



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, OCTOBER 25, 2012, 1:30 P.M.**

Board Members	Attendance	Cumulative Attendance 7/12 through 6/13	
		Present	Absent
Bunney Brenneman, Chair	P	3	0
Bruce Larkin, Vice Chair	A	1	2
Kevin Borwick	P	2	0
Ron Carlson	A	2	1
Avery A. Dial	P	2	1
Linda Iversen	P	3	0
Patrick Kerney	P	1	2
Stephen Stella	P	3	0
Mark Volchek	P	1	2
Pamela Bushnell, Commissioner	P	2	1
City of Tamarac [non-voting]			
Jeff Helyer, City of Oakland Park [non-voting]	P	3	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
Scott Kohut, Airport Operations Supervisor
Diana McDowell, Administrative Assistant II
Karen Reese, Economic Development Representative
Angelia Basto, Administrative Aide
Melissa Grabiec, Airport Intern

Communications to the City Commission

None

Call to Order

Chair Brenneman called the meeting to order at 1:35 p.m. and it was determined a quorum was present.



VOTING ITEMS

1. Approve Minutes of September 27, 2012 Meeting

Chair Brenneman noted that Mr. Helyer and Commissioner Bushnell were non-voting members and the votes would need to be made by the other board members.

Motion made by Ms. Iversen, seconded by Mr. Kerney to approve the minutes of the Board's September 27, 2012 meeting. In a voice vote, motion passed unanimously.

2. Airport Parcel 17, US Army

Ms. Bennett informed the board that the lease agreement for Parcel 17 with the US Army Reserve Center was set to expire November 30, 2012. A short term lease extension was negotiated with the Army for a five year timeframe which would allow them to develop a long term strategy for the location of the Army Reserve Center while also allowing the staff to develop a long term strategy for the property.

An appraisal was completed and the property was valued at \$1,295,000 and generally the rent would start at 10% of the value, however due to the short term of the lease, the army requested a reduction in the rent amount. After discussing it internally and with the Federal Aviation Administration (FAA), it was agreed that 8% of the value would be sufficient and within the FAA's guidelines.

Given that the nature of this lease extension would increase the rent for Parcel 17 from \$1 per year to \$103,600 and the short term lease; staff is comfortable recommending that rent to be assessed at 8%.

Additionally, due to the U.S. Government's lease guidelines they cannot enter into a full five year lease agreement so they have requested a one year lease with four one year extensions.

Mr. Helyer suggested adding the renewal amount to the staff recommendation to reflect that the amount would remain the same.

Motion made by Mr. Volchek, seconded by Ms. Iversen, to approve the staff recommendation to authorize the City Manager to enter into a Lease Extension and Amendment to Land Lease with the United States of America for Executive Airport Parcel 17 at an annual lease rate of \$103,600 from December 1, 2012 to November 30, 2013 at an annual lease rate with four (4) one year options to renew at the same rate through November 30, 2017. In a voice vote, motion passed unanimously.

3. Project 11863 – Eastern Perimeter Loop Road Phase I

Mr. Blanco informed the board that the Runway Safety Action Team (RSAT) visited the Airport in March of 2010 and based on discussions with them, staff recommended the construction of an interior perimeter road. The first phase would consist of construction of approximately 1,200 linear feet of road connecting to Taxiway Charlie and the second phase would consist of construction to the loop road to connect Taxiway Sierra to the north side of the Airport.

The design costs for this first phase are estimated to be \$200,000. We have programmed grants in this Fiscal Year with both the Federal Aviation Administration (FAA) and the Florida Department of Transportation (FDOT) in the amounts of \$180,000 and \$10,000, respectively for participation in design costs. The FAA has informed staff that this project may not compete favorably with other statewide projects for funding and that they may not be able to fund the project. Based on this discussion, staff is of the opinion that the above programmed amounts would be better used on other airport improvement projects that can compete more favorably for Federal and state funds. The design of the project can be self-funded through the Airport's Enterprise Fund balance account by means of a funds transfer to the above project.

