

# BOCA RATON AIRPORT AUTHORITY MEETING AGENDA

Wednesday, May 15, 2019  
Council Chambers – City Hall  
201 W. Palmetto Park Road, Boca Raton, Florida

The Boca Raton Airport Authority Agenda will be considered by the Chair and Authority Members Wednesday, May 15, 2019 at 6 p.m. All requests to be placed on the agenda by the public must be submitted to the Executive Director, in writing, via the Agenda Request Form, at least twenty (20) days before the Authority meeting. Such written requests must be in sufficient detail to identify the subject matter as well as the contact person who will represent the matter before the Authority. The Boca Raton Airport Authority reserves the right to not consider matters over which the Authority has no jurisdiction.

This meeting will be televised on Comcast channel 20 in the City of Boca Raton, and on AT&T U-Verse channel 99 throughout Palm Beach County and will be videotaped for broadcast at a later date. The meeting will also be streamed live to the Boca Raton Airport Authority Website, [www.bocaairport.com](http://www.bocaairport.com) and may also be heard on the radio on 1650 AM.

## I. ROLL CALL

|                |                     |
|----------------|---------------------|
| MITCHELL FOGEL | CHAIR               |
| MELVIN POLLACK | VICE-CHAIR          |
| RANDY NOBLES   | SECRETARY/TREASURER |
| CHERYL BUDD    | BOARD MEMBER        |
| GENE FOLDEN    | BOARD MEMBER        |
| JAMES R. NAU   | BOARD MEMBER        |
| BOB TUCKER     | BOARD MEMBER        |

## II. APPROVAL OF MINUTES

Consider approval of Minutes for the Regular Meeting of April 17, 2019.

## III. AGENDA CHANGES

## IV. PUBLIC REQUESTS

If any member of the public wishes to provide comment on any item, the time to do so is now. Please complete a public comment card identifying the item upon which you wish to be heard and provide it to Ms. Landers. The public comment

cards are located in the lobby. Each member of the public wishing to comment will be provided with 5 minutes to do so. The Chair reserves the right to move the public comment opportunity on a specific agenda item to the point in the agenda when that item is to be considered and /or to extend the allotted time per speaker.

**V. CONSENT AGENDA**

**VI. FEDERAL, STATE AND MUNICIPAL INPUT**

**VII. FINANCIAL REPORT**

A. Presentation of the April 2019 Financial Report.

Consider a Motion for approval of the Financial Report for April 2019.

B. Presentation of the Financial Report for the fiscal year ending September 30, 2018 as prepared by the Authority's Independent Auditor, Grau and Associates.

Consider Resolution No. 05-05-19 of the Boca Raton Airport Authority adopting the Boca Raton Airport Authority's Financial Statements, Schedule of Expenditures of Federal Awards and State Financial Assistance Projects and the Independent Auditor's Reports for the fiscal year ending September 30, 2018.

C. Presentation of the 2019 Investment Report.

**VIII. TENANT REPORTS AND REQUESTS**

**IX. EXECUTIVE DIRECTOR AND STAFF REPORTS**

A. Noise Abatement/Operations Summary for the month of April 2019.

B. Commercial Property Insurance Policy Renewal.

C. Presentation on Lease Reversions.

D. Federal Aviation Administration Metroplex Workshop Update.

E. Boca Raton High School NJROTC Student Day.

**X. AUTHORITY BOARD MEMBER REQUESTS AND REPORTS**

**XI. PUBLIC COMMENT**

**XII. OTHER BUSINESS**

**XIII. MISCELLANEOUS**

The Boca Raton Airport Authority Workshop is scheduled for June 4, 2019 at 1:00 p.m. and will be held at the Boca Raton Airport Authority Administration Building.

The next meeting is scheduled for June 19, 2019 at 6:00 p.m. in the Boca Raton Council Chambers at City Hall.

**XIV. ADJOURNMENT**

Respectfully Submitted,  
Clara Bennett  
Executive Director

**Boca Raton Airport Authority  
Meeting Minutes  
April 17, 2019  
Boca Raton City Hall – Council Chambers**

Chair Mitchell Fogel called the meeting to order at 6:00 P.M.

**BOARD MEMBERS**

|                |                              |
|----------------|------------------------------|
| Mitchell Fogel | Chair                        |
| Melvin Pollack | Vice-Chair - ABSENT          |
| Randy Nobles   | Secretary/Treasurer - ABSENT |
| Cheryl Budd    | Board Member                 |
| Gene Folden    | Board Member                 |
| James R. Nau   | Board Member                 |
| Bob Tucker     | Board Member                 |

**COUNSEL**

Amy Petrick, Esquire – Lewis Longman Walker

**STAFF**

Clara Bennett, Executive Director  
Scott Kohut, Deputy Director  
Ariadna Camilo, Finance and Administration Manager  
Travis Bryan, Operations Manager  
Christine Landers, Business Manager  
Robert Abbott, Operations Coordinator  
William Urbanek, Operations Coordinator

The meeting was televised live and videotaped for broadcast at a later date. The meeting was also streamed live to the Boca Raton Airport Authority Website, [www.bocaairport.com](http://www.bocaairport.com) and aired on the radio at 1650 AM.

**APPROVAL OF MINUTES**

**A MOTION to approve the minutes of the March 20, 2019 Regular Meeting was made by Mr. Tucker and seconded by Mr. Folden. The Motion was carried unanimously.**

**AGENDA CHANGES**

There were no agenda changes.

**CONSENT AGENDA**

There were no items on the consent agenda.

**FEDERAL, STATE AND MUNICIPAL INPUT**

There was no Federal, State or Municipal Input.

### **PUBLIC REQUESTS**

Mr. Neil Haynie spoke regarding the Condo 5/23 lease reversions and expressed concern regarding the direction of aircraft clearing at the Custom and Border Protection Facility and the emission fumes.

