industrial Airpark, the John Fuhrer Downtown Helistop, and the Foreign-Trade Zone Program
- Pursuit of expanded U.S. Customs services and Air Traffic Control Tower Replacement through the federal process

Ms. Bennett then presented a brief Budget Summary:

- Airport revenues were expected to increase by 9% to \$5,450,297 compared with the current year revised budget of \$5,007,973.
- Budgeted expenses were expected to increase by approximately 2% to \$5,274,323 compared with the current year revised budget of \$5,156,811.
- The budget surplus was expected to total \$175,974, or 3% of projected revenues. The surplus was used for Airport Capital Improvement projects and to match federal and state grants.

Ms. Bennett then described Fiscal 2005/2006 Revenues:

Revenues for FY 05/06 were projected at \$5,450,297, representing 9% increase from the FY 2004/2005 budgeted revenue of \$5,007,973. The increase in revenues was due to projected adjustments to aviation and non-aviation leases as well as the renegotiation of several aviation leases. The proposed budget did not include potential land lease revenue from Industrial Airpark Parcels B, C and D leased by Southern Facilities Development, which were currently under rent abatement due to site development issues.

Ms. Bennett then described Fiscal 2005/2006 Expenses:

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Budgeted expenses were expected to increase 2% to \$5,274,323 compared with the current year revised budget of \$5,156,811. Increases resulted from increases in Intergovernmental Charges from services performed by other City Departments including Fire Services, City Attorney Services, maintenance services, and others as well as increases in insurance, pension, and salaries.

Next year, the Airport Division would focus on implementing a number of programs and new initiatives while offering quality service and maximum opportunities for employee development. These programs included continuation of our 24-hour Air Traffic Control Tower, employee training and development, enhancements to the Airport Noise Abatement Program, and development of marketing and promotional materials to promote the Division's various programs. Completing the Airport reorganization plan and filling of vacant positions in order to provide the highest level of customer service and excellence to tenants, airport users, and the surrounding community was the highest priority.

Ms. Bennett pointed out that actual expenses might be significantly lower than projected for both the current year and the next fiscal year based on cost savings realized in architectural/engineering and other services which may be accomplished through grant funding rather than operating expenses.

Ms. Bennett then outlined the Fiscal 2005/2006 Budget Surplus:

The FY 05/06-budget surplus would total \$175,974 or 3% of projected revenues. This surplus would be used to support the Airport Capital Improvement Program including grant-matching funds for airfield improvements such as design and construction of the Roadway Signage Program, installation of a blast fence at the centerfield run-up area, design of the Taxiway Alpha Relocation Project, and design and construction of the Runway 13/31 Runway Rehabilitation Project. Based on historic trends, the actual surplus realized by the Airport would most likely be higher due to cost savings realized throughout the year and the ability to take advantage of available grants.

Staff recommended that the Proposed FY 05/06 Airport Budget be submitted for approval by the City Commission as part of the Business Enterprises Department Budget.

Ms. Bennett explained the staff reorganization. They were working with Human Resources to reclassify several vacant clerical positions to reflect their need for more technical employees. The Noise Abatement Officer position was reclassified from an administrative to management level position. They had advertised for the position and received very limited response. They hoped to be able to cross train operations staff to perform these duties and to appoint one of them to the Noise Abatement Officer position.

Mr. Milledge asked if there were plan to agendize discussion of the baseball stadium in light of the fact that the state legislature did not fund stadium improvements. Ms. Bennett stated that this was possible. She noted that decisions made about both stadiums were made at policy-level. Mr. Milledge felt they should have a general discussion as to what the status was and what the future could be since the property was somewhat in limbo now.

Mr. Larkin explained that the legislature had denied a request from the City and the Baltimore Orioles to fund rehabilitation or replacement of the baseball stadium. The City

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currently had a use agreement with the Orioles for the baseball stadium and they operated it. The initial agreement was for one year with the option to request two one-year extensions. The Orioles had notified the City in May of their desire to exercise the first of the two possible extensions. After the second extension, the City did not know what the Orioles would do.

Mr. Larkin continued that the Orioles handled all programming for the stadium with City approval. Lockhart Stadium was under lease with the Broward County School Board. This was a ten-year agreement with two ten-year options; the second ten-year option expired in two or three years.