Mr. Helyer wanted to clarify that the road was for vehicles and not for aircraft.

Mr. Blanco confirmed.

Mr. Volchek questioned why the project was being completed in phases instead of all at once and asked if it would end up costing more in the end.

Mr. Blanco clarified that the way it was funded out, the FAA and FDOT only programmed certain amounts for each year so the first year the design was to be completed and then the construction. The road that was currently in place was asphalt.

Mr. Volchek asked what was wrong with the existing road.

Ms. Bennett explained that it was constructed with the millings from old runway and taxiway projects that were basically put down as a temporary interior road that is only for use by our vehicles. This project will construct an actual roadway that will eventually go all the way around and replace the temporary road.

Mr. Volchek questioned how much it would cost to construct the whole roadway which may be less expensive to do as a whole than in separate phases.

Ms. Bennett noted that there may be a possibility of receiving design and construction money next year and that the cost to do the entire roadway would be significantly greater.

Mr. Blanco estimated the cost for the entire roadway to be around \$2.5 to 3 million dollars and added that it was more cost effective in phases.

Ms. Iversen asked why it cost so much to design a roadway that was already in place.

Mr. Blanco explained that there were survey fees, design fees, and environmental fees.

Mr. Volchek asked if the Airport received entitlement funds.

Ms. Bennett stated that the Airport receives \$150,000 per year which is normally rolled into a multi-year grant that can be used in a larger project. She added that this project should reduce runway crossings, delays, incursions and increase safety.

Mr. Volchek asked why the current roadway couldn't be used.

Mr. Blanco said that it would be bumpy for a fuel truck for example.

Ms. Bennett added that eventually it would be expanded to allow for other service equipment beyond maintenance and operations vehicles. As it is, it can't be certified as a roadway to allow fuel trucks to use it as it's really a surface not a road.

Motion made by Mr. Volchek, seconded by Mr. Kerney, to approve the staff recommendation to transfer \$190,000 from the Airport Enterprise Fund to P11863 – Eastern Perimeter Road Loop Road – Phase 1 for design costs associated with the project. In a voice vote, motion passed unanimously.

4. Airport Lease Rates and Real Estate Brokerage Commission

Ms. Bennett explained that the City Charter requires that a Public Hearing being conducted every three years establishing the minimum lease rates and brokerage commissions. Airport staff reviews rates for aviation and non-aviation property annually with the help of an MAI Appraiser to establish a rate that is indicative of the market.

The current minimum lease rate for aviation property is \$0.30 per square foot and State statutes require a limit of 30 years. There are also annual CPI adjustments and periodic fair market value adjustments, usually at years 10 and 20. Based on the review that was completed by Slack, Johnston & Magenheimer, the recommendation is that the minimum lease rate be increased to \$0.35 per square foot.

For non-aviation property the value is set by an appraisal and the current annual lease rate is calculated at 10% of the appraised value and recent FAA guidelines limit the term to a 50 years. Additionally, the FAA guidelines state that the annual lease rate be set at 8% to 12% of the appraised value.

The current guidelines for real estate brokerage commissions call for a 4% commission based on the appraised value. Our initial recommendation was that we remove that provision but after meeting with Karen Reese from the City's Economic Development Department and a potential real estate service provider it was determined that an incentive is needed to compete favorably. So, the amended recommendation is to not change the current brokerage commission rate.

Commissioner Bushnell asked about the status of the waterpark discussions and if this would impact the lease.

Ms. Bennett stated that several appraisals had been conducted and that she and the City Manager would be meeting with the FAA regional staff in Atlanta shortly to go over the appraisal and establish guidelines.

