

Memorandum



DATE: February 5, 2014

TO: Honorable Sally A. Heyman
Commissioner - District 4

FROM: Carlos A. Gimenez 
Mayor

SUBJECT: Kendall-Tamiami Executive Airport Follow-up Audit Response

The Aviation Department's response to the follow-up audit for Kendall-Tamiami Executive Airport is appended to this memorandum. Although the follow-up audit noted a number of improvements already made by Aviation, the response details specific corrective actions taken subsequent to the audit and systemic improvements to compel future compliance with specific violations.

If you have additional questions, please contact Kenneth A. Pyatt, Deputy Aviation Director, at 305-876-7129.

Attachment

c: Honorable Chairwoman Rebeca Sosa
and Members, Board of County Commissioners
Honorable Harvey A. Ruvin, Clerk of the Courts
Robert A. Cuevas Jr., County Attorney
Jack Osterholt, Deputy Mayor
Edward Marquez, Deputy Mayor
Emilio T. Gonzalez, Ph. D., Director, Miami-Dade Aviation Department
Cathy Jackson, Director, Audit and Management Services
Jennifer Moon, Director, Office of Management and Budget
David Downey, Fire Chief, Fire Rescue
Mary T. Cagle, Inspector General
Charles Anderson, Commission Auditor

Memorandum



Date: January 21, 2014

To: Cathy Jackson, Director
Audit and Management Services Department

From: Emilio T. González, Aviation Director
Miami-Dade Aviation Department 

Subject: Response to Audit Report – Kendall-Tamiami Executive Airport Follow-Up

This memorandum responds to the referenced audit report dated November 27, 2013. The Miami-Dade Aviation Department (Department) thanks the Audit and Management Services Department (AMS) for the time and effort involved in this engagement, as well as the courtesy and professionalism of its staff.

The audit finding titles are listed in the order in which they appear in the report followed by the recommendations in italics. The Department's responses are detailed below.

FINDINGS AND RECOMMENDATIONS

Outstanding Balances and Expired Leases

AMS Recommendation

The Department should resolve these issues within 90 days. Further, the Department should not allow large unpaid balances to accumulate without increasing deposits or commencing eviction proceedings. Silver Express should be immediately relocated in the interest of public safety to avoid potential liabilities that may arise.

Department Response

The Department concurs and reaffirms its ongoing commitment to collect past due amounts in accordance with the policies established within the Finance Division, and thanks AMS for noting improvement since the last audit. Previously reported outstanding receivables totaled \$753,954 (March 2011) compared to \$324,762 (June 2013). Staff continues to work with each of these tenants to collect the debt, finalize new lease agreements for those that have expired, and seek temporary relocation for tenants within facilities cited as deficient until replacement structures are completed.

Hangar and Land Use Violations

AMS Recommendation

The Department should remind tenants of their responsibilities to strictly comply with County policies, assess penalties to assure compliance, or evict habitual violators.

Department Response

The Department concurs and continues to routinely perform inspections of leaseholds to identify violations of current policies and demand tenants rectify deficiencies. Items allowed for hangar storage have been specifically communicated to all tenants and will also be itemized in new lease agreements to assure tenants agree to established restrictions. The Real Estate Division performed follow-up inspections in October 2013 for the tenants and confirmed many unauthorized items were removed from the premises. Real Estate also continues to pursue compliance. Prospectively, property managers will be accompanied by an airside employee during annual property inventories and citations will be immediately issued for violations.

Unauthorized Subleases and Excessive Rents

AMS Recommendation

Compliance with County policy should be strictly enforced, and thus all subleasing activities should be formally approved or terminated by the Department. Tenants should be reminded of their responsibility to adhere to rate ceilings or face penalties.

Department Response

The Department concurs and has met with these tenants to obtain all unapproved subleases and reiterate the policy on subtenant rental charges. Tenants were also reminded that companies that continue to violate the provision will be issued default letters. Regarding the lease rate cap, the legislation (R-1071-92) no longer satisfies the needs of our tenant population as the real estate environment has changed since it was established in 1992. The Department is in the process of researching and evaluating the benefit of removing the 10% markup limitation from our lease agreements.

Unauthorized Concessions

AMS Recommendation

The Department should review the unauthorized activities and issue permits as appropriate to comply with County policies. Further, tenants should periodically confirm all service providers to assure the Companies are duly permitted.

Department Response

The Department concurs. Some tenants have removed unpermitted vending machines while others are in the process of obtaining permits. Annually, tenants are asked to provide the names and addresses of all service providers to assure these vendors are properly permitted and to remind tenants that vendors are allowed to operate on airport property only if they obtain permits. Additionally, the annual property inspection includes a check for unpermitted vendors and vending machines. As a result of this audit, letters were sent to tenants a second time requesting verification of service providers used. The information will be reviewed and companies found operating without permits will be required to obtain a permit or cease operating at the airport.

Permits and Licenses

AMS Recommendation

Tenants should be required to resolve these deficiencies within 60 days, and the Department should consider assessing penalties to assure compliance or evicting habitual violators.

Department Response

The Department concurs that tenant deficiencies should be resolved. The Department has repeatedly requested that tenants without current Business Tax receipts to provide proof of renewal. As the Tax Collector sanctions businesses that do not renew their Local Business Tax within 150 days after the initial tax notice with civil actions and penalties, the names of these tenants will be forwarded by the Real Estate Division to the Tax Collector.

The Department has long taken the position that Certificates of Use (CU) are not required for airport facilities and for years the Planning and Zoning Department had concurred. The Department plans to ask that the Department of Regulatory and Economic Resources (RER) rule that CUs are not applicable to airport facilities. Failing that, the Department will bring forward an amendment to Section 33-8 of the County Code to clarify the legal ambiguity.

Insurance Deficiencies

AMS Recommendation

- *Communication between the Property Manager and Risk Management Division must be enhanced to ensure all tenants maintain adequate insurance coverage. More importantly, greater diligence should be exercised in assuring documents forwarded by tenants satisfy contractual requirements, and are proper in form to minimize County exposure to loss. Also, the Department should review the Automobile Liability waivers at least annually, requiring that tenants substantiate the information on file to assure continued exemption.*

- *Separate policies should be obtained for Air Sal, Inc. and International Flight Center, Inc. or the insurance carrier must substantiate in writing that the coverage is sufficient to meet the requirements within each lease agreement.*
- *Other tenants should be required to resolve noted deficiencies within 30 days.*

Department Response

The Department concurs. Renewed or revised insurance certificates for the cited tenants have been received by the Department's Risk Management Division for review and approval.

Billing Matters

AMS Recommendation

The Department should invoice WOM \$3,236 within 60 days and update PROPworks to reflect the correct lease rates. Prospectively, greater care should be exercised to ensure that lease rates are properly adjusted.

Department Response

The Department is currently drafting a new lease agreement for Wings Over Miami Museum, Inc. (WOM) based on Resolution R-712-13 to retroactively adjust the rent to eliminate the outstanding balance.

The Department will continue to invoice land rents to C.R. Aviation as new hangars are now in the design phase and construction should be completed by early 2015.

Utility Billings

AMS Recommendation

The Department should recover the \$5,474 within 30 days, and work with the tenant and WASD to promptly resolve the invoicing error.

Department Response

The Department concurs. The two meters cited in the audit were created as a result of the assignment/purchase of FalconTrust Air, LLC to/by Landmark Aviation Miami, LLC and temporarily assigned to MDAD during the transition period. The assignment was not discontinued as anticipated. The tenant was billed \$6,119.

Security Deposits

AMS Recommendation

The Department should adjust the deposit requirement within 60 days. Also, staff should be more diligent in assuring deposits accord with Agreement terms.

Department Response

The Department concurs and sent demand letters requesting additional security deposit amounts for the cited tenants. C.R. Aviation, Cuban Pilots Association and Silver Express Co. Inc. have corrected the deficiencies. Miami Dade College has two lease payments, a building lease which is properly secured and the corresponding pavement and land amount which is paid in advance. A security deposit is not needed for the prepaid rent and the agreement will be amended to remove a security deposit requirement for lease payments paid in full and in advance.

Final Improvement Costs

AMS Recommendation

The Department must ensure audit reports are obtained and retained in accordance with County guidelines. Advanced should submit the required documentation due under the lease within 60 days. Prospectively, the Department must exercise greater diligence in ensuring specified documents are obtained when due.

Department Response

The Department concurs. A letter requesting an audit was sent to Advanced Real Estate Holdings, LLC. All development lease agreements include a provision specifically requiring tenants to submit all documentation pertaining to improvement and project costs upon obtaining a Temporary Certificate of Occupancy (TCO) or a Certificate of Occupancy (CO). However, delays in obtaining a CO and/or inspections of facilities may influence the timing in submitting the audit report to the Department. The Department will modify its policy to require the construction audit report during the semi-annual property inspections.

Should you have any questions regarding our response, please contact Evelyn Campos, MDAD Division Director of Professional Compliance at 305-876-7390.

c: Honorable Harvey A. Ruvin, Clerk of Courts
Robert A. Cuevas, Jr., County Attorney
Jack Osterholt, Deputy Mayor
Edward Marquez, Deputy Mayor
Mary T. Cagle, Inspector General
Charles Anderson, Commission Auditor

Stokes, Jan Lisa (Aviation)

From: Arnold, Diane (Office of the Mayor) <NAJEE@miamidade.gov>
Sent: Monday, January 06, 2014 12:18 PM
To: Gonzalez, Emilio T. (Aviation)
Cc: Barroso, Hiram (Aviation); Jimenez, Barbara S. (Aviation); Stokes, Jan Lisa (Aviation); Gomez, Lourdes (Office of the Mayor)
Subject: Assignment from the Mayor 259470
Attachments: disclaimer.txt; 259470_259470 Comm Heyman.pdf
Importance: High

OFFICE OF THE MAYOR - CORRESPONDENCE ASSIGNMENT

LOG NUMBER: 259470
OFFICE OF THE MAYOR ASSIGNMENT: Osterholt, Jack
DEPT ASSIGNED TO: Aviation
DATE OF CORRESPONDENCE: 01/06/2014
DATE LOGGED AND ASSIGNED: 01/06/2014

SUBJECT: Kendall Tamiami Executive Airport Follow-up Audit response.