A discussion ensued.

Ms. Budd requested that Airport Management provide a legal clarification of the lease reversions at the next Board Meeting.

### **FINANCIAL REPORT**

Ms. Camilo presented the Financial Report for March 2019.

**A MOTION to approve the Financial Report for March 2019 was made by Ms. Budd and seconded by Mr. Tucker. The Motion carried unanimously.**

### **TENANT REPORTS AND REQUESTS**

There were no tenant reports or requests.

### **EXECUTIVE DIRECTOR AND STAFF REPORTS**

Mr. Urbanek presented the Noise Abatement/Operations Summary for the month of March 2019.

Mr. Neil Haynie inquired as to what the Airport was doing in response to the large number of automatically generated noise concerns.

A discussion ensued.

Ms. Bennett gave an overview as to the process of investigating the concerns and responding to the community.

Mr. Kohut provided an update on current airport projects.

Mr. Kohut provided an update on the Federal Aviation Administration Central-South Metroplex.

### **AUTHORITY MEMBERS REQUESTS AND REPORTS**

Mr. Fogel reminded the Board that there will be a Board Workshop on June 4, 2019 at 1:00 p.m.

**PUBLIC INPUT**

There was no public input.

**OTHER BUSINESS**

There was no other business.

**MISCELLANEOUS**

The next regularly scheduled meeting is Wednesday May 15, 2019 at 6:00 p.m. in the Boca Raton Council Chambers at City Hall.

**ADJOURNMENT**

Meeting adjourned at 6:37 p.m.

\_\_\_\_\_  
Mitchell Fogel, Chair

\_\_\_\_\_  
Date



# Memo

To: Mitchell Fogel, Chair and Board Members  
From: Ariadna Camilo, Finance and Administration Manager  
Date: May 15, 2019  
RE: **Financial Report –April 2019**

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## **AGENDA ITEM – VII – A**

Airport Management and the Secretary/Treasurer will provide an overview of the Financial Report for the seven months ending April 30, 2019.

Total Operating Revenues as of April 30, 2019 were \$2,851,888 an increase of \$445,973 or 18.5% to budget. This increase in revenue year to date is attributable to an increase in Customs Facility and Fuel Flowage Revenue.

Total Non-Operating Revenues and Capital Contributions as of March 31, 2019 were \$988,691.

Total Operating Expenses as of April 30, 2019 were \$1,504,134 a decrease of \$354,341 or 19.1% compared to budget. Significant variances in expenses compared to budget for the seven months ending April 30, 2019 are as follows:

- Customs Facility expenditures are down \$67,870 or 36.6% to budget, primarily due to onetime expenses anticipated later in the year and officer overtime expenditures incurred year to date not yet invoiced.
- Project expenditures are down \$249,601 or 84.3% to budget, primarily due to the ATCT rehabilitation project.
- Professional Services are down \$61,001 or 58.6% to budget, primarily due to Legal Service expenditures being lower than anticipated. Year to date expenditures are detailed below, including a breakdown of costs for board member related matters and capital projects.

|                | OCT      | NOV      | DEC    | JAN    | FEB      | MAR      | APR      | MAY  | JUNE | JULY | AUG  | SEPT | TOTAL     |
|----------------|----------|----------|--------|--------|----------|----------|----------|------|------|------|------|------|-----------|
| <b>GENERAL</b> | \$ 2,517 | \$ 1,196 | \$ 650 | \$ 858 | \$ 5,642 | \$ 5,675 | \$ 6,809 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 23,346 |
| <b>BOARD</b>   | \$ -     | \$ -     | \$ -   | \$ -   | \$ -     | \$ 156   | \$ -     | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 156    |
| <b>CUSTOMS</b> | \$ 1,300 | \$ 1,555 | \$ -   | \$ -   | \$ -     | \$ -     | \$ -     | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 2,855  |

Total Capital Expenditures as of April 30, 2019 were \$1,343,175. The majority of Capital Expenditures were attributable to Task 41 – Security Enhancements, Task 47 – Access Road Improvements, and Task 56 – Airfield Pavement Rejuvenator of the Capital Improvement Program. Of the total \$1,343,175 in Capital Expenditures, \$2,855 were attributable to project-related legal fees, while \$17,121 were attributable to Capital Outlay.



**Boca Raton Airport Authority**  
**Income Statement: Budget Variance Summary**  
**For the Seven Months Ending April 30, 2019**  
(unaudited)

**Summary Results**

|  | FY 2019<br>Annual<br>Budget | FY 2019<br>April<br>Actual | FY 2019<br>April<br>Budget | Variance<br>FY 2019 Actual vs. Budget |                |
|--|-----------------------------|----------------------------|----------------------------|---------------------------------------|----------------|
|  |                             |                            |                            | Dollars                               | Percent        |
| Operating Revenues                                     | \$ 4,124,425                | \$ 2,851,888               | \$ 2,405,914               | \$ 445,973                            | 18.5%          |
| Operating Expenses                                     | \$ 3,185,957                | \$ 1,504,134               | \$ 1,858,475               | \$ (354,341)                          | -19.1%         |
| <b>Operating Income/(Loss)<br/>before Depreciation</b> | <b>\$ 938,468</b>           | <b>\$ 1,347,754</b>        | <b>\$ 547,440</b>          | <b>\$ 800,314</b>                     | <b>146.2%</b>  |
| Depreciation   | \$ 1,641,650                | \$ 957,629                 | \$ 957,629                 | \$ -                                  | 0.0%           |
| <b>Net Operating Income/(Loss)</b>                     | <b>\$ (703,182)</b>         | <b>\$ 390,124</b>          | <b>\$ (410,190)</b>        | <b>\$ 800,314</b>                     | <b>-195.1%</b> |
| Non-Operating Revenues                                 | \$ 405,932                  | \$ 24,480                  |                            |                                       |                |
| <b>Income/(Loss)<br/>before Capital Contributions</b>  | <b>\$ (297,250)</b>         | <b>\$ 414,604</b>          |                            |                                       |                |
| Capital Contributions<br>from State and Federal Grants | \$ 1,060,000                | \$ 964,211                 |                            |                                       |                |
| <b>Change in Net Position</b>                          | <b>\$ 762,750</b>           | <b>\$ 1,378,815</b>        |                            |                                       |                |