Mr. Campion from Banyan Air Service mentioned that he had more vacancies than he's had in the past 20 years. The fuel flowage actually doubled but solely due to the fees being based on a percentage of the cost of fuel which has more than doubled. He also noted that there were more arrearages, sales were down, and traffic was down. He then questioned how the analysis determined that the rate be increased to \$0.35 per square foot. He then noted that Opa Locka had longer runways and longer customs hours at \$0.20 per square foot.

Ms. Bennett explained that the primary analysis conducted is based on what the current leases are set at which is \$0.35 per square foot or above on just about all of the current leases with the exception of five or less.

Motion made by Mr. Volchek, seconded by Mr. Kerney, to approve the staff recommendation to amend the Executive Airport Lease Rates and Real Estate Brokerage Commission Fees as stated below:

1. A minimum aviation lease rate of \$0.35 per square foot with escalations and a maximum term of 30 years.
2. A minimum lease rate for non-aviation property consistent with Federal Aviation Administration guidelines with escalations and a maximum term of 50 years, based on appraisal established within six months of the effective date of the lease agreement.

The current requirements require the appraisal be completed within 90 days of the effective date of the lease agreement but it usually takes the Federal Aviation Administration (FAA) 60 days to review and then it's reviewed by the Aviation Advisory Board and the City Commission before the Agreement is executed.

3. No change to the brokerage commission policy on leases of Airport property.

In a voice vote, motion passed unanimously.

UPDATE ITEMS

A. Noise Compatibility Program

Ms. Straugh informed the board that the ACE Awards are being planned by the Airport for tentatively Wednesday, December 12th at 4:30 p.m., with the ceremony at 6:30 p.m. The ACE awards were moved to a Wednesday night this year because of the conflict in past years with the Council of Civic Associations' holiday meeting. Airport Staff is working on confirmation from individuals who will be receiving awards.

Mr. Volchek asked about holding the Aviation Advisory Board Meeting on the same day as the ACE Awards.

Ms. Bennett stated that since the event is held in conference room, it would be a conflict with the room set up for the event. Also with moving the board meeting from December 6th to December 12th, it would create a conflict with scheduling items that need to be presented to the board, while meeting the City Commission deadlines for the December 18th Commission meeting.

Ms. Straugh reported that the noise abatement workshop in October 2012 for jet pilots was cancelled and will be rescheduled for January 2013.

Ms. Straugh informed the board that noise monitor 7 in the Twins Lakes North Neighborhood is -operating and recording data. Noise stats were included in agenda package.

B. Development and Construction

Mr. Kohut informed the board that the Security Camera and Access Control Upgrade contract has been issued to Security 101 to upgrade the Security Camera and Access Control system at the airport. The upgrade is part of a City wide effort to move all departments to common software. In addition to the ProWatch upgrade, a MaxPro Network Video Recording system will also be installed. The MaxPro system will utilize the existing cameras at the Airport through a video encoder installed at each camera and is fully integrated with the ProWatch software system. The existing Helistop security cameras will be replaced with 5 fixed cameras on the access points and 3 PTZ cameras on the deck. The new cameras will provide clearer resolution and the ability to remotely adjust the deck view. This upgrade was funded by the Airport Enterprise fund. The cost of the upgrade was approximately \$27,000 for all software, cameras, and network video equipment. The project should be completed by the end of November. An update will be provided at the next meeting.

Mr. Kohut stated the Airport had two (2) Alert 1 and three (3) Alert 2 for the month of September. There was a slight decrease in aircraft operations, but an increase in customs operations.

C. Arrearages

Ms. Bennett noted that she was happy to report that KSR and Personnel Jet have paid their arrearages and are up to date with payments.

There were arrearages for August and September by World Jet and also arrears for September by Cabott III for Fort Lauderdale Crown Center.

World Jet also has arrears for fuel flowage for July, August and September. World Jet is working with their lender to resolve the issue Aero Toy Store, LLC has arrears for the month of September.