FROM:
REFERRED BY: Heyman, Sally .
FILE NUMBER:
DATE DUE: 01/20/2014
CROSS REFERENCE: CX 1-450

INTERIM RESPONSE FROM:
STATING:

PLEASE PREPARE A:
MEMORANDUM

TO:
COMMISSIONER

FROM:
MAYOR (In Draft Form) - With Transmittal for the Mayor's signature

COPY/S TO: Heyman, Sally .
EXECUTIVE/SENIOR ASSISTANT TO THE MAYOR

OTHER INSTRUCTIONS:

DATE CLOSED:

ATTENTION: Jan Lisa Stokes

ANY QUESTIONS PLEASE CALL:



259470

MEMORANDUM
BOARD OF COUNTY COMMISSIONERS
COMMISSIONER SALLY A. HEYMAN
DISTRICT 4

TO: Carlos A. Gimenez
Mayor

DATE: January 6, 2014

FROM: Sally A. Heyman
Commissioner
District 4

SUBJECT: Kendall-Tamiami Executive Airport
Follow-up Audit response

I am in receipt of your memorandum dated November 27, 2013 where you provide the follow-up Audit for the Kendall-Tamiami Executive Airport.

I'd like to know what is being done to those tenants that continue to violate the rules at the Kendall-Tamiami Executive Airport.

Thank you for your prompt response to this matter.

C: Honorable Chairwoman Rebeca Sosa
and Members, Board of County Commissioners
Honorable Harvey A. Ruvlin, Clerk of the Courts
Robert A. Cuevas Jr., County Attorney
Jack Osterholt, Deputy Mayor
Edward Marquez, Deputy Mayor
Emilio T. Gonzalez, Ph.D., Director, Miami-Dade Aviation Department
Cathy Jackson, Director, Audit and Management Services Department
Jennifer Moon, Director, Office of Management and Budget
David Downey, Fire Chief, Miami-Dade Fire Rescue Department
Mary T. Cagle, Inspector General
Charles Anderson, Commission Auditor

Pride, Christine (Office of the Mayor)

From: Gimenez, Carlos A. (Office of the Mayor)
Sent: Monday, January 06, 2014 11:09 AM
To: Pride, Christine (Office of the Mayor)
Subject: Fwd: Kendall Tamiami Airport
Attachments: Kendall Tamiami Airport.pdf; ATT00001.htm

Please assign to Jack

Alex Ferro

Begin forwarded message:

From: "Juncadella-Ferreiro, Marla (DIST4)" <MARY4@miamidade.gov>
Date: January 6, 2014 at 10:17:44 AM EST
To: "Gimenez, Carlos A. (Office of the Mayor)" <Carlos.Gimenez@miamidade.gov>
Cc: "Jordan, Barbara (DIST1)" <BJORDAN@miamidade.gov>, "Monestime, Jean (DIST2)" <jemo@miamidade.gov>, "Edmonson, Audrey M. (DIST3)" <AAME@miamidade.gov>, "Barreiro, Bruno A. (DIST5)" <BRUNO@miamidade.gov>, "Sosa, Rebeca (Office of the Chair)" <SOSA@miamidade.gov>, "Suarez, Xavier (DIST7)" <XavierSuarez@miamidade.gov>, "Bell, Lynda (DIST8)" <LyndaBell@miamidade.gov>, "Moss, Dennis C. (DIST9)" <CDCM@miamidade.gov>, "Souto, Javier D. (DIST10)" <CJDS@miamidade.gov>, "Zapata, Juan C. (DIST11)" <zap@miamidade.gov>, "Diaz, Jose \"Pepe\" (DIST12)" <JPDIAZ@miamidade.gov>, "Bovo Jr., Esteban (DIST13)" <Bovo@miamidade.gov>, "Hawkins, Ryan (DIST1)" <ryanh@miamidade.gov>, "McCrackine, Sean (DIST2)" <MCCRAS@miamidade.gov>, "Brutus, Akeem (DIST3)" <brutus@miamidade.gov>, "Avalo, Marlene (DIST5)" <AVALO@miamidade.gov>, "Aguirre, Betty (Office of the Chair)" <BETTYA@miamidade.gov>, "Gonzalez, Ricardo (DIST7)" <reg@miamidade.gov>, "Borrego, Eddie (DIST8)" <eddieb@miamidade.gov>, "Bannerman, Wayman G. (DIST9)" <WGB@miamidade.gov>, "Rodriguez, Mercedes L. (DIST10)" <MLR@miamidade.gov>, "Llevano, Maria (DIST12)" <MARIACL@miamidade.gov>, "Garcia, Alina (DIST13)" <AGAR@miamidade.gov>, "Amador, Margaret (DIST4)" <AMADORM@miamidade.gov>, "Ruvln, Harvey (COG)" <HARVEY@miamidade.gov>, "Cuevas, Jr. R.A. (CAO)" <RAC1@miamidade.gov>, "Osterholt, Jack (Office of the Mayor)" <losterholt@miamidade.gov>, "Marquez, Edward (Office of the Mayor)" <marquez@miamidade.gov>, "Gonzalez, Emillo T. (Aviation)" <ETGonzalez@miami-airport.com>, "Jackson, Cathy (AMS)" <CJ5680@miamidade.gov>, "Moon, Jennifer (OMB)" <JGM@miamidade.gov>, "Downey, David (MDFR)" <downeyd@miamidade.gov>, "Anderson, Charles (OCA)" <CANDERS@miamidade.gov>, "Liu, Patra (OIG)" <liup@miamidade.gov>
Subject: Kendall Tamiami Airport

Good morning and happy New Year,

Please be advised that the attached memo is sent on behalf of Commissioner Sally Heyman.

Thank you and have a great day!

Kind regards,

Mary Juncadella-Ferreiro 
Deputy Chief of Staff
Commissioner Sally A. Heyman

Memorandum



Date: November 27, 2013

To: Honorable Chairwoman Rebeca Sosa
and Members, Board of County Commissioners

From: Carlos A. Gimenez
Mayor 

Subject: Kendall-Tamiami Executive Airport Follow-Up Audit

At the request of Commissioner Juan C. Zapata, the Audit and Management Services Department (AMS) reviewed tenant leases at the Kendall-Tamiami Executive Airport. The scope of the examination encompassed evaluating Miami-Dade Aviation Department's (Department's) management of its leasing function, as well as assessing tenant compliance with key contract provisions such as leasehold use and permitting, as well as billing accuracy and collections.

Overall, improvements were noted in the Department's oversight of its tenant operations since the last AMS audit performed in August 2011. Site inspections were conducted at least annually, and tenants were formally notified of any violations. However, leasehold use remains a concern, as several tenants continue to allow their subtenants to store unauthorized items in T-Hangars and a number of the required fire extinguishers to be on hand were expired. These and other findings are further detailed in the attached Report.

Please contact Cathy Jackson, Director, Audit and Management Services, at 305-349-6100, should you have any questions regarding the Audit Report.

Attachments

c: Honorable Harvey A. Ruvlin, Clerk of the Courts
Robert A. Cuevas Jr., County Attorney
Jack Osterholt, Deputy Mayor
Edward Marquez, Deputy Mayor
Emilio T. Gonzalez, Ph.D., Director, Miami-Dade Aviation Department
Cathy Jackson, Director, Audit and Management Services Department
Jennifer Moon, Director, Office of Management and Budget
David Downey, Fire Chief, Miami-Dade Fire Rescue Department
Patra Liu, Interim Inspector General
Charles Anderson, Commission Auditor

Memorandum



Date: November 27, 2013

To: Emilio T. Gonzalez, Ph.D., Director
Miami-Dade Aviation Department

Cathy Jackson

From: Cathy Jackson, Director
Audit and Management Services Department

Subject: Kendall-Tamiami Executive Airport Follow-Up Audit

PURPOSE AND SCOPE

We conducted an audit of tenant leases in effect as of June 30, 2013 at the Kendall-Tamiami Executive Airport (the Airport), as a follow-up to our audit report dated August 15, 2011. The objectives were to assess propriety of rental billings, verify staff adherence to applicable policies and procedures, and evaluate tenant compliance with key lease provisions, such as leasehold use, permits, insurance, and security deposit requirements. Our audit included interviews with staff and tenants, examination of pertinent documentary evidence, and physical inspection of the leaseholds. We also assessed the status of corrective actions taken by the Department to address prior audit recommendations (Exhibit I).

BACKGROUND

The Airport spans 1,380 acres, has three runways, and primarily serves corporate, recreational, and other private operators. Both domestic and international flights are permitted at the Airport, however, international arrivals are supervised by the U.S. Customs and Border Protection Agency. The Fixed-Base Operators (FBO), Air Sal, Inc., International Flight Center, Inc., Landmark Aviation Miami, LLC (Landmark), and Reliance Aviation-Miami, LLC, provide a variety of services such as fueling, maintenance, aircraft storage, flight instruction, and charter services for Airport patrons. Additionally, there are ten other tenants that lease hangar bays and tie-downs for aircraft storage and maintenance services (Schedule I). Land and building lease rates are established annually by the Board of County Commissioners (BCC).

Also, the Airport has private Development Leases with tenants to develop, lease, and operate facilities constructed. These tenants pay only land and pavement rent until improvement costs have been fully amortized, at which point facility ownership reverts to Miami-Dade County (the County) and normal rental rates are charged. As of June 30, 2013, private development projects completed at a cost of approximately \$18.8 million have provided improved FBO amenities, as well as T-Hangar bays and storage facilities. Additionally, four tenants (Advanced Real Estate Holdings, LLC, Landmark, TMB Lot 46, LLC, and TMB Lot 48, LLC) have development projects underway or pending, and in May 2013, the Department executed a new Development Lease with GR Jet Service, Inc. to develop 560,000 square feet of land at a minimum cost of \$3.2 million within the next five years (Schedule II).

The Airport's operating revenues and expenses for the five years ended September 30, 2013 are summarized in Table I.

Table I
Summary of Operating Revenues and Expenses
For the Five Years Ended September 30, 2013

Description	2009	2010	2011	2012	2013
Revenues:					
Rentals	\$ 1,983,568	\$ 1,966,181	\$ 1,956,810	\$ 1,869,452	\$ 2,012,630
Concession Fees	186,029	214,899	235,339	209,662	231,654
Other Revenues	38,188	65,012	119,957	42,250	40,159
	<u>2,207,785</u>	<u>2,246,092</u>	<u>2,312,106</u>	<u>2,121,364</u>	<u>2,284,443</u>
Expenses:					
Employee Salaries and Benefits	1,035,096	1,279,526	1,444,039	1,280,395	1,430,255
Electricity	124,451	112,393	101,518	94,989	99,917
Security Services	95,740	113,860	114,201	60,295	5,439
Fuel	16,120	36,947	49,455	55,467	64,834
Other Expenses	3,402	22,656	21,927	15,297	2,562
	<u>1,274,809</u>	<u>1,565,382</u>	<u>1,731,140</u>	<u>1,507,443</u>	<u>1,603,007</u>
Allocated Administrative Overhead	<u>1,858,583</u>	<u>1,921,661</u>	<u>2,029,087</u>	<u>2,085,106</u>	<u>2,009,284</u>
Operating Expenses Before Depreciation	<u>3,133,392</u>	<u>3,487,043</u>	<u>3,760,227</u>	<u>3,592,549</u>	<u>3,612,291</u>
Operating Loss Before Depreciation	(925,607)	(1,240,951)	(1,448,121)	(1,471,185)	(1,327,848)
Depreciation	<u>1,245,104</u>	<u>1,241,316</u>	<u>1,244,695</u>	<u>1,318,984</u>	<u>1,310,460</u>
Operating Loss	<u>\$(2,170,711)</u>	<u>\$(2,482,267)</u>	<u>\$(2,692,816)</u>	<u>\$(2,790,169)</u>	<u>\$(2,638,308)</u>
Number of Employees:					
Maintenance	9	11	11	9	11
Security and Operations	7	7	7	7	8
	<u>16</u>	<u>18</u>	<u>18</u>	<u>16</u>	<u>19</u>

Source: PeopleSoft General Ledger and Miami-Dade Aviation Department.