**Boca Raton Airport Authority**  
**Income Statement: Budget Variance Summary**  
**For the Seven Months Ending April 30, 2019**  
(unaudited)

**Revenue Summary**

|  | FY 2019<br>Annual<br>Budget | FY 2019<br>April<br>Actual | FY 2019<br>April<br>Budget | Variance<br>FY 2019 Actual vs. Budget |              |
|--|-----------------------------|----------------------------|----------------------------|---------------------------------------|--------------|
|  |                             |                            |                            | Dollars                               | Percent      |
| Rent Revenue   | \$ 3,063,351                | \$ 1,846,055               | \$ 1,786,955               | \$ 59,100                             | 3.3%         |
| Fuel Flowage Fees  | \$ 700,000                  | \$ 520,630                 | \$ 408,333                 | \$ 112,297                            | 27.5%        |
| Customs Facility Revenue                                       | \$ 165,000                  | \$ 353,310                 | \$ 96,250                  | \$ 257,060                            | 267.1%       |
| Interest Income  | \$ 120,000                  | \$ 89,528                  | \$ 70,000                  | \$ 19,528                             | 27.9%        |
| Other Revenue  | \$ 76,074                   | \$ 42,365                  | \$ 44,376                  | \$ (2,011)                            | -4.5%        |
| <b>Total Operating Revenues</b>                                | <b>\$ 4,124,425</b>         | <b>\$ 2,851,888</b>        | <b>\$ 2,405,914</b>        | <b>\$ 445,973</b>                     | <b>18.5%</b> |
| FDOT Grants  | \$ 405,932                  | \$ 24,480                  |                            |                                       |              |
| <b>Non-Operating Revenues</b>                                  | <b>\$ 405,932</b>           | <b>\$ 24,480</b>           |                            |                                       |              |
| FDOT Grants  | \$ 910,000                  | \$ 955,958                 |                            |                                       |              |
| FAA Grants   | \$ 150,000                  | \$ 8,253                   |                            |                                       |              |
| <b>Capital Contributions<br/>from State and Federal Grants</b> | <b>\$ 1,060,000</b>         | <b>\$ 964,211</b>          |                            |                                       |              |



**Boca Raton Airport Authority**  
**Income Statement: Budget Variance Summary**  
**For the Seven Months Ending April 30, 2019**  
(unaudited)

**Expense Summary**

|                                   | FY 2019<br>Annual<br>Budget | FY 2019<br>April<br>Actual | FY 2019<br>April<br>Budget | Variance<br>FY 2019 Actual vs. Budget |               |
|-----------------------------------|-----------------------------|----------------------------|----------------------------|---------------------------------------|---------------|
|                                   |                             |                            |                            | Dollars                               | Percent       |
| Personnel Expenses                | \$ 1,104,721                | \$ 621,662                 | \$ 644,420                 | \$ (22,758)                           | -3.5%         |
| Professional Services             | \$ 178,500                  | \$ 43,124                  | \$ 104,125                 | \$ (61,001)                           | -58.6%        |
| Office Operating Expenses         | \$ 248,985                  | \$ 171,338                 | \$ 145,241                 | \$ 26,097                             | 18.0%         |
| Airport Operations                | \$ 446,211                  | \$ 266,900                 | \$ 260,290                 | \$ 6,610                              | 2.5%          |
| Insurance Expense                 | \$ 153,147                  | \$ 93,409                  | \$ 89,336                  | \$ 4,073                              | 4.6%          |
| ATCT Facility                     | \$ 46,800                   | \$ 24,878                  | \$ 27,300                  | \$ (2,422)                            | -8.9%         |
| Customs Facility                  | \$ 317,576                  | \$ 117,383                 | \$ 185,253                 | \$ (67,870)                           | -36.6%        |
| Marketing & Special Events        | \$ 182,602                  | \$ 119,049                 | \$ 106,518                 | \$ 12,531                             | 11.8%         |
| Projects                          | \$ 507,415                  | \$ 46,391                  | \$ 295,992                 | \$ (249,601)                          | -84.3%        |
| <b>Total Operating Expenses</b>   | <b>\$ 3,185,957</b>         | <b>\$ 1,504,134</b>        | <b>\$ 1,858,475</b>        | <b>\$ (354,341)</b>                   | <b>-19.1%</b> |
| Capital Outlay                    | \$ 62,500                   | \$ 17,121                  |                            |                                       |               |
| Capital Improvement Program       | \$ 1,300,000                | \$ 1,326,054               |                            |                                       |               |
| <b>Total Capital Expenditures</b> | <b>\$ 1,362,500</b>         | <b>\$ 1,343,175</b>        |                            |                                       |               |



