



Venice of America

CITY OF
FORT LAUDERDALE

**AVIATION ADVISORY BOARD
FORT LAUDERDALE EXECUTIVE AIRPORT
ADMINISTRATIVE OFFICE - MULTIPURPOSE ROOM
6000 NW 21 AVENUE, FORT LAUDERDALE, FL
THURSDAY, SEPTEMBER 27, 2012, 1:30 P.M.**

Board Members	Attendance	Cumulative Attendance 7/12 through 6/13	
		Present	Absent
Bunney Brenneman, Chair	P	2	0
Bruce Larkin, Vice Chair	P	1	1
Kevin Borwick	P	1	0
Ron Carlson	P	2	0
Avery A. Dial	P	1	1
Linda Iversen	P	2	0
Patrick Kerney	A	0	2
Stephen Stella	P	2	0
Mark Volchek	A	0	2
Pamela Bushnell, Commissioner	P	1	1
City of Tamarac [non-voting]			
Jeff Helyer, City of Oakland Park [non-voting]	P	2	0

Airport Staff

Clara Bennett, Airport Manager
Mark J. Cervasio, Assistant Airport Manager
Rufus James, Assistant Airport Manager
Florence Straugh, Noise Abatement Officer
Fernando Blanco, Airport Engineer
Angelia Basto, Administrative Aide
Melissa Grabiec, Airport Intern
Scott Kohut, Airport Operations Supervisor
Steven Sliger, Airport Operations Aide

Communications to the City Commission

None

Call to Order

Chair Brenneman called the meeting to order at 1:34 p.m. She then recognized Ms. Bennett who had some good news to announce. Note: Roll was called after the Communications to the City Commission discussion during the latter part of the meeting and it was determined a quorum was present.

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Ms. Bennett announced that the Airport recently had some personnel changes. She introduced Scott Kohut, who was a former Airport Operations Aide for 3 years and was recently promoted to Airport Operations Supervisor. She mentioned that he was a graduate of Florida Tech and he was also a pilot with a commercial instrument rating. She added that he had a lot of knowledge about aviation and experience from our Airport as well as airports in Connecticut.

She then went on to introduce Steven Sliger as a new member to the staff for about a month as an Airport Operations Aide. She mentioned that he relocated from Natchitoches, Louisiana. Mr. Sliger noted that he was originally from Baton Rouge but his last job was in Natchitoches. Ms. Bennett mentioned that Mr. Sliger worked at the Regional Airport and that he had experience that would bring in some new fresh ideas for the Operations Programs.

She also introduced the new Airport Intern, Melissa Grabiec, who was also a pilot with numerous ratings including a sea plane rating. She would be assisting Ms. Straugh with the Noise Abatement Program and also helping with upcoming special events such as the ACE Awards in December and the Safety Expo that would be held at the beginning of the year.

Chair Brenneman announced that the Board also had a new member, Kevin Borwick, and asked for him to tell the Board a little about his background.

Mr. Borwick stated that he was working for Price Waterhouse Coopers as a Marketing Director and Manager for the region from Key West through Jacksonville. He was also previously a business owner for 10 years in Fort Lauderdale. He noted that he had a strong background in Accounting and Finance and that he was currently working with Fortune 100 and 500 companies managing their business with companies such as Citrix, Microsoft, and Office Depot. He was looking forward to bringing some fresh ideas and to learn from other board members as well.

Chair Brenneman welcomed Mr. Borwick and thanked him for his interest in being a member of the Aviation Advisory Board.

VOTING ITEMS

1. Approve Minutes of July 2012 Meeting

Motion made by Ms. Iversen, seconded by Mr. Stella to approve the minutes of the Board's July 2012 meeting. In a voice vote, motion passed unanimously.

2. Election of Vice Chair

Motion made by Commissioner Bushnell, seconded by Mr. Stella, to nominate Vice Chair Larkin for Vice Chair. Chair Brenneman asked if there were any other nominations. There being no other nominations, motion passed unanimously.

