

PALM BEACH COUNTY  
BOARD OF COUNTY COMMISSIONERS

AGENDA ITEM SUMMARY

Meeting Date: October 22, 2013

Consent     Regular  
 Workshop     Public Hearing

Department:

Submitted By: Department of Airports

Submitted For:

I. EXECUTIVE BRIEF

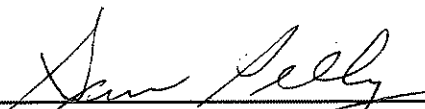
**Motion and Title:** Staff recommends motion to receive and file: a summary of adjustments to rental rates within the County's Airport System effective October 1, 2013 pursuant to Resolution 2007-1291.

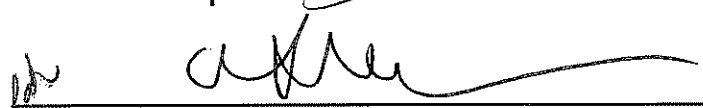
**Summary:** The majority of leases for properties within the County's Airports System (Airport Properties) provide for adjustment to rental rates every three years based on the fair market rental value of the property as determined by appraisal, a percentage change in the Consumer Price Index or a combination of both. Although the majority of the lease agreements for Airport Properties specifically provide the method for adjusting rental rates, some older lease agreements require a resolution or other action of the Board prior to the new rental rates becoming effective. Resolution 2007-1291 authorized the County Administrator or his designee to approve rental rate adjustments in accordance with applicable provisions of any lease agreement approved by the Board or executed by the County Administrator or his designee pursuant to a delegation of signature authority.  
Countywide (AH)

**Background and Justification:** Rental rates for Airport Properties are generally adjusted every three years based on Federal Aviation Administration guidelines. The next rental rate adjustment for Airport Properties is scheduled to occur on October 1, 2016.

**Attachments:**

- 1. Summary of rental rate adjustments effective October 1, 2013.

Recommended By:  Department Director 9/24/13  
Date

Approved By:  County Administrator 9/30/13  
Date

**II. FISCAL IMPACT ANALYSIS**

**A. Five Year Summary of Fiscal Impact:**

Fiscal Years	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Capital Expenditures					
Rental Credit	<u>(294,036)</u>	<u>(294,036)</u>	<u>(294,036)</u>	<u>(294,036)</u>	<u>(294,036)</u>
Operating Revenues	_____	_____	_____	_____	_____
Program Income (County)	_____	_____	_____	_____	_____
In-Kind Match (County)	_____	_____	_____	_____	_____
<b>NET FISCAL IMPACT</b>	<u><b>(294,036)</b></u>	<u><b>(294,036)</b></u>	<u><b>(294,036)</b></u>	<u><b>(294,036)</b></u>	<u><b>(294,036)</b></u>
# ADDITIONAL FTE	_____	_____	_____	_____	_____
POSITIONS (Cumulative)	_____	_____	_____	_____	_____

Is Item Included in Current Budget? Yes X No \_\_\_\_\_  
 Budget Account No: Fund 4100 Department 120 Unit Various RSource Various  
 Reporting Category \_\_\_\_\_

**B. Recommended Sources of Funds/Summary of Fiscal Impact:**

The adjustment of rental rates on Airport Properties will result in a net annual rental increase of approximately \$294,036 among various rental accounts within the County's Airport System.