**Boca Raton Airport Authority**  
**Balance Sheet Summary**  
**April 30, 2019**  
(unaudited)

**Summary Results**

| ASSETS                              |                             | LIABILITIES AND CAPITAL                |                             |
|-------------------------------------|-----------------------------|--|-----------------------------|
| Current Assets                      |                             | Current Liabilities                    |                             |
| Cash and Cash Equivalents           | \$ 1,669,342                | Accounts Payable                       | \$ 82,299                   |
| Receivables                         | \$ 69,145                   | Due to Other Governments               | \$ -                        |
| Due From Other Governments          | \$ 14,605                   | Compensated Absences, short-term       | \$ 39,264                   |
| Money Markets                       | \$ 3,752,966                | Deferred Rent Income                   | <u>\$ 91,166</u>            |
| Certificates of Deposit             | \$ 4,206,320                | <b>Total Current Liabilities</b>       | <b>\$ 212,729</b>           |
| Certificates of Deposit, Restricted | \$ 181,291                  | Non-Current Liabilities                |                             |
| Other Assets                        | <u>\$ 103,920</u>           | Security Deposits                      | \$ 167,879                  |
| <b>Total Current Assets</b>         | <b>\$ 9,997,588</b>         | Compensated Absences, long-term        | <u>\$ -</u>                 |
| Non-Current Assets                  |                             | <b>Total Non-Current Liabilities</b>   | <b>\$ 167,879</b>           |
| Rent Receivable                     | \$ 441,242                  | <b>Total Liabilities</b>               | <b><u>\$ 380,608</u></b>    |
| Capital Assets                      |                             | Capital                                |                             |
| Land                                | \$ 1,791,886                | Florida Operations Trust Fund          | \$ 267,950                  |
| Avigation Easements                 | \$ 4,835,961                | Retained Earnings                      | \$ 39,087,563               |
| Project in Progress                 | \$ 3,421,931                | Contributed Capital - Federal          | \$ 317,029                  |
| Buildings                           | \$ 11,526,229               | Contributed Capital - State            | \$ 6,430,281                |
| Land Procurement                    | \$ 955,070                  | Net Income                             | <u>\$ 1,378,815</u>         |
| Leasehold Improvements              | \$ 8,253,726                | <b>Total Capital</b>                   | <b>\$ 47,481,639</b>        |
| Furniture, Fixtures, and Equipment  | \$ 2,759,366                | <b>Total Liabilities &amp; Capital</b> | <b><u>\$ 47,862,247</u></b> |
| Infrastructure                      | \$ 24,809,710               |  |                             |
| Less Accumulated Depreciation       | <u>\$ (20,930,463)</u>      |  |                             |
| <b>Total Non-Current Assets</b>     | <b>\$ 37,864,659</b>        |  |                             |
| <b>Total Assets</b>                 | <b><u>\$ 47,862,247</u></b> |  |                             |



# Memo

To: Mitchell Fogel, Chair and Board Members  
From: Ariadna Camilo, Finance and Administration Manager  
Date: May 15, 2019  
RE: **Boca Raton Airport Authority External Audit**

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## **AGENDA ITEM – VII – B**

The Authority's External Auditors, Grau & Associates have prepared the Financial Reports for the Fiscal Year ending September 30, 2018. The report contains no findings.

On behalf of Airport Management and the Secretary/Treasurer, we recommend approval of Resolution Number 05-05-19 adopting the Boca Raton Airport Authority's Financial Statements, Schedule of Expenditures of Federal Awards and State Financial Assistance Projects, and the Independent Auditor's Reports for the Fiscal Year ending September 30, 2018.

**BOCA RATON AIRPORT AUTHORITY**

**RESOLUTION 05-05-19**

**A Resolution of the Boca Raton Airport Authority adopting the Boca Raton Airport Authority's Financial Statements, Schedule of Expenditures of Federal Awards and State Financial Assistance Projects and the Independent Auditor's Reports for the fiscal year ending September 30, 2018.**

**WHEREAS**, The Boca Raton Airport Authority Act, Laws of Florida, provides that the Boca Raton Airport Authority (the "Authority") shall have jurisdiction over the operation, maintenance of, and improvements to the Boca Raton Airport;

**WHEREAS**, the Authority has prepared the Financial Statements for the Fiscal Year ending September 30, 2018;

**WHEREAS**, the Authority's Independent Auditor, Grau & Associates (the "Independent Auditor"), has reviewed the Financial Statements and prepared an Auditor's Report in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States;

**WHEREAS**, the Independent Auditor performed these audits to obtain reasonable assurance about whether the Financial Statements are free of material misstatements; and

**WHEREAS**, the Authority's financial statements referred to and herein set forth, present fairly, in all material respects, the financial position of the Boca Raton Airport Authority as of September 30, 2018.

**NOW THEREFORE BE IT RESOLVED BY THE BOCA RATON AIRPORT AUTHORITY, BOCA RATON, FLORIDA, IN PUBLIC MEETING DULY ASSEMBLED, THIS 15<sup>TH</sup> DAY OF MAY 2019, AS FOLLOWS:**

- 1. The foregoing recitals are true and correct and set forth the legislative intent of the Resolution.**
- 2. In accordance with Government Auditing Standards, the Authority hereby adopts the Boca Raton Airport Authority's Financial Statements, Schedule of Expenditures of Federal Awards and State Financial Assistance Projects, and the Independent Auditor's Reports for the fiscal year ending September 30, 2018, a copy of which is attached hereto as "Exhibit A".**
- 3. The Executive Director, with assistance from Airport Legal Counsel, is hereby authorized to do all things necessary to effectuate the intent of this Resolution Number 05-95-19.**
- 4. The Chair or Vice-Chair of the Boca Raton Airport Authority is hereby authorized to execute Resolution Number 05-05-19.**
- 5. Resolution Number 05-05-19 shall take effect upon adoption.**

**ADOPTED** by the Boca Raton Airport Authority, this 15<sup>TH</sup> day of May 2019.

**ATTEST:**

**BOCA RATON AIRPORT AUTHORITY**

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**Randy Nobles, Secretary & Treasurer**

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**Mitchell Fogel, Chair**



**Grau & Associates**  
CERTIFIED PUBLIC ACCOUNTANTS

951 Yamato Road • Suite 280  
Boca Raton, Florida 33431  
(561) 994-9299 • (800) 299-4728  
Fax (561) 994-5823  
[www.graucpa.com](http://www.graucpa.com)

April 18, 2019

To the Board of Supervisors  
Boca Raton Airport Authority  
Boca Raton, Florida

We have audited the financial statements of the Boca Raton Airport Authority, Boca Raton, Florida ("Authority") for the fiscal year ended September 30, 2018. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and the Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 22, 2017. Professional standards also require that we communicate to you the following information related to our audit.

