

BOARD OF PORT COMMISSIONERS OF THE LEE COUNTY PORT AUTHORITY

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| <p>1. REQUESTED MOTION/PURPOSE: Request Board approve a “Sublease from AFCO Cargo RSW, LLC to Lee County Port Authority at Southwest Florida International Airport.”</p> <p>2. FUNDING SOURCE: Revenues from the normal operations of RSW.</p> <p>3. TERM: three years, with one option to extend for an additional two years</p> <p>4. WHAT ACTION ACCOMPLISHES: Provides the Authority’s Maintenance Department with space in the new air freight building for three to five years.</p> | <p>5. CATEGORY: 5
Consent Agenda</p> <hr/> <p>6. ASMC MEETING DATE: 12/19/2023</p> <p>7. BoPC MEETING DATE: 1/18/2024</p> |
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| <p>8. AGENDA:</p> <p><input type="checkbox"/> CEREMONIAL/PUBLIC PRESENTATION</p> <p><input checked="" type="checkbox"/> CONSENT</p> <p><input type="checkbox"/> ADMINISTRATIVE</p> | <p>9. REQUESTOR OF INFORMATION:
(ALL REQUESTS)
NAME <u>Brian W. McGonagle</u></p> <p>DIV. <u>Administration</u></p> |
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10. BACKGROUND:

Following the Authority’s advertised Request for Proposals (RFP) 21-03TLB, for “Lease of Land for Development and Operation of an Air Freight Building at Southwest Florida International Airport,” AFCO Cargo RSW, LLC (“AFCO”) was selected as the successful proposer to construct a new air freight building at the airport. Subsequently, on November 4, 2021, the Board approved a “Ground Lease for Construction and Operation of an Air Freight Building at Southwest Florida International Airport” (the “Master Lease”) with AFCO. In recognition of the anticipated demand for space in the new building, the Master Lease was further amended on November 3, 2022, to increase the size of the parcel to allow AFCO to enlarge its planned facility.

The new air freight building, which is currently under construction, will include approximately 28,000 square feet of warehouse and office space, and is located on the south side of the runway, just west of the Authority’s new Consolidated Receiving and Distribution Center (CRDC). The new building is expected to open in early 2024.

The location of the new air freight building along with its increased size and amenities, uniquely positions the facility to alleviate the space constraints of not only the tenants of the existing air freight building, but also the Authority’s Maintenance Department. The current terminal expansion project and planned construction of Concourse E will continue to increase the demands upon the Authority’s Maintenance Department. Until the Authority has constructed its own additional maintenance facilities, the Authority is in need of supplemental warehouse and office space to support the Maintenance Department’s Terminal and Systems Maintenance teams.

11. RECOMMENDED APPROVAL

<u>DEPUTY EXEC DIRECTOR</u>	<u>COMMUNICATIONS AND MARKETING</u>	<u>OTHER</u>	<u>FINANCE</u>	<u>PORT ATTORNEY</u>	<u>EXECUTIVE DIRECTOR</u>
Brian W. McGonagle	Victoria B. Moreland	N/A	David W. Amdor	Andrea R. Fraser	Benjamin R. Siegel

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| <p>12. SPECIAL MANAGEMENT COMMITTEE RECOMMENDATION:</p> <p>APPROVED X (5-0)
APPROVED as AMENDED
DENIED
OTHER</p> | <p>13. PORT AUTHORITY ACTION:</p> <p>APPROVED
APPROVED as AMENDED
DENIED
DEFERRED to
OTHER</p> |
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Background (continued)

To address these needs, staff has negotiated a proposed sublease agreement with AFCO, whereby the Authority will sublease Unit #500 in the new air freight building. The space consists of approximately 3,917 square feet of warehouse and office space, and 2,792 square feet of paved outdoor storage space. The effective date of the proposed sublease is expected to coincide with the completion date of the new facility, and will continue for an initial term of three (3) years. The Authority will have one option to extend the sublease for an additional two (2) years.

Rent under the proposed sublease will initially be \$140,620.30 per year (payable in equal monthly installments), and is subject to annual increases of 4% per year. The Authority will be responsible for its own electricity charges, which will be separately metered to the Unit.

Attachments:

1. Contract Summary
2. Proposed sublease