



MEMORANDUM

Agenda Item No. 11(A)(3)

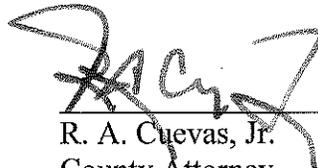
TO: Honorable Chairman Joe A. Martinez
and Members, Board of County Commissioners

DATE: March 6, 2012

FROM: R. A. Cuevas, Jr.
County Attorney

SUBJECT: Resolution requiring the County
Mayor to report on the status of
development at Opa-locka
Executive Airport

The accompanying resolution was prepared and placed on the agenda at the request of Co-Prime Sponsors Commissioner Barbara J. Jordan and Commissioner Sally A. Heyman, and Co-Sponsors Vice Chairwoman Audrey M. Edmonson and Commissioner Dennis C. Moss.



R. A. Cuevas, Jr.
County Attorney

RAC/up



MEMORANDUM

(Revised)

TO: Honorable Chairman Joe A. Martinez
and Members, Board of County Commissioners

DATE: March 6, 2012

FROM: R. A. Cuevas, Jr.
County Attorney

SUBJECT: Agenda Item No. 11(A)(3)

Please note any items checked.

- "3-Day Rule" for committees applicable if raised
- 6 weeks required between first reading and public hearing
- 4 weeks notification to municipal officials required prior to public hearing
- Decreases revenues or increases expenditures without balancing budget
- Budget required
- Statement of fiscal impact required
- Ordinance creating a new board requires detailed County Manager's report for public hearing
- No committee review
- Applicable legislation requires more than a majority vote (i.e., 2/3's ____, 3/5's ____, unanimous ____) to approve
- Current information regarding funding source, index code and available balance, and available capacity (if debt is contemplated) required

Approved _____ Mayor
Veto _____
Override _____

Agenda Item No. 11(A)(3)
3-6-12

RESOLUTION NO. _____

RESOLUTION REQUIRING THE COUNTY MAYOR OR
MAYOR'S DESIGNEE TO REPORT ON THE STATUS OF
DEVELOPMENT AT OPA-LOCKA EXECUTIVE AIRPORT

WHEREAS, Opa-locka Executive Airport can, if properly utilized and developed, provide significant economic benefits to the Aviation Department, to the County, and to the community; and

WHEREAS, Opa-locka Executive Airport can play a key role in serving the general aviation needs of South Florida; and

WHEREAS, the County has entered into various long-term development leases in order to develop Opa-locka Executive Airport; and

WHEREAS, in the event that development does not occur in conformance with the terms of these leases, or if these developers "land-bank" property at Opa-locka Executive Airport instead of developing such property, the County and the community lose the potential benefits that development of Opa-locka Executive Airport could bring; and

WHEREAS, recent audits suggest that the Miami-Dade Aviation Department and Legal Department should become more diligent in enforcing the terms of these leases,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that this Board hereby requires the County Mayor or County's designee to present a report, on a quarterly basis at the Regional Transportation Committee, describing development activities at Opa-locka Airport. This report should include, but is not limited to, information relating to: (1) rents and other payments received by MDAD, (2) unpaid rents or payments (3) ongoing development activities, (4) compliance with development schedules, (5) current tenants, including sub-tenants, and other

occupants of space if such occupancy is not pursuant to a lease, and (6) the status of derelict aircraft at the airport.

The Co-Prime Sponsors of the foregoing resolution are Commissioner Barbara J. Jordan and Commissioner Sally A. Heyman, and the Co-Sponsors are Vice Chairwoman Audrey M. Edmonson and Commissioner Dennis C. Moss. It was offered by Commissioner _____, who moved its adoption. The motion was seconded by Commissioner _____ and upon being put to a vote, the vote was as follows:

Joe A. Martinez, Chairman	
Audrey M. Edmonson, Vice Chairwoman	
Bruno A. Barreiro	Lynda Bell
Esteban L. Bovo, Jr.	Jose 'Pepe' Diaz
Sally A. Heyman	Barbara J. Jordan
Jean Monestime	Dennis C. Moss
Rebeca Sosa	Sen. Javier D. Souto
Xavier L. Suarez	

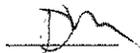
The Chairman thereupon declared the resolution duly passed and adopted this 6th day of March, 2012. This resolution shall become effective ten (10) days after the date of its adoption unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.

MIAMI-DADE COUNTY, FLORIDA
BY ITS BOARD OF
COUNTY COMMISSIONERS

HARVEY RUVIN, CLERK

By: _____
Deputy Clerk

Approved by County Attorney as
to form and legal sufficiency.



David M. Murray

MIAMI-DADE COUNTY
BOARD OF COUNTY COMMISSIONERS
OFFICE OF THE COMMISSION AUDITOR



Legislative Notes

Agenda Item: 11A3 (Request for Information for the Opa-Locka Executive Airport)

File Number: 120225

Date Analysis: February 21, 2012

Summary

This resolution requires the County Mayor or County's designee to present a report, on a quarterly basis at the Regional Transportation Committee meeting, describing development activities at Opa-Locka Executive Airport (Airport).

The report should include, but is not limited to, information relating to: (1) rents and other payments received by Miami-Dad Aviation Department (MDAD), (2) unpaid rents or payments (3) ongoing development activities, (4) compliance with development schedules, (5) current tenants, including sub-tenants, and other occupants of space if such occupancy is not pursuant to a lease, and (6) the status of derelict aircraft at the airport.