We have also examined the Authority's compliance with the requirements of Section 218.415, Florida Statutes, in accordance with Rule 10.556(10) of the Auditor General of the State of Florida during the fiscal year ended September 30, 2018 which was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants.

Significant Audit Matters

*Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Authority are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the fiscal year. We noted no transactions entered into by the Authority during the fiscal year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

Management's estimate of the useful lives of capital assets is based on information obtained from the experience of other governments as adapted for differences in application and environment. We evaluated the key factors and assumptions used to develop the estimate of the useful lives of capital assets in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

*Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

*Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

*Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated April 18, 2019.

### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Authority's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Authority's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

### Other Matters

We applied certain limited procedures to the management's discussion and analysis and budgetary comparison information, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

### Restriction on Use

This information is intended solely for the use of the Boca Raton Airport Authority, Boca Raton, Florida, management, and the Members of the Authority and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,



Grau & Associates, CPA



# Memo

To: Mitchell Fogel, Chair and Board Members  
From: Ariadna Camilo, Finance and Administration Manager  
Date: May 15, 2019  
RE: **2019 Investment Report**

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## **AGENDA ITEM – VII – C**

Airport Management and the Secretary/Treasurer will report on the Authority's 2019 Investment Report pursuant to the Authority's Accounting Policy and Procedure Manual regarding investments, as governed by Section 218.415, Florida Statutes.

BOCA RATON AIRPORT AUTHORITY

# INVESTMENT REPORT

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FISCAL YEAR  
**2019**



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## SECTION ONE:

# ABOUT THE BOCA RATON AIRPORT AUTHORITY

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The Boca Raton Airport is publicly-owned by the State of Florida and is designated as a general aviation transport facility, serving the corporate, recreational, and flight training needs of the region. It is located on 220 acres in Boca Raton off of I-95 between Spanish River Boulevard and Glades Road. The Airport's one runway 5/23 is 6,276 feet long and 150 feet wide.

The Airport is operated by the Boca Raton Airport Authority, a seven-member Board established by the Florida Legislature as an Independent Special District of the State of Florida. Five members are appointed by the Boca Raton City Council and two are appointed by the Palm Beach County Commission. Each Board member serves a term of two years.

The Airport Authority was established in order to operate, maintain, and develop the Boca Raton Airport in a safe, professional manner; enhance services and facilities available to the Airport's tenants and users; improve the Airport's relationship with the surrounding community; eliminate financial subsidies by local taxpayers and the Board of Trustees; and limit the potential for operational liability by the State and the local community.

In October 2011, the Airport Authority developed a Strategic Business Plan that identified the Airport's mission to be a world class Public Use General Aviation facility that benefits our growing business and regional communities.

### THE AIRPORT'S STRATEGIC GOALS ARE TO:

1. Strengthen Community Relations
2. Mitigate Noise Impacts
3. Enhance Financial Performance
4. Effectively Operate in a Changing Government Environment
5. Explore Land Opportunities

The Airport Authority sustains the Airport's operations by generating revenue from land leases and fuel fees. Operating surpluses are reinvested in infrastructure improvements included in the Airport Capital Improvement

Program and used to match FAA Airport Improvement Program and Florida Department of Transportation Aviation Work Program grants.

## SECTION TWO:

# UNDERSTANDING OUR INVESTMENT POLICY

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The Boca Raton Airport Authority's Accounting Policy and Procedure Manual dictates that Authority funds should be properly invested to safeguard against physical loss or misuse. Invested funds are funds not presently needed for airport operations or capital projects.

The Authority's investment policy mirrors Florida Statute, Section 218.415(17), which states that units of local government may invest or reinvest any public funds in their control or possession in:

- The Local Government Surplus Funds Trust Fund, or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act of 1969, as provided in s. [163.01](#).
  - Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency.
  - Interest-bearing time deposits or savings accounts in qualified public depositories, as defined in s. [280.02](#).
  - Direct obligations of the U.S. Treasury.
- 

Further, the Authority has established keen objectives with regard to its investment strategy:

- **Safety** – The primary objective of the Authority's investment activities is the protection of investment capital.
  - **Liquidity** – The Authority's investment strategy will provide sufficient liquidity such that cash flow requirements are met through the utilization of investments with structured maturities.
  - **Investment Income** – The Authority will strive to maximize the return on the portfolio while minimizing investment risk.
- 

Management is responsible for ensuring proper compliance with both Florida Statutes and the established investment strategy. The Authority's compliance with the requirements of Florida Statute, Section 218.415 is

examined by the Independent Auditor and any opinion on the Authority's compliance is reported to the Board in conjunction with the Annual Financial Audit Report.