D. Amendment to Lease Agreement – Parcel 18, RLO, Inc.

Ms. Bennett explained after the September 27, 2012 Aviation Advisory Board meeting, the Board approved staff's recommendation to enter into a Fourth Amendment to Lease Agreement with RLO, Inc. (RLO) for Executive Airport Parcel 18, extending the lease term from November 1, 2012 to February 28, 2013 subject to payment of past due rent and late fees; prepayment of four months' rent, submittal of a fuel tank remediation plan; and placement of funds in an escrow account for the removal of the tanks.

Ms. Bennett is happy to report that modifications have been made since the September board meeting. RLO informed the airport that they didn't need four months and that a two month extension was sufficient and the tank remediation plan was underway. On October 19, 2012 RLO delivered a check totaling \$65,058.05 for the accrued rent and the prepayment of the two month extension. Additionally, RLO has placed \$33,331.00 in an escrow account for the remediation and removal of the fuel tanks. This will not impact the customs facility building facility that is scheduled to begin construction during the beginning of the next calendar year.

Chair Brenneman asked other than the tank removal being underway if anything else has happened.

Ms. Bennett stated she received an email from Broward County on the remediation action plan and they need to receive the forms from RLO by October 31st. RLO is working on getting the forms completed and have the permit for the closure of the tanks. Moving forward, Mr. Cervasio and Mr. Blanco have been in contact with Broward County daily and don't for see any further problems.

Chair Brenneman asked with 6 days remaining in October if Mr. Blanco expects this to be completed on time.

Mr. Blanco stated they have notified Broward County of the intent to remove the tanks so the project is under way. Personal Jet put in a bid for the cost of removing the tanks and they have a contractor to remove the tanks.

Chair Brenneman asked if the costs are anticipated to go into the reserve fund.

Ms. Bennett stated \$33,331.00 has been put in an escrow account for the remediation and removal of the fuel tank.

E. Communications to the City Commission

Chair Brenneman stated Ms. Iversen accepted a commendation at the October 16th Commission Meeting for her role in securing a second air traffic controller at FXE reimbursed by the FAA. Several board members were able to attend and congratulate Ms. Iversen on her award.

Ms. Bennett emphasized the point that Ms. Iversen made to the City Commission when she accepted her award. Ms. Iversen pointed out that we (FXE) are not required to have a 24-hour Tower at all and that the FAA would close the Tower at night, except for this agreement. And so, the logic of requiring two controllers at night, where none were required, was what led to this issue.

Chair Brenneman asked Iverson to bring award to the December 6th Aviation Advisory Board meeting.

F. FLL Update

Ms. Straugh stated there was no FLL update, but mentioned that there was a newspaper article regarding FLL and the revived issue of payment to homeowners affected by aircraft noise from the south runway extension project.

Other Items and Information

Ms. Bennett introduced Karen Reese with the Economic Development Department.

Ms. Reese introduced a five-minute video that was created by the City's Public Information Office in conjunction with the Economic Development Department that aired on TV and shown during the Boat show and will be featured at other special events.

Ms. Reese stated that the City is aggressively targeting industries to come to the City of Fort Lauderdale.

Chair Brenneman thanked Ms. Reese for sharing the video with the board. It was well produced and better production than past videos.

Ms. Reese thanked the City's Public Information Office for the great work on the video.

Mr. James informed the board of the status of the new Air Traffic Control Tower and shared pictures from the construction site. The new tower cost total \$17 million which is funded by the FAA. In the summer of 2013 the contractor should

be complete with their portion of the job and the FAA electrical technicians will complete the job and have the new tower up and running by summer 2014. The airport will continue to give the board future updates.

Chair Brenneman stated she has noticed an increase in traffic at the observation area.

Mr. James stated there has been more traffic in the observation area. IT is always busy at lunch time and on weekends.

Chair Brenneman stated they don't have a scheduled meeting for November.

There being no further business before the Board, the meeting adjourned at 2:55 p.m.

➤ Next scheduled meeting: December 6, 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.