Mr. Scerbo asked if consideration was given to negotiate a longer-term lease with the Orioles that could fund improvements. Mr. Larkin explained that the existing lease anticipated that if funding were provided to build new facilities, the Orioles would negotiate a long-term agreement.

Ms. Brenneman asked that the Board be provided a summary of the Oriole's management for the ballpark for the past year. Mr. Larkin explained that the Airport Revenue fund received 5% of the ballpark's gross revenues, approximately \$65,000 - \$68,000 this year. This was an increase of approximately \$10,000. Ms. Bennett agreed to provide the Board a more detailed report on this.

Motion was made by Ms. Woods and seconded by Ms. Brenneman to approve staff's recommendation that the proposed FY 05/06 Airport Budget be submitted for approval by the City Commission as part of the Business Enterprises Department Budget. Motion passed unanimously.

Update Items

A. Noise Compatibility Program

Ms. Deardorff reported on the following topics:

District 1 Alliance Meeting:

Ms. Deardorff informed the Board that Airport staff had attended the District 1 Alliance Meeting at the Imperial Point Hospital on April 25, 2005. The purpose of the meeting was to inform homeowner associations about recent Airport projects, operations, and noise statistics.

ANOMS 8 Upgrade:

Ms. Deardorff announced that the ANOMS 8 application upgrade was significantly complete. ANOMS 8 was currently in use in conjunction with ANOMS 6 to generate reports and compare their output. Lochard Corporation was in the process of correcting a few program errors and inconsistencies with report generation. The City Information Technology staff was also working on the multicast connection to link real-time radar to the ANOMS 8 computer.

Quiet One Departure Request:

Ms. Deardorff stated that several months ago, local air ambulance companies were asked to request the nighttime I-95 turn or Quiet One departure when possible. During a flight in April, a local Air Ambulance company requested and received the Quiet One departure during nighttime hours. The air ambulance flight did not register noise at any of the six permanent noise monitors throughout the surrounding communities.

B. Development and Construction

1. Airport Projects In Development

Fiber Optic Communications System Project

Mr. Carlton Harrison explained that on April 25, 2005, HyPower, Inc. commenced work on an underground fiber optic cable project that would allow access control to be conducted from the Airport Administration Building. Conduit had already been installed along the north side of the Airport and the contractor had begun the night work phase of this project with conduit installation near Taxiway Echo 1 and would continue around the south side of the Airport including the approach end of Runway 31. Once the conduit was installed, pullboxes, gate connections, and fiber cable installation would follow. The project's weekly construction meetings were held on Tuesdays at 10:00 a.m. in the Airport Administration Building. The project completion was anticipated in approximately three months.

C. Arrearages

There were no arrearages to report.

Other items of interest

Ms. Bennett explained that a June meeting would depend on whether some items could be finalized, staff recommendations completed and an agenda prepared. Failing this, the next regularly scheduled meeting would be in August, as the Board took its hiatus in July.

Mr. Pollock noted that the situation at FLL was become more acute. In April, this airport was the largest contributor to delays in the entire system. They were contemplating use of the cross-wind runway, and more use of the south runway for more general aviation and small regional jets. Mr. Pollock informed the Board that there were 30-36 flights per days forced to use FLL when FXE Customs was closed. That cost approximately \$25,000 per day. Delays at FLL in April cost the industry approximately \$250,000 per day.

Mr. Pollock felt they needed to pressure their congressional representatives to resolve the customs issue. Mr. Pollock was informed it would take at least 18 months to get an additional staff for Customs. He found this incredible, especially since Congressman Hastings had gotten this issue resolved at Opa Locka within 60 days.

In response to Mr. Pollock's question, Ms. Bennett explained that Kaplan University had submitted a revised plan yesterday to install their fuel tank underground.

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There being no further business before the Board, the meeting adjourned at 2:45 p.m.

Tom Newman, Chairman

PLEASE NOTE:

If any persons decide to appeal any decision made with respect to any matter considered at this public meeting or hearing, he/she will need a record of the proceedings and, for such purpose, he/she may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based.