SUMMARY RESULTS

Since our last review in August 2011, improvements were noted in the Department's oversight of its tenant operations. Site inspections were conducted by the Property Manager at least annually, and tenants were formally notified of any violations. However, several findings from the prior audit were only partially resolved (Exhibit D). Leasehold use remains a concern, as several tenants continue to store unauthorized items in the T-Hangars, and some illegally parked inoperable aircraft previously communicated were not removed from the ramp. Also, Companies continue to provide services to tenants and subtenants without the requisite permits. The Department should assess penalties to encourage compliance. As of June 30, 2013, 11 tenants had delinquent balances in excess of 90 days totaling \$324,762, and four tenants have been operating under expired agreements for up to eight years. Prospectively, every effort must be made to execute leases prior to the expiry date, and the Department should continue to aggressively pursue collection of delinquent balances.

These and other findings, together with our recommendations, are more fully discussed in the remainder of this report. We appreciate the cooperation extended to our staff during the audit process. A written response to this report is requested within 30 days, in accordance with Administrative Order 3-7. Please contact Janice Smith, Audit Manager, at 305-349-6100, if you have any questions or need further clarification.

FINDINGS AND RECOMMENDATIONS

Outstanding Balances and Expired Leases

As of June 30, 2013, 11 tenants had delinquent balances in excess of 90 days totaling \$324,762 (Table II). Past due amounts owed by LaCross Aviation, LLC and Biscayne Helicopters, Inc. aggregating \$145,859 have been deemed uncollectible by the Department, however, BCC write-off approval is pending. The reduction in delinquencies since our last review in March 2011 is mainly attributed to the payment of FalconTrust Air, LLC (FalconTrust) outstanding balance by Landmark. The County assigned the lease to Landmark, effective September 7, 2011, after the Company assumed the mortgage on the buildings constructed by FalconTrust.

**Table II
Delinquent Accounts**

Tenant	Lease Number	Effective Date	Expiration Date	Outstanding Balance as of				Security Deposit
				March 2011	June 2011	March 2013	June 2013	
				Total	Over 90 Days	Total	Over 90 Days	
Expired Leases								
Wings Over Miami Museum, Inc.	T-171	02/09/03	02/08/08	\$ 123,362	\$ 100,939	\$ 115,405	\$ 113,884	\$ 12,371
Silver Express Co., Inc.	T-136	07/01/00	06/30/05	5,371	1,325	52,864	41,424	5,500
C.R. Aviation, Inc.	T-145	10/01/99	09/30/04	19,643	270	26,093	6,842	10,830
Peninsula Avionics, Inc.	T-163	02/01/01	01/31/06	-	-	24,465	6,117	12,233
				<u>148,376</u>	<u>102,734</u>	<u>218,827</u>	<u>168,267</u>	<u>40,934</u>
Other								
LaCross Aviation, LLC ¹	-	-	-	105,584	75,229	105,303	105,503	-
Biscayne Helicopters, Inc. ¹	-	-	-	40,785	40,785	40,356	40,356	8,738
Skykar Aviation, Inc. ¹	-	-	-	7,091	7,091	7,091	7,091	-
Cuban Pilots Association	T-3552	06/18/07	06/17/17	2,651	1,484	2,797	2,726	-
HMD Healthcare Corporation	T-5148	04/01/09	03/31/14	76,221	66,995	14,081	403	20,170
International Flight Center, Inc.	T-5343	11/01/09	10/31/14	-	-	381	287	41,934
TMB Lot 46, LLC	T-5276	10/26/10	10/25/30	-	-	129	129	2,975
FalconTrust Air, LLC	-	-	-	500,807	421,008	-	-	-
BIB Management Corporation ^{1,2}	-	-	-	28,600	28,600	-	-	-
Advanced Real Estate Holding, LLC	T-3642	03/13/07	03/12/32	15,268	7,827	-	-	7,147
Seminole Farms of South Florida ^{1,2}	-	-	-	2,201	2,201	-	-	-
Total				\$ 927,584	\$ 753,954	\$ 589,165	\$ 324,762	\$ 121,898

Source: Miami-Dade Aviation Department Finance Division

¹ Lease terminated and tenants vacated the premises.

² The amount owed was written off.

³ Credits were issued by the Department to correct account.

Four tenants with delinquent balances in excess of 90 days totaling \$168,267 have been operating under expired agreements for up to eight years as of June 30, 2013 (Table II). Silver Express Co., Inc. operates a flight training school in Building 102 under an Agreement that expired in 2005. The building was condemned by the County as an unsafe structure in 2007 due to failure to obtain the 40-year certification. The Department determined it would be more cost-effective to replace the building, and thus damages sustained to the roof and other areas have not been repaired. Due to these unresolved issues, the tenant discontinued paying rent in September 2012, and opted instead to deposit the amounts in an escrow account until the situation is remedied. Building 109, occupied by C.R. Aviation, Inc., was also deemed unsafe by the County, and thus Agreements with these tenants will not be executed until the structures are replaced in February 2015.

The lease renewal with Wings Over Miami Museum, Inc. (WOM) was approved by the BCC on September 4, 2013. Lastly, Peninsula Avionics, Inc. has not been willing to execute a new lease due to dispute over square footage occupied. A property survey was completed in an effort to resolve the issue, however, execution of the lease is pending collection of outstanding balances.

Recommendation

The Department should resolve these issues within 90 days. Further, the Department should not allow large unpaid balances to accumulate without increasing deposits or commencing eviction proceedings. Silver Express should be immediately relocated in the interest of public safety to avoid potential liabilities that may arise.

Hangar and Land Use Violations

The Property Manager inspects leaseholds at least annually, and tenants are notified via mail to correct noted violations. Nonetheless, AMS inspected 133 hangars, noting 51 were non-compliant, including 11 previously cited for similar exceptions. Several tenants continue to disregard Airport policies, and use the hangars to store inoperable aircraft, automobiles, motorcycles, flammable chemicals, as well as household items (Exhibit II). Also, portable fire extinguishers located in most hangars were expired and/or had not been inspected at least annually, and one unit (Building 235, Hangar 26) was equipped with a central air conditioner. Although requested, a copy of the installation permit was not provided.

Further, four tenants continue to store inoperable aircraft, and others are awaiting maintenance on the ramp, beyond the 60-day period permitted by the Department. Although penalties up to \$500 per day could have been assessed, none were imposed. More specifically:

C.R. Aviation, Inc.: Three non-flyable aircraft, including one cited in the prior report, were parked on the ramp.

International Flight Center, Inc.: Although items previously cited had been removed, another three non-flyable aircraft awaiting maintenance were parked on the ramp.

Silver Express Co., Inc.: A non-flyable aircraft cited in two prior audit reports remained parked on the ramp, despite requests from the Department to correct the violation.

Peninsula Avionics, Inc.: One inoperable aircraft was parked on the ramp.

Recommendation

The Department should remind tenants of their responsibilities to strictly comply with County policies, assess penalties to assure compliance, or evict habitual violators.

Unauthorized Subleases and Excessive Rents

As of June 30, 2013, 21 subleases, including 12 cited in the prior report, have not been submitted to the Department for authorization. Another 16 were received by the Department, however, they had not been formally approved as of September 30, 2013 (Schedule III). Tenants are not allowed to sublease the premises without the Department’s prior written consent. Further, C.R. Aviation, Inc. continues to charge Aviation Maintenance Training, Inc. far in excess of the 10% ceiling allowed by the County, after adjustments for common cost allowances such as utilities, insurance, and maintenance. Similarly, International Flight Center, Inc. charges its subtenant in excess of the allowable 10% ceiling.

Recommendation

Compliance with County policy should be strictly enforced, and thus all subleasing activities should be formally approved or terminated by the Department. Tenants should be reminded of their responsibility to adhere to rate ceilings, or face penalties.

Unauthorized Concessions

As previously communicated, janitorial services are being provided to tenants and subtenants without the requisite permits. Similarly, Companies continue to operate vending machines that have been installed at different locations throughout the Airport, without Department approval (Table III). Pursuant to Operational Directive 99-01, service providers must obtain a permit prior to conducting business on Airport premises.

**Table III
 Unpermitted Activities
 As of May 2013**

Provider	Tenant/Subtenant
Janitorial Services	
Dirt Pros of Fort Lauderdale, LLC	Miami Dade College
Nice Multiservices, Inc. ¹	Federal Aviation Administration - Tower Federal Aviation Administration - Station
Service Masters	Landmark Aviation Miami, LLC
Total Cleaning	Reliance Aviation Miami, LLC (ADF Airways)
Tri-County Lumping Service, Inc. ¹	Miami-Dade Fire Department
Vending Machines	
Coca-Cola	Miami-Dade Fire Department Reliance Aviation-Miami, LLC
Ja-Ma-Do Vending Corp. ¹	Reliance Aviation-Miami, LLC (ADF Airways)
MSL Company ¹	Silver Express Co., Inc.
PepsiCo ¹	Air Sal, Inc.
Royal Vendors, Inc. ¹	Wings Over Miami Museum, Inc.

Source: PROPworks, Physical Observations, and Department records
¹ These Companies were cited in our prior audit report dated August 15, 2011.

Recommendation

The Department should review unauthorized activities and issue permits, as appropriate, to comply with County policies. Further, at least annually, tenants should confirm all service providers to assure the Companies are duly permitted.

Permits and Licenses

As shown in Schedule IV, several tenants and subtenants were unable to furnish evidence that the requisite licenses and/or permits had been obtained, as stipulated in the Agreements. Moreover, three Companies cited in two prior audits, Atlantic Aviation Group, Lockheed Martin Corporation, and Tamiami Air, Inc., still have not substantiated payment of the required Local Business Tax, despite Department requests to correct the deficiencies.