3. Amended Site Plan – Parcel 15 FXE Parcel 15, LLC

Mr. Cervasio explained that the City had allowed for an assignment of Parcel 15 from Macaulay Investments to FXE Parcel 15, LLC at the end of 2011. In conjunction, the City entered into an amended and restated lease with FXE Parcel 15, LLC with a new 30 year term commencing on January 1, 2012. As part of the agreement, the tenant was required to make a minimum capital investment in the property of \$3 million including the demolition of one hangar and the construction of two additional hangars.

As they worked on their construction plans they requested additional property to accommodate additional aircraft parking and a First Amendment to Lease Agreement was entered into which gave them just a little over 1 additional acre adjacent to the northwest portion of the parcel.

As they worked to complete construction plans, they submitted an amended site plan that included the construction of a third hangar on the north side of the parcel (exhibit 3). The original plan included the construction of two hangars totaling 27,100 square feet; the new plan would result in construction of 42,100 square feet which includes the additional hangar.

Staff believes that the proposed amended site plan would provide additional needed hangar space that is needed on the Airport. The layout also provides a safe and efficient flow of aircraft around the property, and increases the lessee's capital investment. Therefore, Staff recommends that the proposed amended site plan for Parcel 15 allowing for the construction of a third new hangar be approved.

Commissioner Bushnell asked if the first request was for additional parking space.

Mr. Cervasio stated that the first request that was submitted was to expand the parcel to accommodate additional aircraft parking, but when they were completing their construction plans they realized by moving the configuration a little they could fit another hangar on the parcel. They would still have additional parking but it would be inside as opposed to on the ramp.

Motion made by Vice Chair Larkin, seconded by Ms. Iversen, to approve the proposed amended site plan for Parcel 15 allowing for the construction of a third new hangar be approved. In a voice vote, motion passed unanimously.

4. Termination of Lease – Parcel 18 RLO, Inc.

Ms. Bennett noted there were arrearage issues with Parcel 18 and the lessee RLO. She described the parcel which consists of 3.6 acres and the sub lessee as Personal Jet. The property was improved with the construction of 2 hangars, office space, and a fuel farm. The annual rent for the property is \$80,000.00 but due to difficulties they were in arrears for the months of April through September, as of September 30th, in the amount of \$42,571.00. In addition there was an

issue with a fuel tank on the property. The inside wall of the double walled tank had ruptured but the second wall was containing it. The County is now requiring a remediation plan be put in place. There was no contamination in the surrounding soil but the tanks need to be removed. Staff's recommendation was to terminate the lease, however a meeting was held with Louis Scholnik on behalf of RLO prior to the Board meeting and Mr. Scholnik was in attendance to discuss an approach that may resolve all of the issues without legal action needed by the City to pursue RLO to cure the defaults. A Staff recommendation would be made after Mr. Scholnik's presentation.

Mr. Scholnik stated that RLO has been a tenant at FXE for over 30 years and wishes to fulfill their obligations. Unfortunately over the last couple years their customers have defaulted on their obligations. They are now working with staff toward a plan that could work. They have third parties that are willing to offer assistance with the arrearages and remediation of the site if a four month lease extension through February 2013 was provided by the City. The extension would also state that the tenant would pay the arrearages and prepay the additional four month's rent as well as provide a remediation plan to be approved by City.

Chair Brenneman asked how the tenant would be able to pay the arrearages and prepay an additional four months rent if they haven't been able to pay for six months.

Mr. Scholnik stated that they would do so with third party assistance.

Chair Brenneman asked if the third party would be assuming any ownership position in the property.

Mr. Scholnik stated that he was not privileged to discuss the complete nature of the transaction but it would involve a transfer of tangible or intangible assets. They were trying to do it on a voluntary basis instead of an involuntary basis involving court action which would eliminate costs and risk.

Chair Brenneman asked if the third party was willing to assist with the mitigation.

Mr. Scholnik said that the third party would put up the money and Personal Jet would be responsible for performing the remediation.