Background and Relevant Information about Opa-Locka

The Airport spans approximately 1,800 acres, has three runways and is the largest of the general aviation facilities, serving as a reliever for Miami International Airport. It handles domestic and international flights and cargo activity. International arrivals are supervised by the U.S. Customs and Border Protection. Aviation services include fueling, aircraft storage, flight instructions, and charter services.

According to MDAD's website, by 1967, the Airport was the world's busiest civilian airport prompting the need for remote auxiliary runways for flight training activity.

In 1970, the two remote auxiliary runways at Opa-locka West opened, earning Opa-locka the distinction of being the only reliever airport with its own reliever airport for flight training activity. The fuel crisis and recession of the 1970's removed Opa-locka from the busiest airport lists. Today the two fields combine to accommodate over 175,000 general aviation yearly operations, such as corporate flights and training exercises.

The report mentions that through the last forty years many activities not normally associated with airports have taken place at Opa-locka. For example, in 1980, the blimp hangar and several other structures were used to process and house Cuban refugees during the Mariel Boatlift; Christo came to Miami in 1983 to do his "Surrounded Islands" art project in Biscayne Bay, he leased the blimp hangar to assemble with the help of forklifts the giant pink polypropylene petals that surrounded the bay island; and the Airport was used for many Miami Vice episodes, and portions of The Flight of the Navigator, Just Cause, Bad Boys, True Lies and Holy Man.

Tenant Activity at Opa-Locka Since 2007

According to a 2008 Audit and Management Services Department Report, the Airport has private development Leases with tenants who constructed their facilities and thus, only pay land and pavement rent until improvement costs have been fully amortized-ranging from 25 to 68 years.

At the end of the specified period, facility ownership reverts to the County and these tenants are then subject to normal rental rates. Land and building rates are established annually by the Board of County Commissioners.

According to the 2008 report, tenants had been operating at the Airport with expired leases, and none of the subtenants had been approved to conduct business by the MDAD. Site inspections revealed tenants were using hangars to store furniture, electrical appliances, machinery, automobiles and flammable chemicals.

The report provides that several tenants/subtenants were unable to substantiate payment of the Local Business Tax.

The Audit and Management Department also disclosed deficiencies in collecting tenants two months' security deposit at lease inception or renewal.

Tenants were also under billed and over billed and in one instance the tenant was not assessed rent by the MDAD for unknown reasons and for an undisclosed time period. The MDAD did not bill for electricity and water and sewer usage for two tenants; and according to the report, the MDAD had not sought consumption reimbursement.

Other deficiencies showed that several tenants and subtenants did not have the proper licenses and/or permits and insurance.

Opa-Locka Executive Airport Follow-Up Report 2012

According to the *Final Audit Report- Opa-Locka Executive Follow-Up Audit*, dated January 24, 2012, mentions that appropriate actions have been taken or planned to address the audit findings.

The Audit and Management Services Department maintains their position that management oversight requires improvement.

According to the 2012 Report, better management and effective monitoring of leasing activities could have significantly reduced the deficiencies previously reported. Property Managers must improve the administration and monitoring of leasing activities to assure timely lease renewals and resolution of property matter, accurate billings, and prompt collection of rents.

With respect to credit invoices, the MDAD stated that all credit transactions are reviewed and acknowledged by the Finance Controller; however, according to the 2012 Report there was no evidence of sign-off indicating review.

Furthermore, the Planning and Zoning Division reaffirmed that a Certificate of Use is required of Aviation tenants. The report recommends that the MDAD should promptly clarify this issue and enforce tenant compliance.

Additional Information

**Opa-locka Executive Airport
Development Leases
New Facilities Developed at OPF Over the Last Five Years**

DEVELOPERS	AVE, LLC.	MIAMI EXECUTIVE AVIATION	J P AVIATION	BISCAYNE CAPITAL, LLC	CARRIE MEEK FOUNDATION	AA ACQUISITIONS
TYPE OF FACILITY	INDUSTRIAL BUILDINGS: Buildings N, O, and USPS	Corporate Aviation Building 48/49, consisting of offices, shops and a hangar	Phase 1- A five-bay aircraft hangar and office space. 11 new T-Hangars to include refurbishment of the existing T-Hangars, and a self-service fuel farm.	Aircraft Hangar	N/A	No new facilities; renovated an existing facility.

DEVELOPERS	AVE, LLC.	MIAMI EXECUTIVE AVIATION	J P AVIATION	BISCAYNE CAPITAL, LLC	CARRIE MEEK FOUNDATION	AA ACQUISITIONS
	INFRASTRUCTURE: Roads, stormwater, utilities, traffic signals		<p>Phase 2- Construction of subtenant Turnberry's multiple hangars, air-conditioned offices, shops, conference rooms and kitchens, including underground work, roads and fencing</p> <p>Phase 3- The FBO Shell, hangar foundations on the northern portion of the premises, including installation of improved asphalt ramp area.</p>			
COMPLETION DATE	Building N - 4/29/2009 Building O - 4/5/2010 USPS - 1/31/2009 INFRASTRUCTURE - 12/31/2008	10/8/2008	2007	12/2010	N/A	12/2010
SQUARE FOOTAGE	Building N - 151,017 SF Building O - 7,650 SF USPS - 478,000 SF INFRASTRUCTURE-8 acres	77,000 SF	253,960 SF	12,000 SF	N/A	50,000 SF
INVESTMENT	\$74,124,947	\$8,713,379	\$37,225,000	\$1,000,000	N/A	\$6,400,000

Source: MDAD Staff

Prepared by: Michael Amador-Gil and Bia Marsellos