C. Departmental Fiscal Review: *CM Summer*

**III. REVIEW COMMENTS**

**A. OFMB Fiscal and/or Contract Development and Control Comments:**

*M. Hayes* 9/27/13  
 OFMB 710  
 9/26 AM 9/26/13

*Dr. J. Gerobet* 9/27/13  
 Contract Dev. and Control  
 9-27-13 B. Wheel

**B. Legal Sufficiency:**

*Anne Delgard* 9/30/13  
 Assistant County Attorney

**C. Other Department Review:**

\_\_\_\_\_  
 Department Director

**Summary of Adjustments to Rental Rates  
Within the County's Airport System  
Effective October 1, 2013**

LESSEE	DESCRIPTION	PARCEL #	SQFT OF PREMISES	CURRENT RATE PER SQFT	NEW RATE PER SQFT	CURRENT ANNUAL RENT	NEW ANNUAL RENT	NET ANNUAL INCREASE
Galaxy Aviation of Palm Beach, Inc.	Building 1625 D & 1625 E (aka 1628 & 1629)	PBI S9	36,724.00	\$3.97	\$4.26	\$145,794.28	\$156,444.24	\$10,649.96
Galaxy Aviation of Palm Beach, Inc.	East Tract - Ground Rental (Sec 5.01 (A) of Agreement)	PBI S9	470,471.00	\$0.65	\$0.65	\$305,806.15	\$305,806.15	\$0.00
Galaxy Aviation of Palm Beach, Inc.	West Tract - Ground Rental (Sec 5.01 (B) of Agreement)	PBI S1B	384,983.00	\$0.65	\$0.65	\$250,225.95	\$250,225.95	\$0.00
Galaxy Aviation of Palm Beach, Inc.	Parcel S5 - Ground Rental	PBI S5	327,282.00	\$0.65	\$0.65	\$212,733.30	\$212,733.30	\$0.00
Galaxy Aviation of Palm Beach, Inc.	Galaxy License - GA Parking Apron per 6th Amend.	GA Apron	86,244.00	\$0.65	\$0.65	\$56,058.60	\$56,058.60	\$0.00
Galaxy Aviation of Palm Beach, Inc.	Parcel S1-D - Ground Rental	PBI S1-D	17,977.00	\$0.65	\$0.65	\$11,698.05	\$11,698.05	\$0.00
Galaxy Aviation of Palm Beach, Inc.	Parcel S1-E - Ground Rental	PBI S1-E	19,177.00	\$0.65	\$0.65	\$12,465.05	\$12,465.05	\$0.00
Jet Aviation Associates	Unimproved Ground, Tracts 1 & 2	PBI S15	494,858.00	\$0.65	\$0.65	\$321,657.70	\$321,657.70	\$0.00
Jet Aviation Associates	Unimproved Ground, Tract 3	PBI S15A	19,255.00	\$0.65	\$0.65	\$12,515.75	\$12,515.75	\$0.00
Jet Aviation Associates	Building 1509 Hangar - Building Rent Only	PBI S15	32,750.00	\$7.68	\$8.50	\$251,520.00	\$281,650.00	\$30,130.00
Jet Aviation Associates	Building 1509 Support Area - Building Rent Only	PBI S15	27,380.00	\$7.72	\$8.60	\$211,450.80	\$235,554.00	\$24,103.20
Jet Aviation Associates	Building 1515 Terminal - Building Rent Only	PBI S15	17,300.00	\$17.20	\$17.40	\$297,560.00	\$301,020.00	\$3,460.00
Jet Aviation Associates	Building 1516 Hangar - Building Rent Only	PBI S16	30,185.00	\$5.37	\$6.11	\$162,093.45	\$184,430.35	\$22,336.90
Jet Aviation Associates	Building 1516 Offices - Building Rent Only	PBI S15	4,415.00	\$5.10	\$6.11	\$22,516.50	\$26,975.65	\$4,459.15
Signature Flight Support Corporation	East Tract	PBI S14	467,127.00	\$0.65	\$0.65	\$303,632.55	\$303,632.55	\$0.00
Signature Flight Support Corporation	West Tract	PBI S7	102,464.00	\$0.65	\$0.65	\$66,501.60	\$66,501.60	\$0.00
Signature Flight Support Corporation	Building 1500 C - Building Rent Only	PBI S14	18,559.00	\$7.70	\$7.70	\$142,904.30	\$142,904.30	\$0.00
Signature Flight Support Corporation	Building 1500 Terminal - Building Rent Only	PBI S14	9,550.00	\$18.31	\$18.31	\$174,860.50	\$174,860.50	\$0.00
Signature Flight Support Corporation	Building 1500-A Hangar & Offices - Building Rent Only	PBI S14	33,385.00	\$5.50	\$5.50	\$183,617.50	\$183,617.50	\$0.00