Chair Brenneman asked Ms. Bennett who would be responsible for overseeing the removal of the tank.

Ms. Bennett stated that Broward County was the regulatory agency that supervises the remediation and a consultant would also oversee the process to make sure that no issues were caused by the tank removal that would require further mitigation.

Mr. Scholnik explained that an application is submitted to the County, a permit is issued, and a closure order is required when the work is completed.

Mr. Cervasio mentioned that Personal Jet already had a closure permit so if the City were to take over they would have to reapply for the permit or transfer it if possible. He was in touch with the County and was awaiting a response.

Mr. Stella asked if the tanks were Jet-A tanks.

Mr. Scholnik presumed that they were Jet-A tanks since Personal Jet does not operate any piston aircraft.

Mr. Cervasio said he thought they were Jet-A and if he wasn't mistaken two tanks were filled with concrete and the two remaining were to be removed.

Mr. Stella asked if the tanks would be replaced.

Mr. Cervasio said that they were coming out because it was the site for the new Customs Building.

Mr. Helyer asked if this was approved if a lump sum was anticipated or monthly payments.

Ms. Bennett said that they expected for it to be paid by a lump sum as a condition of the extension.

Mr. Helyer asked if a date of payment had been determined.

Ms. Bennett said it would be effective on November 1st as the lease is set to expire October 31st.

Vice Chair Larkin was concerned that the agreement could put the City in a weaker position if the lessee did not end up paying as agreed.

Mr. Dial noted that the Board could approve and state that the City reserves its rights under the lease which would allow the City to sue later for arrearages. He added that language could be included in their approval to allow the City to retain its rights.

Mr. Scholnik agreed and acknowledged that the City was not waiving any rights and that no party would be prejudiced by going through with this and that there was no intent to get an upper hand or an advantage.

Commissioner Bushnell asked what would happen at the end of the four months with the third party.

Mr. Scholnik reiterated that the third party was interested in gaining the benefit of certain assets that the lessee held, which was why they were willing to do this.

Commissioner Bushnell asked for clarification that the agreement would not in any way change the lease, it would only extend it.

Mr. Scholnik agreed.

Mr. Borwick asked if the arrearages would only be paid if the board approved a four month extension.

Mr. Scholnik responded that the plan that was being proposed could only be executed with the four month extension. If the plan was not approved, the City would have other means to collect and maybe the tenant could come up with another option.

Mr. Borwick suggested that the arrearages be paid before the four month extension was granted.

Mr. Scholnik stated that he would not be able to include the remediation if the four month extension was not granted.

Vice Chair Larkin asked for staff's recommendation.

Ms. Bennett said that in order for the additional term to be granted the document would need to include the appropriate safeguards and require that certain things happen by November 1st such as a letter of credit, a cash payment, or some other form for the arrearages and prepayment of the additional four month's rent. In addition, a remediation plan that's accepted by the County with milestones to accomplish the remediation within the four months granted.

Vice Chair Larkin asked how much the remediation would cost.

Mr. Scholnik stated that they estimated approximately \$50,000.

Ms. Bennett added that her estimates were higher because it would be done through a different process. The cost would include the removal of the tanks but that it was possible that something else may be discovered or happen during the removal. The concern was that it could become very expensive if any contamination occurred during the process.

Mt. Helyer suggested that some money be set aside in escrow for the remediation.

Ms. Bennett agreed and Mr. Scholnik said that he could probably work with that.

Ms. Bennett noted that the next Board meeting was October 25th but the lease term was set to end on October 31st so it would need to go to the October 16th Commission meeting. She requested a recommendation from the board and added that she would work with the City Attorney and speak with the City Manager.

Chair Brenneman recognized Don Champion, President of Banyan Air Service. Mr. Champion asked how this would affect the timeline for the new Customs building.