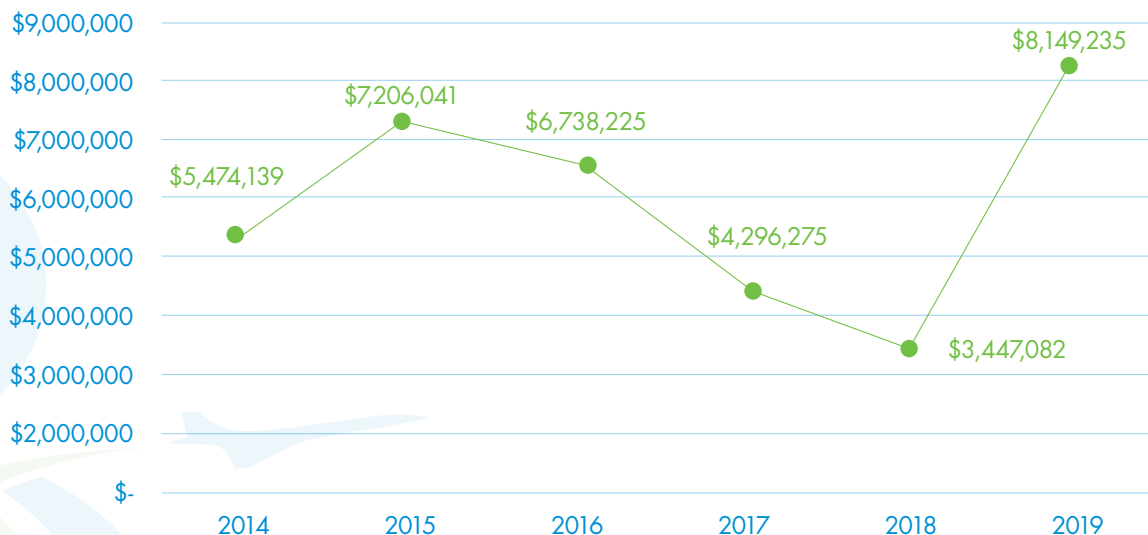
## SECTION THREE:

# 2019 INVESTMENT HIGHLIGHTS

As of April 30, 2019, the Airport's invested funds total \$8,149,235, an increase of 136% over prior year. This increase in invested funds is attributable to the replenishment of Airport funds through grant reimbursements for large capital improvement projects, such as the Customs and Border Protection Facility, the Runway 5 End EMAS, and Airfield Pavement Rejuvenator. Of the \$8,149,235 in invested funds, \$189,949 are restricted funds, held as security deposits for the Premier Aviation and City Furniture leaseholds. The total invested funds balance available for the Airport's operational and capital needs is \$7,959,286.

Additionally, the Airport received \$1.1 million dollars in grant reimbursements in the past week, bringing the Airport's invested funds balance to \$9.2 million. These funds have been invested in a 9-month CD, in order to allow for diversification of portfolio and maximization of returns in the current rate environment. Due to the timing of the reimbursement and the investment, these funds are not reflected in the total invested funds chart below.

## BRAA INVESTED FUNDS



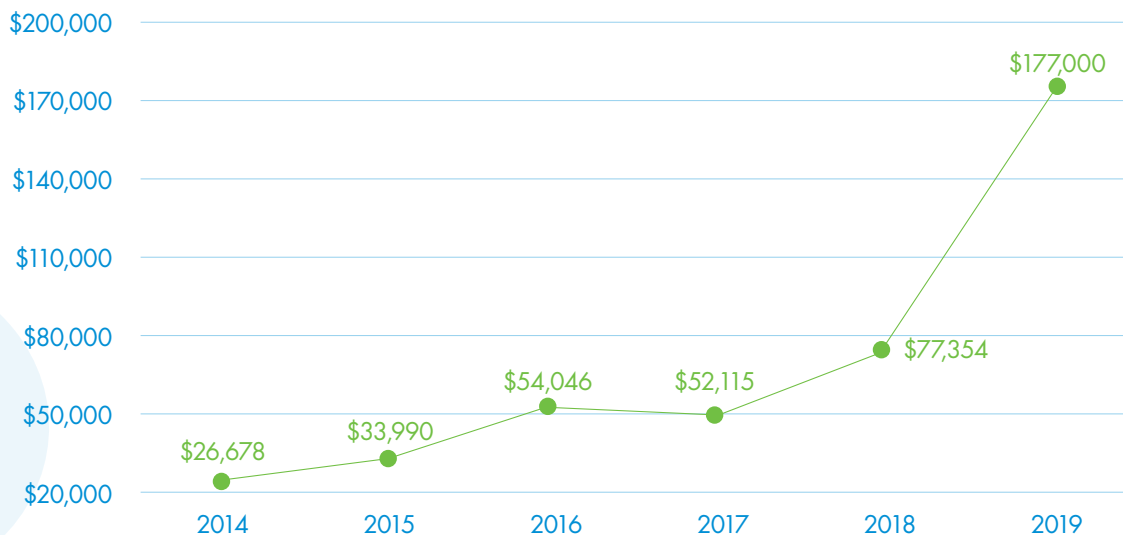
## SECTION THREE: 2019 INVESTMENT HIGHLIGHTS

The Airport's funds are invested in Certificates of Deposit (C.D.), the Certificate of Deposit Account Registry Service (CDARS), Insured Cash Sweep (ICS), and Money Market Accounts at various Qualified Public Depositories. These funds are 100% protected in a combination of coverage provided by the Federal Deposit Insurance Corporation and Florida's Public Deposits Program.

As of April 30, 2019, approximately 54% of Airport funds are invested in Certificates of Deposit, while the remaining 46% are invested in liquid accounts such as Money Markets. No funds are currently invested in the Certificate of Deposit Account Registry Service (CDARS) or Insured Cash Sweep (ICS). The Airport's

investments are yielding an average annual rate of return of 2.4%, a 0.6% increase over prior year. Consequently, interest income is \$89,528 year-to-date, an increase of 28% to budget. Based on the current investments schedule, and additional investments contemplated subsequent to April 30, 2019, interest income is projected to be \$177,000 for Fiscal Year 2019, an increase of \$99,646 over prior year. This increase in interest income is attributable to an increased Airport fund balance, rising interest rates, diligent efforts to procure competitive rates of return, and a continued commitment by management to maximize the return on the Airport's portfolio while minimizing investment risk and meeting ongoing capital improvement needs.