Further, as stated in our Final Audit Report dated July 31, 2012, the Development Services Division of the Regulatory and Economic Resources Department reaffirmed that a Certificate of Use is required for any business in unincorporated Miami-Dade County. The Department should promptly clarify this issue and enforce tenant compliance, as required.

Recommendation

Tenants should be required to resolve these deficiencies within 60 days, and the Department should consider assessing penalties to assure compliance, or evicting habitual violators.

Insurance Deficiencies

Proof of requisite insurance coverage was not on file for TMB Lot-46, LLC and TMB Lot 48, LLC. Apparently, the Property Manager did not submit copies of the executed lease documents dated November 2011 to the Risk Management Division until after our inquiries in May 2013.

Tenants that are exempt from acquiring Automobile Liability coverage must submit to the Department signed statements certifying that vehicles will not be used in connection with their operations under the Agreement. However, the statements on file for three tenants were executed more than ten years ago.

We also noted that the Automobile Liability coverage was combined under a single policy for two affiliated Companies (Air Sal, Inc. and International Flight Center, Inc.), and it does not appear the coverage is sufficient to meet the minimum requirements established in the respective lease agreements.

Other deficiencies noted as of July 16, 2013 are summarized below:

Reliance Aviation-Miami, LLC: The Pollution and Remediation Legal Liability coverage on file expired April 15, 2012.

HMD Healthcare Corporation: The Pollution and Remediation Legal Liability coverage on file expired December 10, 2012. Additionally, there is no proof of Automobile Liability coverage on file.

Advanced Real Estate Holding, LLC: The General Liability coverage is for \$1 million, rather than \$5 million single limit per occurrence. The Department claims this is a typographical error, however, the Agreement has not been formally amended.

Tamiami Air, Inc.: The General Liability certificate on file expired June 25, 2013. We also noted that the coverage was for \$1 million, rather than \$5 million single limit per occurrence.

Recommendation

- Communication between the Property Manager and Risk Management Division must be enhanced to ensure all tenants maintain adequate insurance coverage. More importantly, greater diligence should be exercised in assuring documents forwarded by tenants satisfy contractual requirements and are proper in form to minimize County exposure to loss. Also, the Department should review the Automobile Liability waivers at least annually, requiring that tenants substantiate the information on file to assure continued exemption.
- Separate policies should be obtained for Air Sal, Inc. and International Flight Center, Inc., or the insurance carrier must substantiate in writing that the coverage is sufficient to meet the requirements within each lease agreement.
- Other tenants should be required to resolve noted deficiencies within 30 days.

Billing Matters

Lease rates for the Office and Gift Shop occupied by WOM were adjusted for changes in the Consumer Price Index (CPI), and the tenant billing was retroactively adjusted through April 2012. However, PROPworks was not updated to reflect the corrected rates, and thus rents invoiced have been understated since May 2012. Likewise, the lease rate for the Patio has not been adjusted for CPI changes since 2005. In the aggregate, we estimate WOM owes the Department an additional \$3,236 through June 2013.

C.R. Aviation, Inc. has not been billed for the use of two steel hangars, although the BCC approved rental rates of \$2.84 per square foot, effective October 2012.

Recommendation

The Department should invoice WOM \$3,236 within 60 days and update PROPworks to reflect the correct lease rates. Prospectively, greater care should be exercised to ensure that lease rates are properly adjusted.

Utility Billings

Miami-Dade Water and Sewer Department (WASD) is invoicing the Department for two meters (92681300 and 43765547) related to service located at Building 238, which is occupied by Landmark. However, the Department has not sought reimbursement for amounts paid, totaling \$5,474, during the period September 2011 to March 2013.

Recommendation

The Department should recover the \$5,474 within 30 days, and work with the tenant and WASD to promptly resolve the invoicing error.

Security Deposits

Four tenants have not posted the required security deposits (Table IV). Pursuant to the Agreements, tenants must maintain a security deposit equivalent to two or three times the rent and applicable State sales taxes.

**Table IV
 Security Deposit Deficiencies
 As of June 30, 2013**

Tenant Name	Deposit Requirements		Deficiency of	
	Completed	Filed	03/31/13	06/30/13
Miami Dade College ¹	\$ 14,896	\$ 12,431	\$ 2,465	\$ 2,465
C.R. Aviation, Inc.	12,398	10,830	1,568	1,568
Cuban Pilots Association	662	-	725	662
Silver Express Co. Inc.	6,054	5,500	554	554
Falcon Trust Air, LLC ²	-	-	41,901	-
Air Sal, Inc.	17,390	17,390	13,150	-
Advance Real Estate Holding, LLC	7,147	7,147	7,147	-
International Flight Center, Inc.	41,934	41,934	2,613	-
	<u>\$ 100,481</u>	<u>\$ 95,232</u>	<u>\$ 70,123</u>	<u>\$ 5,249</u>

Source: PeopleSoft, PROPworks, Lease Agreements, and Department records

¹ Although rent payments are paid annually in advance, a security deposit is required per the Lease Agreement

² The lease was assigned to Landmark Aviation Miami, LLC and tenant vacated the premises.

Recommendation

The Department should adjust the deposit requirements within 60 days. Also, staff should be more diligent in assuring deposits accord with Agreement terms.

Final Improvement Costs

As previously mentioned, the County executed private Development Leases with tenants to expand and improve services at the Airport. These tenants are required to submit independent audit reports certifying actual costs invested within 90 days of project completion. However, audit reports could not be located for four tenants (Schedule II), and Advanced Real Estate Holding, LLC (Advanced) has not submitted their final audit, although the expiry date was June 2012.

Recommendation

The Department must ensure audit reports are obtained and retained in accordance with County guidelines. Advanced should submit the required documentation due under the lease within 60 days. Prospectively, the Department must exercise greater diligence in ensuring specified documents are obtained when due.

CJ:ag

Attachments

c: Honorable Harvey A. Ruvlin, Clerk of the Courts
Robert A. Cuevas Jr., County Attorney
Jack Osterholt, Deputy Mayor
Edward Marquez, Deputy Mayor
Jennifer Moon, Director, Office of Management and Budget
David Downey, Fire Chief, Miami-Dade Fire Rescue
Patra Liu, Interim Inspector General
Charles Anderson, Commission Auditor

Kendall-Tamiami Executive Airport Follow-Up Audit
 Summary of Tenant Leases
 As of June 30, 2013

Lease No.	Lease Date	Lease Term	Lease Type	Lease Description	Lease Value	Lease Type	Lease Value	Lease Type	Lease Value	Lease Description	
T-5343	11/01/2009	10/31/2014	Structures	43,780	\$	12,896				Fueling, tie-down, hangar storage, repair station, aircraft maintenance, and car rentals	
			Pavement	238,054		992					
			Land	407,401		5,772					
T-3552	06/18/2007	06/17/2017	Land	23,371		331				Land lease for aircraft monument	
			Farm Land	4,737,062		4,832				Land lease for farming	
			Farm Land	1,884,527		1,906				Land lease for farming	
T-7250	08/01/2012	07/31/2013	Farm Land	3,912,611		3,951					
			Farm Land								
			Farm Land								
T-7280	10/01/2012	09/30/2016	Structures	4,800		1,424				Aircraft tie-down, repair station, maintenance services, and operation of a flight school	
			Pavement	163,443		681					
			Land	280,000		3,967					
T-145	10/01/1999	09/30/2004	Structures	13,646		5,220				Storage of corporate aircraft	
			Pavement	34,789		145					
			Land	64,869		919					
T-3148	04/01/2009	03/31/2014	Structures	26,880		2,188				Life safety, as well as operation, administration, and training of Air Rescue Division	
			Pavement	68,140		2,188					
			Land	154,440		2,188					
T-120	09/01/1999	08/31/2019	Structures	12,390		4,677				Storage and maintenance of Air Unit aircraft, as well as law enforcement	
			Pavement	25,650		107					
			Land	41,580		589					
TA-75	04/01/1989	03/31/1994	Structures	5,297		1,448				Avionics sales, repair station, aircraft tie-down, and maintenance services	
			Pavement	153,325		647					
			Land	272,000		3,853					
T-163	02/01/2001	01/31/2006	Structures	4,000		1,110				Aircraft tie-down and rentals, maintenance services, pilot shop, and operation of a flight school	
			Pavement	108,920		454					
			Land	126,060		1,786					
T-136	07/01/2000	06/30/2005	Structures	27,485		5,362				Aviation museum, gift shop, and tours	
			Pavement	13,600		65					
			Land	47,403		672					
T-171	02/09/2003	02/08/2008	Other	1,038		87					
			Other								
			Other								
					Total	\$	63,853				

Source: Lease Agreements and Tenant files
 Air Sol, Inc., Leadcraft Aviation-Miami, LLC, and Rollbase Aviation-Miami, LLC are also Fixed-Base Operators (See Schedule II)

**Kendall-Tamiami Executive Airport Follow-Up Audit
Summary of Unauthorized Subleases
As of June 30, 2013**

Tenant	Subtenant
Subleases have not been submitted to the Department for approval	
Landmark Aviation Miami, LLC ¹	Aerolocate Air Medical Service C & G Aircraft Maintenance & Part Sales David Pineda, Inc. Helicopter Partners ² Hughes Flying Service ² Superior Airplane Interiors Tamiami Aircraft Services ² Treasure Air Charters, LLC Victoria Trading
Reliance Aviation-Miami, LLC	Aircraft Development Flight Airways ² American Airparts Angel Flight Miami ² ASG Aerospace ² Atlantic Aviation Group ² Aviation Medical Examiner, Fred Furgang, MD, LLC ² Aviatronics Corporate Air Charters, Inc. ² HMC Helicopter, Inc. ² Quality Corporate Aircraft Services, Inc. ²
Tamiami Air, Inc.	Ambassador Travel Services, Inc. ²
Subleases submitted to the Department for authorization, however, there was no evidence of review and approval	
Advanced Real Estate Holding, LLC	Top Gun
Air Sal, Inc.	Miami Sky Diving ²
C.R. Aviation, Inc.	Aviation Maintenance Training, Inc. ² Avionics Link ²
International Flight Center, Inc.	ALCA Avionics
Landmark Aviation Miami, LLC ¹	Aero General Components, LLC Dean International ² LM Aircraft ² MiamiFly (formerly a subtenant of Air Sal, Inc.) ²
Tamiami Air, Inc.	American Flying Academy Aviator Services, Inc. ² Benipaula, Inc. Panair Flying Club ² Pilot Training Center ² Propel Aviation Services, LLC ² Wayne's Maintenance Service ²

Source: Tenant files and Department records

¹ Formerly Falcon Trust Air, LLC

² The tenants were cited with unauthorized subleases in our prior audit report dated August 15, 2011. Tenants are not allowed to sublease the premises without the Department's prior written consent.