Signature Flight Support Corporation	Building 1500-C ADDITION - Building Rent Only	PBI S14	4,879.00	\$7.50	\$7.80	\$36,592.50	\$37,080.40	\$487.90
Signature Flight Support Corporation	Building 1500-D - Building Rent Only	PBI S14	34,415.00	\$5.80	\$6.10	\$199,607.00	\$209,931.50	\$10,324.50
Signature Flight Support Corporation	Building 1631 - Building Rent Only	PBI S7	16,715.00	\$6.40	\$6.70	\$106,976.00	\$111,990.50	\$5,014.50
Signature Flight Support Corporation	Building 1632 - Building Rent Only	PBI S7	6,539.00	\$6.40	\$6.70	\$41,849.60	\$43,811.30	\$1,961.70
Signature Flight Support Corporation	Building 1633 - Building Rent Only	PBI S7	14,990.00	\$6.40	\$6.70	\$95,936.00	\$100,433.00	\$4,497.00
Signature Flight Support Corporation	Northwest Tract - Exclusive of Ramp Area "A"	W-3	326,338.00	\$0.65	\$0.65	\$0.00	\$212,119.70	\$212,119.70
Signature Flight Support Corporation	Northwest Tract - Ramp Area "A"	W-3	30,575.00	\$0.65	\$0.65	\$0.00	\$18,873.75	\$18,873.75
A.S.I.I.	Improved Ground, Fuel Farm	PBI N5-6-7	84,936.00	\$0.65	\$0.65	\$55,208.40	\$55,208.40	\$0.00
A.S.I.I.	Fuel Tanks on Parcel 1 - Lump-Sum value	PBI N5	Lump-Sum	\$76,500.00	\$76,500.00	\$76,500.00	\$76,500.00	\$0.00
A.S.I.I.	Bldg 1332, rate to include ground under building	PBI N4	756.00	\$4.24	\$4.54	\$3,205.44	\$3,432.24	\$226.80
A.S.I.I.	Bldg 1334, rate to include ground under building	PBI N4	4,800.00	\$6.40	\$6.80	\$30,720.00	\$32,640.00	\$1,920.00
A.S.I.I.	Unimproved Ground (excludes land under Bldg 1332 & 1334)	PBI N4	68,248.00	\$0.65	\$0.65	\$44,361.20	\$44,361.20	\$0.00
Computer Sciences Corp (AUTEC)	Improved Ground - Sec. 5.01(A)(1) of Lease (Parcels 1,2,3,4)	PBI S11	46,279.00	\$0.65	\$0.65	\$30,081.35	\$30,081.35	\$0.00
Computer Sciences Corp (AUTEC)	Bldg 1624 Aeronautical Building - Office/Passenger Terminal	PBI S11	4,588.00	\$16.48	\$17.40	\$75,775.04	\$80,005.20	\$4,230.16
Computer Sciences Corp (AUTEC)	Bldg 1624 Aeronautical Building - Hangar - Sec. 5.01(A)(3)	PBI S11	10,915.00	\$7.25	\$7.25	\$79,133.75	\$79,133.75	\$0.00
Computer Sciences Corp (AUTEC)	Improved Ground - Aircraft Parking Apron - License Fee (per PBI S11)	PBI S11	27,186.00	\$0.65	\$0.65	\$17,670.90	\$17,670.90	\$0.00
Computer Sciences Corp (AUTEC)	License Agreement for Vehicle Parking - Bldg 1475 (Parcel E PBI E-3 (Portion))	PBI E-3	48,716.64	\$0.8125	\$0.81	\$39,582.27	\$39,582.27	\$0.00
PBC Health Care District	Unimproved Ground	PBI S4	87,259.39	\$0.65	\$0.65	\$56,718.60	\$56,718.60	\$0.00
Workforce Alliance, Inc.	Non-Aeronautical Land & Building 3400 Belvedere Road	N3	28,921.00	\$11.60	\$11.60	\$335,483.60	\$335,483.60	\$0.00
FlightSafety International, Inc.	Unimproved Ground	PBI S6	127,021.00	\$0.70	\$0.70	\$88,914.70	\$88,914.70	\$0.00
PBC FD&O (PBSO Hangar)	Unimproved Ground	PBI S1-A	85,901.00	\$0.65	\$0.65	\$55,835.65	\$55,835.65	\$0.00
Hertz Corporation	Unimproved Ground, Overflow Parking - Carmichael @ 5th S	PBI 22	73,666.00	\$1.05	\$0.70	\$77,338.80	\$51,559.20	-\$25,779.60
Hertz Corporation	Unimproved Ground, Overflow Parking, 6th/Marine Drive	PBI 56	102,800.00	\$1.05	\$0.70	\$107,940.00	\$71,960.00	-\$35,980.00
Hertz Corporation	License Agreement - Parcel S12A (portion) by Galaxy	PBI S12A	10,000.00	\$0.9375	\$0.938	\$9,375.00	\$9,375.00	\$0.00