### INTEREST INCOME



## SECTION FOUR:

# INVESTMENT SCHEDULE

BOCA RATON AIRPORT AUTHORITY INVESTMENT SCHEDULE - April 30, 2019 (Unaudited)

| CITIBANK - MONEY MARKET                                   |               |       |                     |
|---|---------------|-------|---------------------|
| TERM  | MATURITY DATE | APY   | CURRENT BALANCE     |
| Liquid  | -             | 0.40% | \$ 99               |
| CENTENNIAL BANK - MONEY MARKET                            |               |       |                     |
| TERM  | MATURITY DATE | APY   | CURRENT BALANCE     |
| Liquid  | -             | 2.35% | \$ 3,752,867        |
| TD BANK - CD  |               |       |                     |
| TERM  | MATURITY DATE | APY   | CURRENT BALANCE     |
| 3 Months  | 5/16/2019     | 2.48% | \$ 2,535,434        |
| TD BANK- CD   |               |       |                     |
| TERM  | MATURITY DATE | APY   | CURRENT BALANCE     |
| 3 Months  | 7/22/2019     | 2.42% | \$ 1,670,886        |
| TIAA BANK - CITY FURNITURE RESTRICTED CD SECURITY DEPOSIT |               |       |                     |
| TERM  | MATURITY DATE | APY   | CURRENT BALANCE     |
| 3 Years   | 6/22/2019     | 1.22% | \$ 116,374          |
| TIAA BANK - PREMIER RESTRICTED CD SECURITY DEPOSIT        |               |       |                     |
| TERM  | MATURITY DATE | APY   | CURRENT BALANCE     |
| 5 Years   | 3/20/2020     | 2.23% | \$ 73,575           |
| <b>CASH AND CASH EQUIVALENTS</b>                          |               |       | <b>\$ 3,752,966</b> |
| <b>UNRESTRICTED CDS</b>                                   |               |       | <b>\$ 4,206,320</b> |
| <b>RESTRICTED CDS</b>                                     |               |       | <b>\$ 189,949</b>   |
| <b>TOTAL INVESTED FUNDS</b>                               |               |       | <b>\$8,149,235</b>  |

## SECTION FIVE:

# UNRESTRICTED NET ASSET BALANCE

In accordance with the Authority's emergency reserves policy, sound financial management principles require that sufficient funds be retained by the Authority to provide a stable financial base at all times. In order to retain this stable financial base, the Authority is committed to maintaining a surplus fund balance sufficient to provide financial resources for unanticipated expenditures and/or revenue shortfalls of an emergency nature. As such, the unrestricted net asset balance, or

the difference between current assets and current liabilities, shall not fall below 75% of budgeted operating expenses, including depreciation.

For the Fiscal Year 2019 operating budget, the threshold of 75% of budgeted operating expenses including depreciation is equal to \$3,620,705. The Airport has also committed to capital outlays of \$62,500 for the overall enhancement of airfield management and response capabilities.

In addition, the Airport has established a robust Capital Improvement Plan consisting of:

- Storm Drainage System Upgrades
- Geographic Information System Implementation (Phase I)
- Landside Lighting and Signage Replacement
- Landside Beautification and Pedestrian Access Improvements

The Authority's share of funds committed to the Airport's Capital Improvement Plan for Fiscal Year 2019 is \$340,000.

while the current commitments to operating expenses, capital outlay, and the capital improvement plan total \$4,023,205 including depreciation.

As of April 30, 2019, the Authority's unrestricted net asset balance is \$10,058,222

### BOCA RATON AIRPORT AUTHORITY UNRESTRICTED NET ASSET BALANCE

April 30, 2019 (Unaudited)

| <b>ASSETS</b>                               |                      |
|---|----------------------|
| Current Assets .....                        | \$9,997,588          |
| Rent Receivable .....                       | \$ 441,242           |
| <b>Total Current and Other Assets .....</b> | <b>\$ 10,438,830</b> |
| <b>LIABILITIES</b>                          |                      |
| Current Liabilities .....                   | \$ 212,729           |
| Non-Current Liabilities .....               | \$ 167,879           |
| <b>Total Liabilities .....</b>              | <b>\$ 380,608</b>    |
| <b>TOTAL UNRESTRICTED NET ASSETS .....</b>  | <b>\$ 10,058,222</b> |

## SECTION SIX:

# LOOKING AHEAD

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With the use of a financial forecasting model, Airport management is able to closely monitor fund balances. Based on the approved Fiscal Year 2019 Operating, Capital Outlay, and Capital Improvement Plan Budgets, the Airport's invested funds balance is expected to increase by approximately \$1.4 million by the end of Fiscal Year 2019. The fluctuation in the projected Airport invested funds balance is directly attributable to grant reimbursements by the Federal Aviation

Administration and the Florida Department of Transportation for eligible projects including the recently completed Airfield Pavement Rejuvenator. As Airport management develops the Fiscal Year 2020 Operating, Capital Outlay, and Capital Improvement Plan Budgets, it will continue to analyze Airport fund balances and ensure sufficient liquidity to meet future commitments.

## INVESTMENT REPORT PRESENTATION

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On behalf of the Secretary/Treasurer and Airport Management, I respectfully present the Fiscal Year 2019 Investment Report to the Airport Authority.

*Clara Bennett*  
EXECUTIVE DIRECTOR

APRIL 30, 2019



# Memo

To: Mitchell Fogel, Chair and Authority Members  
From: William Urbanek, Operations Coordinator  
Date: May 15, 2019  
RE: **Operations and Noise Abatement Report, April 2019**

---

## **AGENDA ITEM – IX- A**

Airport Management provides an overview of the Noise Abatement/Operations Summary for the month of April. This report is derived from the Air Traffic Control Tower operations report.