**Kendall-Tamiami Executive Airport Follow-Up Audit
Permits and Licenses Exceptions**

Company Name/Tenant	Local	Missing ³		
	Business Tax Not Paid	Fire Permit	FAA's Permit	Certificate of Use
Aero General Components, LLC/(Landmark Aviation Miami, LLC)	X			
Aerolocate, LLC/(Landmark Aviation Miami, LLC)	X			
Aircraft Development Flight Airways/(Reliance Aviation-Miami, LLC)		X		
Air Medical Services, LLC/(Landmark Aviation Miami, LLC)	X	X		
Ambassador Travel/(Tamiami Air, Inc.)	X			
American Airparts Inc./(Reliance Aviation-Miami, LLC)				X
American Flying Academy/(Tamiami Air, Inc.)	X			X
Angel Flight Miami/(Reliance Aviation-Miami, LLC)	X			
Atlantic Aviation Group/(Reliance Aviation-Miami, LLC) ²	X	X		
Aviator Services/(Tamiami Air, Inc.)	X			X ³
Avionics Inc./(Reliance Aviation-Miami, LLC)	X			X
Benipaula, Inc./(Tamiami Air, Inc.)	X			
C.R. Aviation, Inc.			X	
David Pineda, Inc./(Landmark Aviation Miami, LLC)	X			
Fred A Furgang, MD, LLC/(Reliance Aviation-Miami, LLC)				X
Helicopter Partners, Inc./(Landmark Aviation Miami, LLC)	X	X		
HMC Helicopter Service Inc./(Reliance Aviation-Miami, LLC)			X	
HMD Healthcare Corporation ³		X		
Lockheed Martin Corporation/(Federal Aviation Administration) ³	X			
Miami Dade College		X		
Miami-Dade Fire Department		X		
Miami-Dade Police Department ³		X		
Miami Fly (Landmark Aviation Miami, LLC)		X		X ³
Panair Flying Club/(Tamiami Air, Inc.)		X		
Pilots Training/(Tamiami Air, Inc.) ³				X
Quality Corporate Aircraft Services/(Reliance Aviation-Miami, LLC)	X		X	
Reliance Aviation-Miami, LLC		X		
Superior Airplane Interiors, Inc./(Landmark Aviation Miami, LLC)	X			
Tamiami Air, Inc. ³	X			
Tamiami Aircraft Services Corp./(Landmark Aviation Miami, LLC)		X		
Top Gun Flight Academy Inc./(Advance Real Estate Holding, LLC)				X
Treasure Air Charters, LLC/(Landmark Aviation Miami, LLC)	X			
Victoria Trading, LLC/(Landmark Aviation Miami, LLC)	X			
Wayne's Aircraft Maintenance Inc./(Tamiami Air, Inc.)		X		
Wings Over Miami Museum, Inc.		X		

Source: FAMIS, Miami-Dade County Websites, and Physical Observations

¹ As of June 30, 2013.

² As of May 17, 2013.

³ These Companies were cited with similar exceptions in our prior audit report dated August 15, 2011, and the conditions remain unresolved.

Kendall-Tamiami Executive Airport Follow-Up Audit
Status of Prior Audit Findings

Findings	Recommendation	Department's Response	Current Status
<p>Outstanding Balances As of March 31, 2011, 12 tenants had over-90-day delinquencies totaling \$753,954, of which \$421,008 was owed by FalconTrust Air, L.L.C. Five of those tenants with past due balances totaling \$153,906 have since vacated the premises.</p>	<p>The Department should aggressively pursue collection of delinquent balances, as well as assess collectability of accounts over 90 days. Accounts deemed uncollectible should be written off, as prescribed in Administrative Order 3-9.</p>	<p>The Department initiated efforts to reduce the delinquent balances, as outlined in their response dated June 29, 2012 to the Audit Report.</p>	<p>Partially Resolved As of June 30, 2013, the delinquencies were reduced to \$324,762. (See pages 3-4 of the Audit Report.)</p>
<p>Expired Leases As of March 31, 2011, three of four tenants previously cited (Audit Report dated September 30, 2008) are still operating without valid leases. A fourth tenant, Wings Over Miami Museum Inc., has been operating under an expired lease since February 2008.</p>	<p>Tenants should not be permitted to operate on Airport property without a lease or permit agreement. Further, expired leases should be promptly renewed or cancelled within 90 days.</p>	<p>The Department concurs that these tenants continue to operate without renewed leases.</p>	<p>Unresolved As of June 30, 2013, all tenants previously cited are still operating without valid Agreements. (See pages 3-4 and Table II of the Audit Report.)</p>
<p>Unsafe and Land Use Violations Tenants continue to use T-Hangars to store inoperable aircraft, as well as personal and household items. Of 51 inspected, 21 were non-compliant.</p>	<p>The Department should notify tenants of the violations, requiring resolution within 30 days. Moreover, the Property Manager should perform unannounced inspections, and habitual offenders should be assessed monetary fines to deter violations.</p>	<p>The Real Estate Division performed land and T-Hangar inspections to validate and correct the deficiencies reported by AMS. As of May 2012, most have been corrected.</p>	<p>Partially Resolved The Property Manager began inspecting the leaseholds as represented, and tenants were notified to correct noted violations. Nonetheless, unauthorized items have not been removed from 11 of the 21 T-Hangars previously cited. (See page 4 of the Audit Report.)</p>
<p>Unauthorized Subleases and Excessive Rents Thirty-seven subleases had not been formally authorized by the Department. Further, C.R. Aviation, Inc. continues to charge their subtenants far in excess of the 10% ceiling allowed by the County.</p>	<p>Subtenant activities should be properly permitted, and lessees reminded of their responsibility to adhere to rate ceilings or face penalties. Excess charges should be refunded to subtenants.</p>	<p>The Department has received thirty-six (36) Agreements that are currently under review for authorization. Additionally, on May 24, 2012, C.R. Aviation, Inc. submitted copies of their subleases, and it was confirmed that current rental rates charged by C.R. Aviation are in compliance with the 10% ceiling.</p>	<p>Partially Resolved Of the 37 unauthorized subleases cited, 11 subtenants have vacated the premises, and 11 subleases were presented to the Department for authorization. C.R. Aviation, Inc. continues to charge a subtenant in excess of the 10% ceiling. (See page 5 and Schedule III of the Audit Report.)</p>

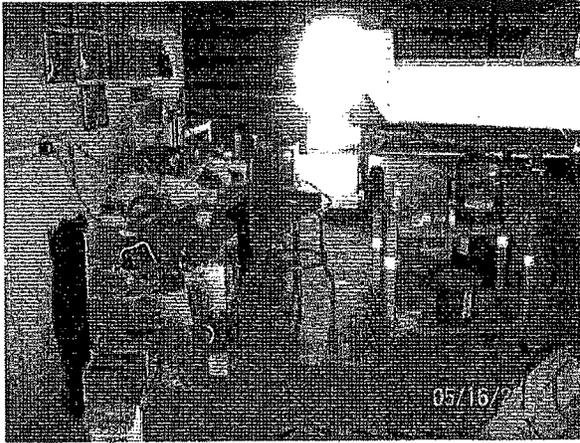
¹ See Audit Report dated August 15, 2011 for the full text of the findings.

Kendall-Tamiami Executive Airport Follow-Up Audit
Status of Prior Audit Findings

Findings Unpermitted Concessions	Recommendation	Department's Response	Current Status
<p>The Department has done little to ensure services provided to tenants and subtenants are properly permitted. We also noted that Wings Over Miami Museum, Inc. (WOM) continues to operate a gift shop without reporting revenue or paying concession fees.</p>	<p>The Department should review all unauthorized activities and issue Permits as appropriate to comply with County policies.</p>	<p>The Department conducted a site visit to ensure that all services provided to tenants and/or subtenants are valid and permitted. On July 13, 2012, violators were instructed to cease utilizing unpermitted service providers or have them apply for a permit.</p>	<p>Partially Resolved Most findings cited in the prior report have not been resolved by the Department. (See page 5, Table III of the Audit Report.) WOM will not be required to pay concession fees.</p>
<p>Security Deposit Deficiencies As of March 31, 2011, eight tenants, including seven cited in the prior report, have not posted the required security deposits, and thus deficiencies totaled \$70,123.</p>	<p>The Department should resolve the deficiencies within 30 days. Also, staff should be more diligent in assuring that security deposits accord with Department policy.</p>	<p>On September 13, 2011, Landmark Aviation Miami, LLC remitted \$41,901 to satisfy deposit requirements for the Agreement previously held by FalconTrust Air, LLC. As of June 30, 2012, only five tenants have deficiencies totaling \$21,262.</p>	<p>Partially Resolved Four of the eight tenants previously cited have since posted the required security deposits. (See page 8, Table IV of the Audit Report.)</p>
<p>Billing Matters • WOM was overbilled \$28,606 through March 31, 2011 and had an over-90-day balance totaling \$100,939. • C.R. Aviation, Inc. was not billed for use of two steel hangars, and the Department failed to address code violations pertaining to the hangars. • FalconTrust Air, LLC was underbilled rents totaling \$48,207.</p>	<p>The Department should resolve the cited billing matters.</p>	<p>WOM: The Department concurs with the finding. C.R. Aviation, Inc.: An amortization schedule will be prepared by July 31, 2012 to pay down the said amount while the tenant begins paying to lease these two hangars. FalconTrust Air, LLC: Landmark paid the Department \$554,163 in settlement of FalconTrust's outstanding balances.</p>	<p>Partially Resolved The Department issued credits to WOM to correct the overbilling, and additional rents owed for the Office and Gift Shop were retroactively invoiced through April 2012. However, the delinquent balance increased from \$100,939 to \$113,884, and a payment plan has been negotiated. The BCC approved rental rates for C.R. Aviation, Inc.'s use of the two steel hangars, however, the Department has not issued the bill.</p>
<p>Other Permits Several tenants/subtenants could not substantiate payment of the required Local Business Tax, provide Certificates of Occupancy and Use, or produce current Miami-Dade Fire Operating permits. Also, insurance deficiencies for three tenants were noted as of June 30, 2011.</p>	<p>The Department should require tenants to correct the deficiencies as soon as possible.</p>	<p>The Department has incorporated into the Property Manager's facility inspections, a requirement to assure tenants have paid for a current Local Business Tax certificate. As stated previously in the Opa-Locke response, Certificates of Use are not a requirement for Aviation tenants.</p>	<p>Mostly Resolved Most deficiencies were resolved. (See page 6 of the Audit Report and Schedule IV.)</p>

Kendall-Tamiami Executive Airport Follow-up Audit
T-Hangar Observations as of May 15 and 16, 2013

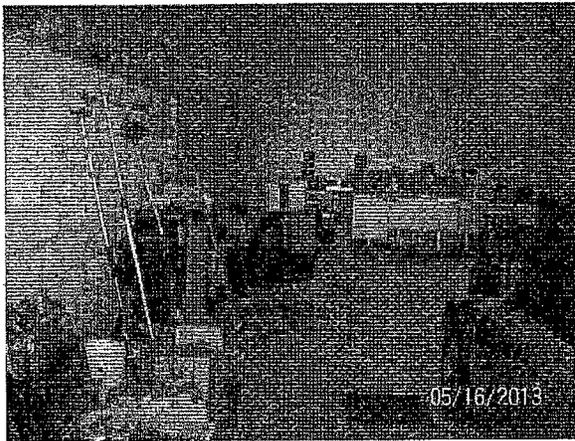
Air Sal, Inc.