Enterprise Leasing Company of Florida	Ground Rental only - no improvement rental	PBI OAN-9 & O	428,757.00	\$0.90	\$0.90	\$385,881.30	\$385,881.30	\$0.00
Avis Rent A Car	Aeronautical Land	PBI N9	348,760.00	\$0.65	\$0.65	\$226,694.00	\$226,694.00	\$0.00
Avis Rent A Car	Building 2500 and Site Improvements	PBI N9	8,967.00	\$158,934.75	\$158,934.75	\$158,934.75	\$158,934.75	\$0.00
DTG Operations/Thrifty	Aeronautical Land	PBI N8	303,872.00	\$0.65	\$0.65	\$197,516.80	\$197,516.80	\$0.00
DTG Operations/Thrifty	Building 2600 and Site Improvements	PBI N8	8,423.00	\$141,504.70	\$141,504.70	\$141,504.70	\$141,504.70	\$0.00
United Parcel Service	Air Freight Bldg - 1475 Unit - A	1475-A	6,000.00	\$11.50	\$11.50	\$69,000.00	\$69,000.00	\$0.00
United Parcel Service	Aeronautical Land @ Building 1475 (GSE Storage)	1475-A	13,800.00	\$0.65	\$0.65	\$8,970.00	\$8,970.00	\$0.00
Federal Express Corp	Air Freight Bldg - 1475 Unit - C-F	1475 C-F	29,914.00	\$11.50	\$11.50	\$344,011.00	\$344,011.00	\$0.00
Centerport	Air Freight Bldg - Unit 1301	1301	5,028.00	\$8.50	\$8.50	\$42,738.00	\$42,738.00	\$0.00
Centerport	Air Freight Bldg - Unit 1301C Additional Storage Area	1301 - Storage	1,300.00	\$0.65	\$0.65	\$845.00	\$845.00	\$0.00
Big Sky Aviation	Air Freight Bldg - Unit 1302	1302	1,000.00	\$8.50	\$8.50	\$8,500.00	\$8,500.00	\$0.00
Big Sky Aviation	Air Freight Bldg - Unit 1302C Additional Storage Area	1302 - Storage	1,000.00	\$0.65	\$0.65	\$650.00	\$650.00	\$0.00
Centerport	Air Freight Bldg - Unit 1303	1303	1,989.00	\$8.50	\$8.50	\$16,906.50	\$16,906.50	\$0.00
Lund & Pullara	Air Freight Bldg - Unit 1305	1305	1,472.00	\$8.50	\$8.50	\$12,512.00	\$12,512.00	\$0.00
JetStream	Air Freight Bldg - Unit 1306	1306	1,984.00	\$8.50	\$8.50	\$16,864.00	\$16,864.00	\$0.00
A+M Management Systems	Air Freight Bldg - Unit 1308	1308	1,672.00	\$8.50	\$8.50	\$14,212.00	\$14,212.00	\$0.00
A+M Management Systems	Air Freight Bldg - Unit 1308C Additional Storage Area	1308 - Storage	500.00	\$0.65	\$0.65	\$325.00	\$325.00	\$0.00
Airport Recycling Specialists, Inc.	Air Freight Bldg - Unit 1309	1309	1,555.00	\$8.50	\$8.50	\$13,217.50	\$13,217.50	\$0.00
Airport Recycling Specialists, Inc.	Air Freight Bldg - Unit 1310A	1310A	4,471.00	\$8.50	\$8.50	\$38,003.50	\$38,003.50	\$0.00
Tug Technologies	Air Freight Bldg - Unit 1310	1310	1,994.00	\$8.50	\$8.50	\$16,949.00	\$16,949.00	\$0.00
Delta Air Lines	Air Freight Bldg - Unit 1311	1311	7,019.00	\$8.50	\$8.50	\$59,661.50	\$59,661.50	\$0.00
Gate Gourmet	Lease Agreement (portion 1169)	Bldg 1169	3,278.00	Lump-Sum	Lump-Sum	\$39,336.00	\$39,336.00	\$0.00
Bus One, LLC	Lease Agreement (1440 Carmichael Rd)	1146 Carmichael	8,192.00	\$5.80	\$5.80	\$45,875.20	\$45,875.20	\$0.00
Bus One, LLC	Lease Agreement (1440 Carmichael Rd)	1146 Carmichael	5,000.00	\$0.85	\$0.85	\$4,250.00	\$4,250.00	\$0.00
Delta Aventura Construction	Lease Agreement (Building 506)	Building 506	4,000.00	\$5.50	\$5.50	\$22,000.00	\$22,000.00	\$0.00
Delta Aventura Construction	Lease Agreement (Building 506)	Building 505-C	2,000.00	\$5.50	\$5.50	\$11,000.00	\$11,000.00	\$0.00
Delta Aventura Construction	Lease Agreement (Building 506)	Parcel Q3	10,000.00	\$0.85	\$0.85	\$8,500.00	\$8,500.00	\$0.00