Ms. Bennett explained that it was the location for the new Customs building and that the four month timeline that had been discussed was the same timeframe it would have taken the City to get a contractor in place to start the process since staff would need to develop bid specs, review bid packages, qualify bidders, and then bring the recommendation for contract award to the Board and then the City Commission. It would have been December or January for all of that to occur.

Motion made by Ms. Iversen, seconded by Vice Chair Larkin, to approve the staff recommendation to extend the lease with RLO, Inc. for Parcel 18 by four months, subject to certain conditions including: the payment of the arrearages, the prepayment of the rent for the four month extension, and a remediation plan in place with a cost estimate in escrow, subject to City Attorney and City Manager approval. In a voice vote, motion passed unanimously.

UPDATE ITEMS

A. Noise Compatibility Program

Chair Brenneman noted that Mr. Dial left the meeting.

Ms. Straugh reminded the board of a new service that was in place as of January called Whispertrack, which was presented to pilots in past workshops. It offers a service that allows any Airport to sign up and manage their noise abatement procedures and there is a small fee for a monthly service to connect your noise abatement page to flight planning services.

In a past meeting Mr. Helyer requested data on how many hits were received and it was determined that since the beginning of the year through August there were 380 hits from ARINC service and 51 from the direct website through Whispertrack. Based on the data, it had been very successful and it was expected that over time the number of hits would grow.

Chair Brenneman thanked Ms. Straugh and also Mr. Campion for his earlier input.

B. Development and Construction

Mr. James stated that the Taxiway Charlie & Delta Pavement Rehabilitation Project was near completion. The contractor had completed all five phases of milling and paving and replaced lights and signs. Currently temporary striping was in place and within a week the permanent striping would be in place for each of the five phases. The shoulder dressing would also be completed in a week, so within two to three weeks the project should be completed on time.

Mr. James referenced the statistics for July and August and asked if there were any questions.

Mr. Helyer asked if data would be provided on the Helistop.

Mr. James noted that the Commission had passed the contract award and that the numbers would be provided going forward once they were available.

C. Arrearages

Ms. Bennett noted that Aero Toy Store paid their arrearages and that they were working on the fuel flowage payments and should submit them within a few days.

She added that K.S.R. had caught up significantly and they were marketing the building for sale. There had also been meetings and discussions with a potential buyer and it looked promising for sale within a few months. The potential buyer would be the sole occupant which would alleviate the real estate market susceptibility that was present in the past. They were also put in touch with the City's Economic Development Department for information on possible incentives for corporate headquarters.

There were also arrearages for August by Cabott III, Fort Lauderdale Crown Center, and World Jet. World Jet was also in arrears for July and August for fuel but KC FXE had paid their fuel flowage for August and were up to date.

D. Communications to the City Commission

Ms. Bennett announced that due to the success on the FAA agreement, largely related to Ms. Iversen's involvement, a commendation had been prepared and it was to be presented to Ms. Iversen at the October 16th Commission meeting and the board was invited to attend.

E. FLL Update

Ms. Straugh stated that there wasn't anything new to report.

Other Items and Information

Ms. Bennett introduced a video that was created by the City's Public Information Office in conjunction with the Economic Development Department that would be aired on TV and shown during the Boat show and other special events. There were a couple others that were on the City's website as well.

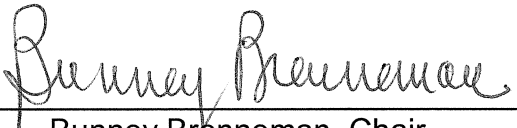
Ms. Bennett also thanked the Air Traffic Manager, Tony Lederman, for coordinating the filming with staff.

Mr. Lederman noted that they were planning to pour concrete on Saturday at the new Air Traffic Control Tower site.

Ms. Bennett also referenced a flyer on the Airport's upcoming City Services Expo which would provide information to tenants via representatives from various City Departments such as Permitting, Zoning, and Parking.

There being no further business before the Board, the meeting adjourned at 2:40 p.m.

- Next scheduled meeting: October 25, 2012 – 1:30 PM


Bunney Brenneman, Chair

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.