Bldg 118 - Hangar 1



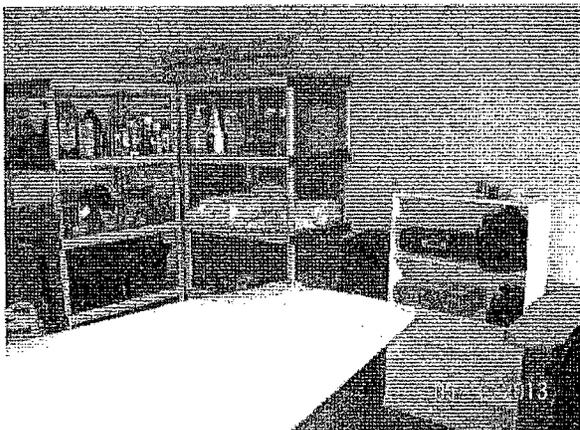
Bldg 118 - Hangar 3



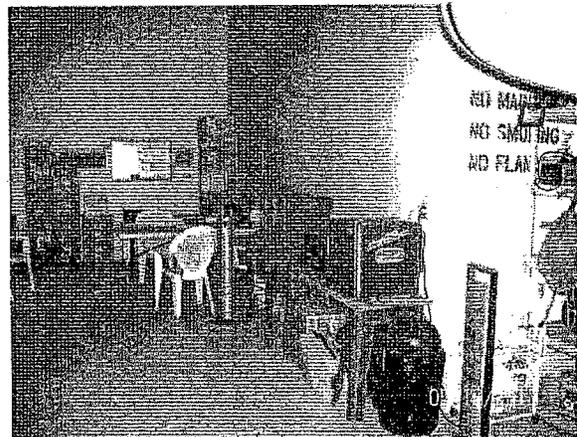
Bldg 118 - Hangar 8



Bldg 118 - Hangar 11



Bldg 120 - Hangar 11



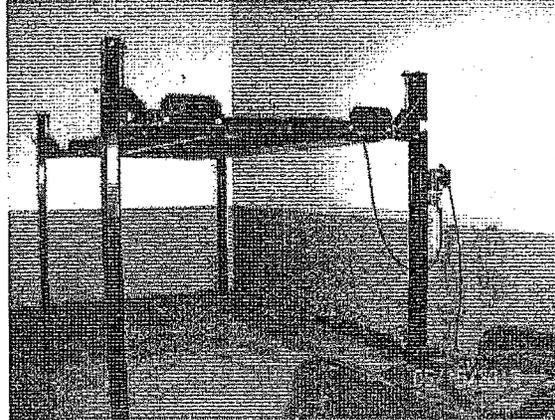
Bldg 120A - Hangar 2

Kendall-Tamiami Executive Airport Follow-up Audit
T-Hangar Observations as of May 15 and 16, 2013

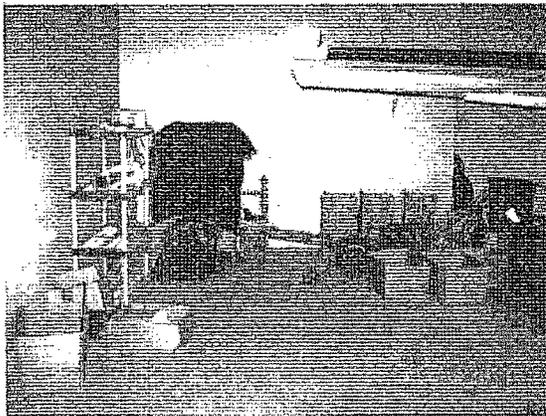
Air Sal, Inc. (Cont.)



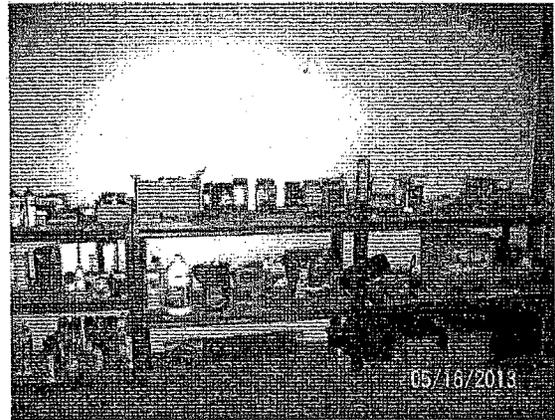
Bldg 120A - Hangar 3



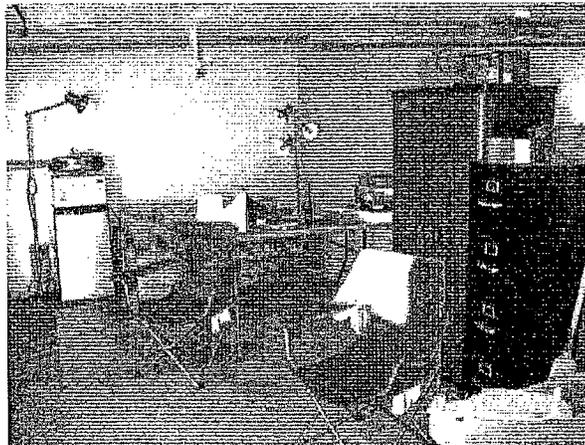
Bldg 120A - Hangar 5



Bldg 120A - Hangar 6



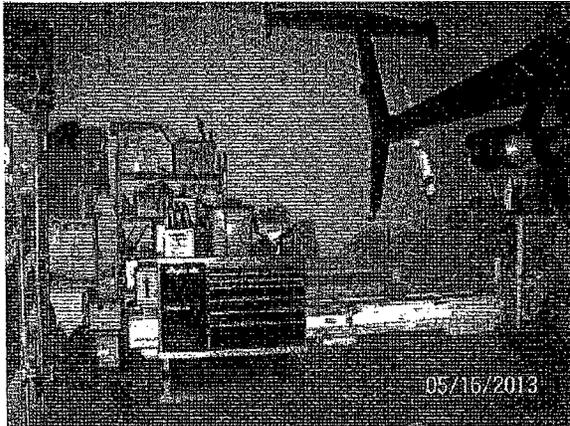
Bldg 120A - Hangar 11



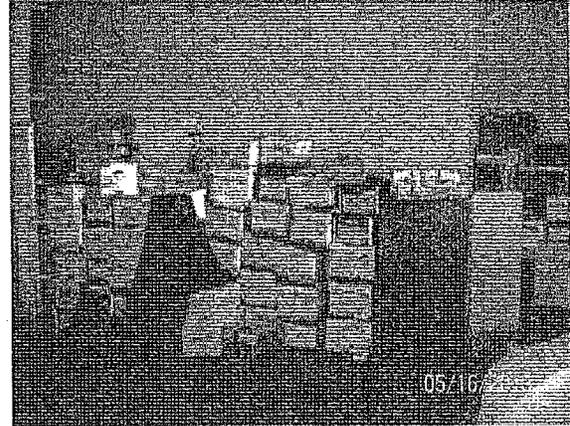
Bldg 120A - Hangar 12

Kendall-Tamiami Executive Airport Follow-up Audit
T-Hangar Observations as of May 15 and 16, 2013

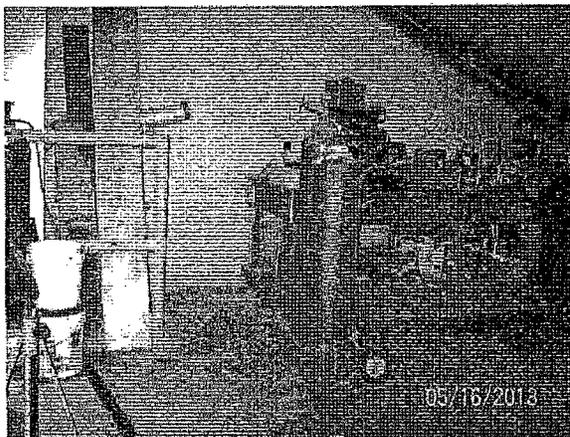
Reliance Aviation-Miami, LLC



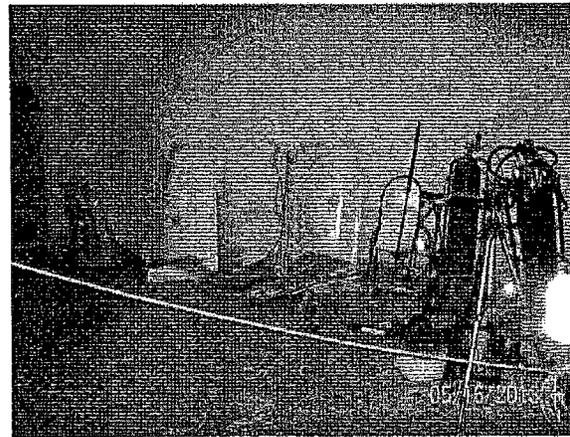
Bldg 225 - Hangar 1



Bldg 225 - Hangar 2



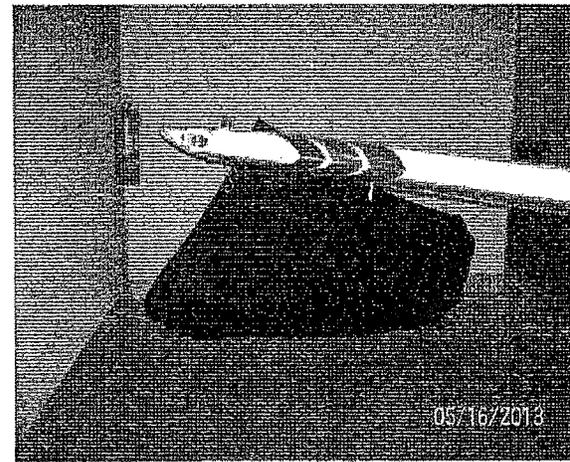
Bldg 225 - Hangar 4



Bldg 225 - Hangar 5



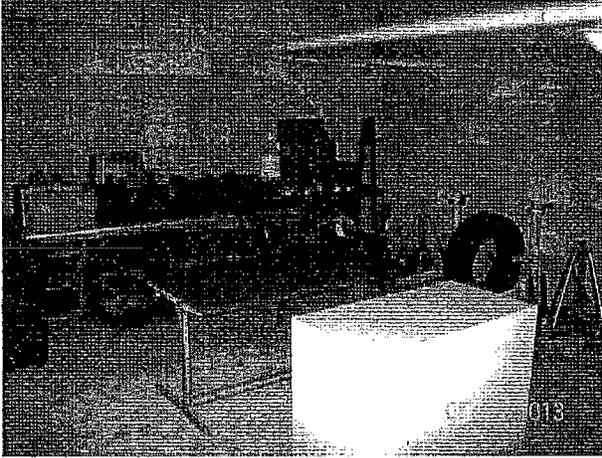
Bldg 225 - Hangar 6



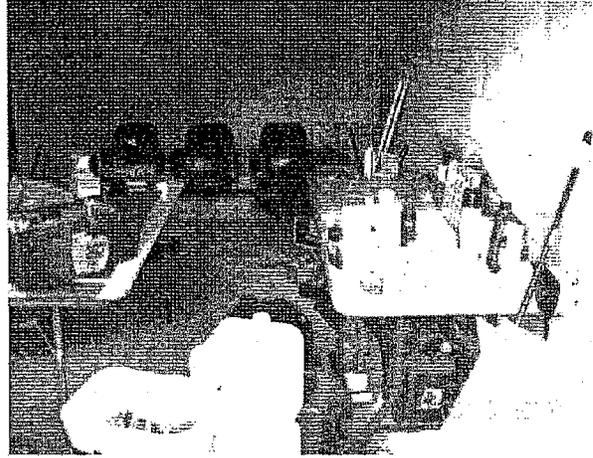
Bldg 225 - Hangar 16

Kendall-Tamiami Executive Airport Follow-up Audit
T-Hangar Observations as of May 15 and 16, 2013

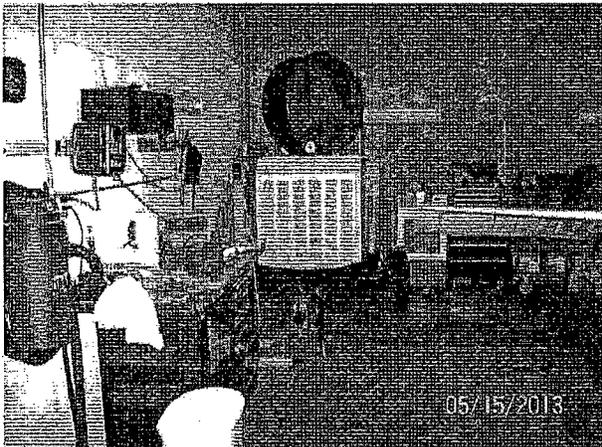
Tamiami Air, Inc.



Bldg 233 - Hangar 1



Bldg 233 - Hangar 2



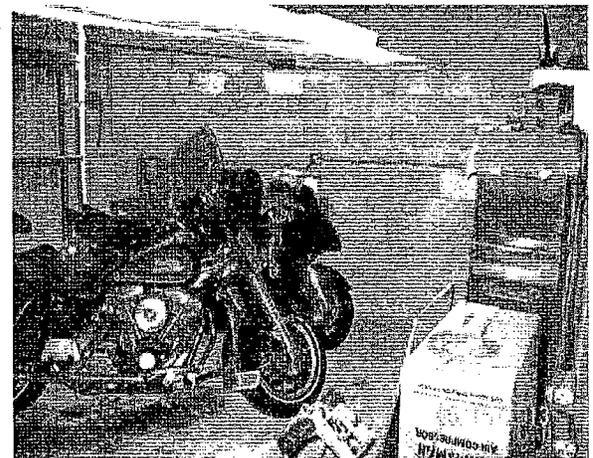
Bldg 233 - Hangar 3



Bldg 233 - Hangar 5



Bldg 233 - Hangar 6



Bldg 233 - Hangar 9

Kendall-Tamiami Executive Airport Follow-up Audit,
T-Hangar Observations as of May 15 and 16, 2013

Tamiami Air, Inc. (Cont.)



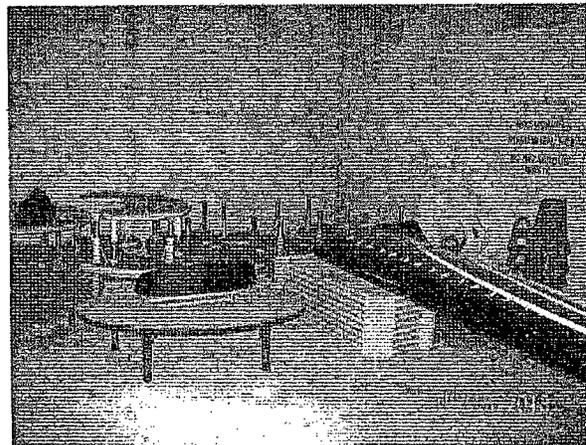
Bldg 233 - Hangar 10



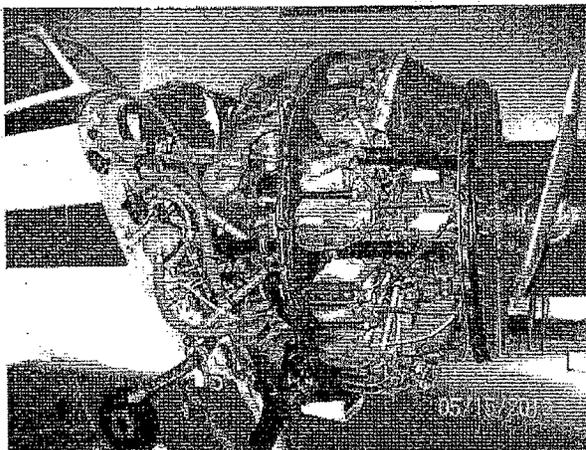
Bldg 233 - Hangar 12



Bldg 234 - Hangar 14



Bldg 234 - Hangar 15



Bldg 234 - Hangar 16



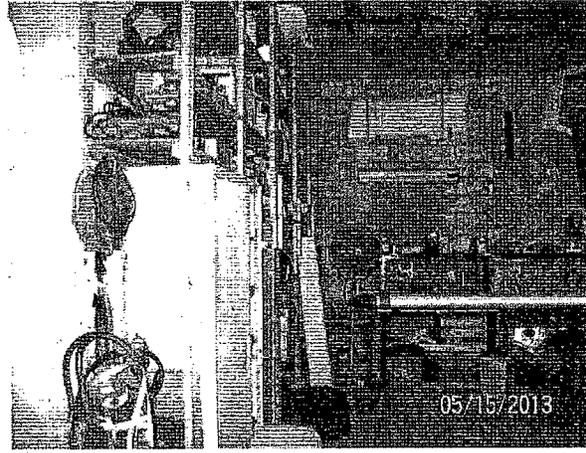
Bldg 234 - Hangar 21

Kendall-Tamiami Executive Airport Follow-up Audit
T-Hangar Observations as of May 15 and 16, 2013

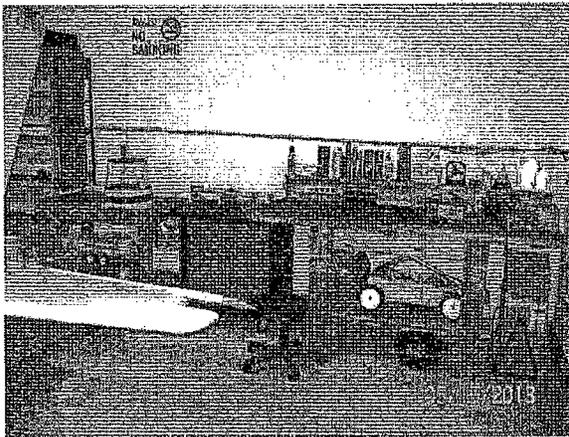
Tamiami Air, Inc. (Cont.)



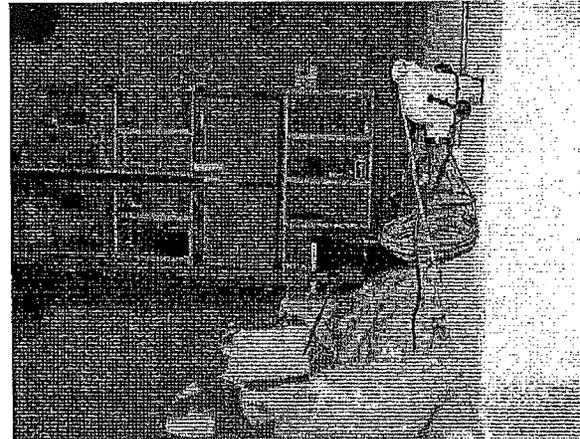
Bldg 234 - Hangar 22



Bldg 234 - Hangar 23



Bldg 234 - Hangar 24



Bldg 235 - Hangar 25



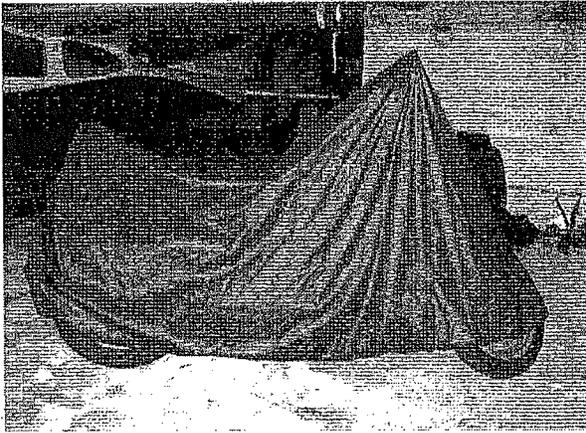
Bldg 235 - Hangar 26



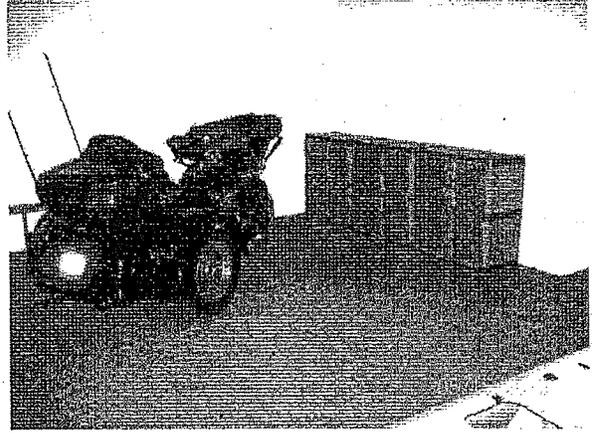
Bldg 235 - Hangar 32

Kendall-Tamiami Executive Airport Follow-up Audit
T-Hangar Observations as of May 15 and 16, 2013

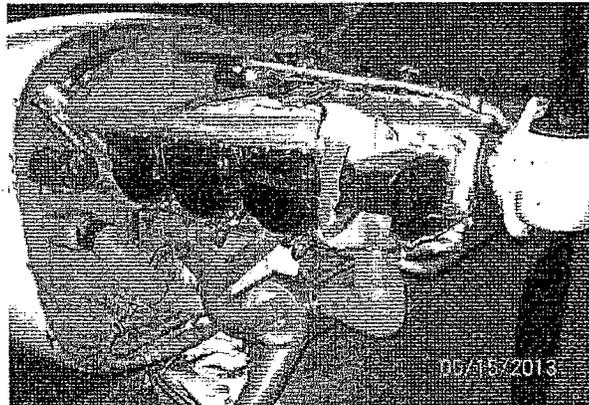
Tamiami Air, Inc. (Cont.)



Bldg 235 - Hangar 34

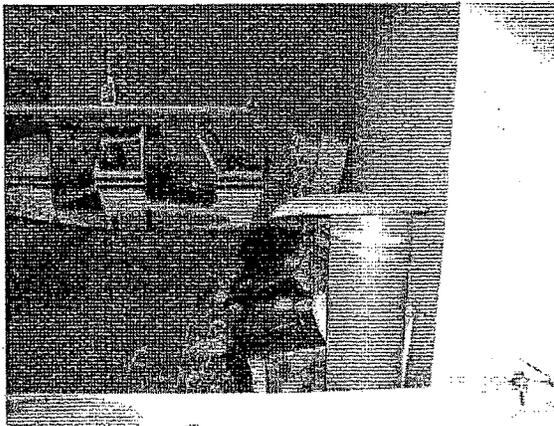


Bldg 235 - Hangar 35



Bldg 235 - Hangar 36

Landmark Aviation Miami, LLC



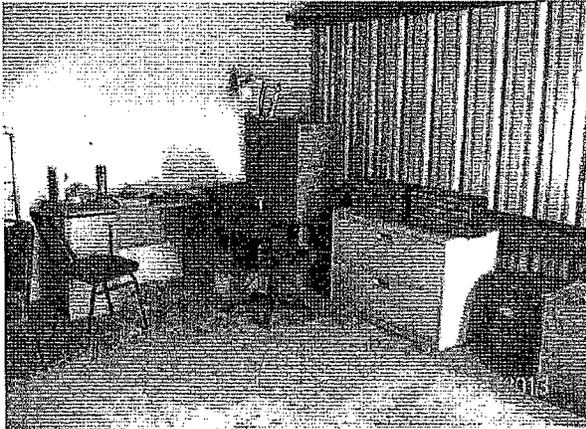
Bldg 241 - Hangar 208



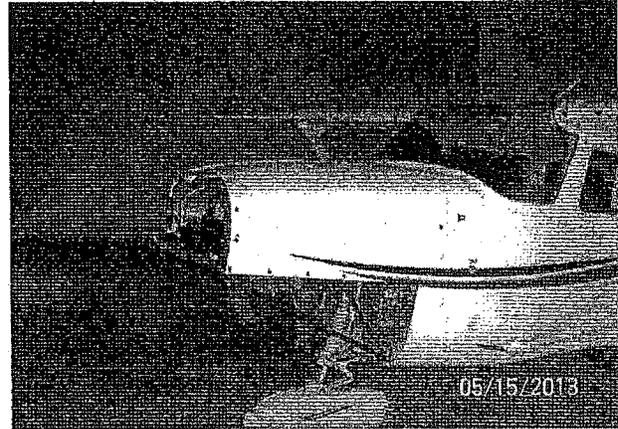
Bldg 241 - Hangar 212

Kendall-Tamiami Executive Airport Follow-up Audit
T-Hangar Observations as of May 15 and 16, 2013

Landmark Aviation Miami, LLC (Cont.)



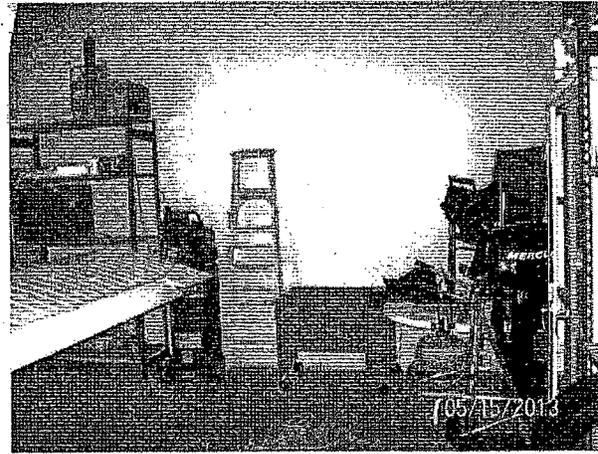
Bldg 241 - Hangar 214



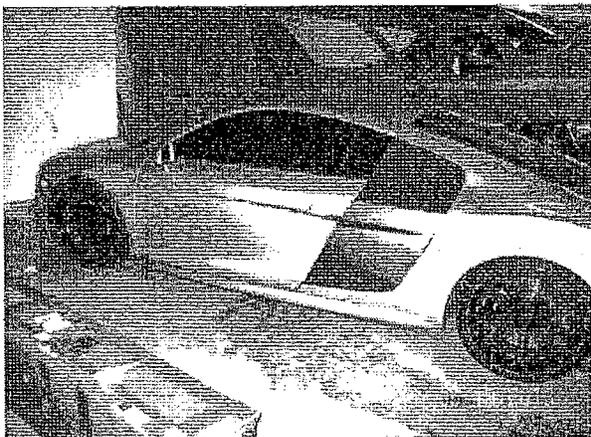
Bldg 241 - Hangar 215



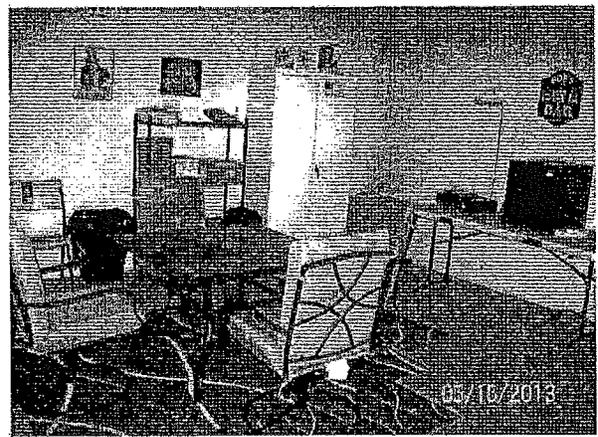
Bldg 241 - Hangar 217



Bldg 241 - Hangar 220



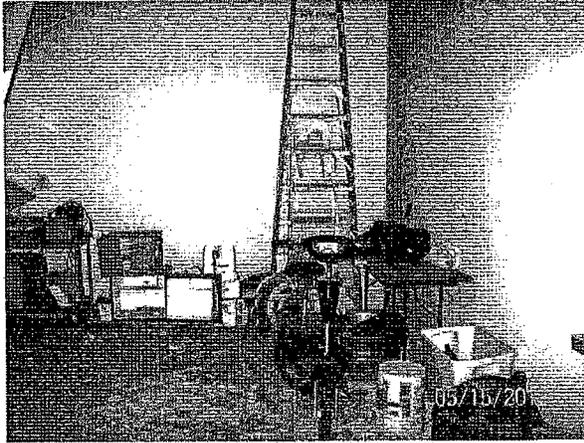
Bldg 242 - Hangar 321



Bldg 242 - Hangar 324

Kendall-Tamiami Executive Airport Follow-up Audit
T-Hangar Observations as of May 15 and 16, 2013

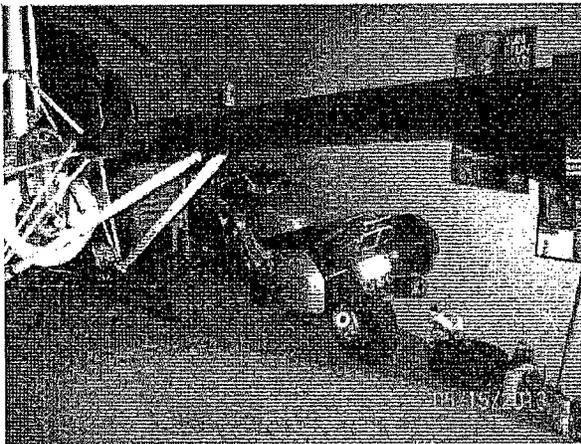
Landmark Aviation Miami, LLC (Cont.)



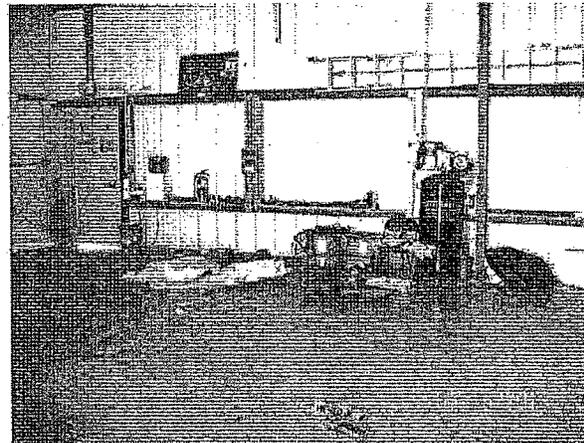
Bldg 242 - Hangar 326



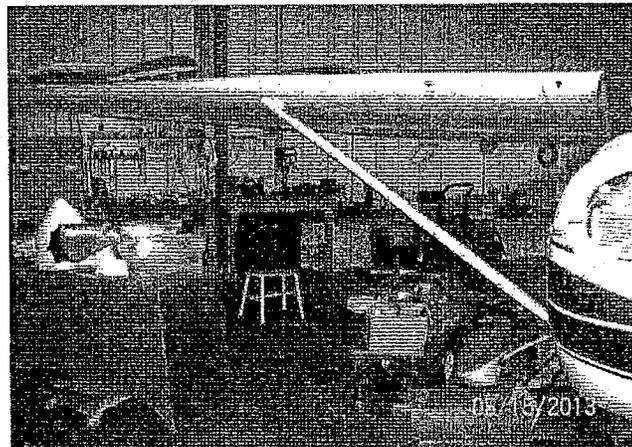
Bldg 242 - Hangar 333



Bldg 242 - Hangar 334



Bldg 243 - Hangar 439



Bldg 243 - Hangar 441