During the month of April 2019 there were 7,930 operations reported by the Tower, which is a 27% increase over the operations reported in April 2018.

Deliveries of Jet A fuel to the Airport in April were 4% less than April of the previous year. Avgas deliveries were relatively similar to the previous year.

There were 683 noise calls by 11 different households received on the Airport Authority Noise Hotline and Online Noise Reporting Form during the month of April 2019.

During the month, 176 aircraft cleared Customs from 19 different countries. Three vessels cleared. There were 45 afterhours clearings during the month. Of these flights, 23 cleared on Tuesdays and Wednesdays, when the facility is normally closed.

BOCA RATON AIRPORT AUTHORITY

# OPERATIONS AND NOISE ABATEMENT REPORT



APRIL  
**2019**

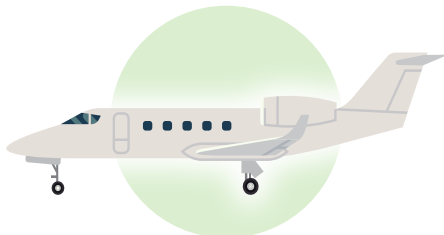
APRIL 2019

# OPERATIONS REPORT



39%

TRAINING



34%

IFR

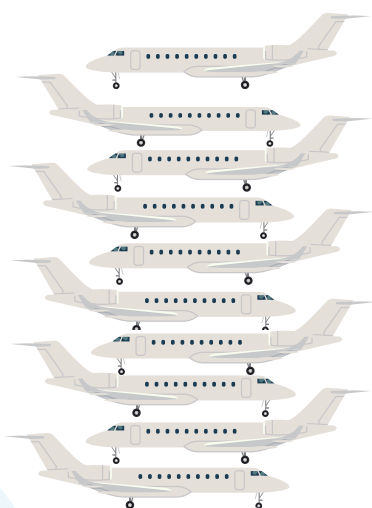


27%

VFR

## OPERATIONS BREAKDOWN

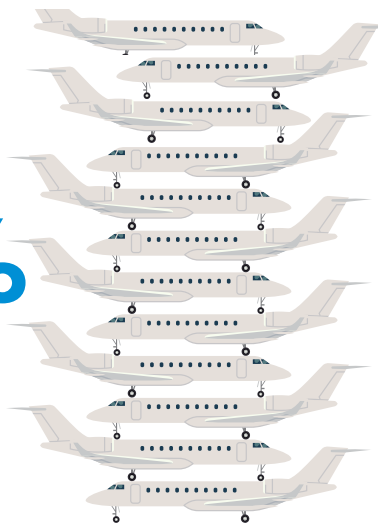
**Chart 1:** Breakdown of last month's operations based on type of operation (ex. Training, Instrument Flight Rules, Visual Flight Rules). An operation is counted as an arrival or a departure, a touch-and-go operation counts as two operations.



6,220

APRIL 2018

+27%



7,930

APRIL 2019

## TOWER OPERATIONS

1 PLANE = 650 OPERATIONS

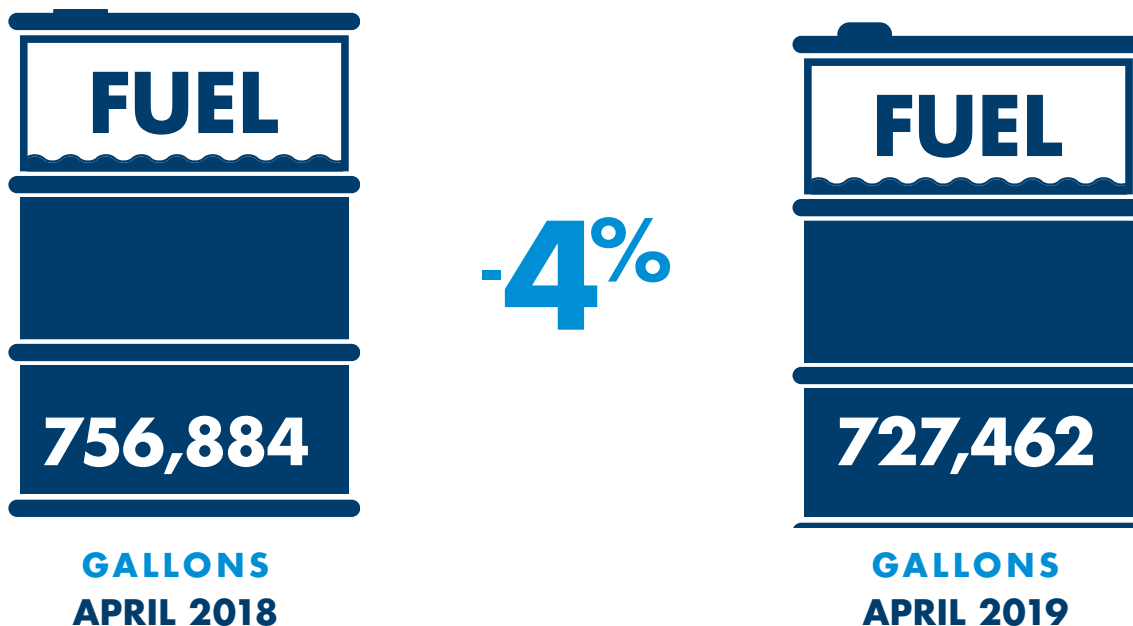
**Chart 2:** April 2018 operations compared to April 2019 tower operations.

### ABBREVIATIONS:

IFR (Instrument Flight Rules): Planes flying on an instrument flight plan - Primarily jets. VFR (Visual Flight Rules): - Primarily propeller aircraft.  
TFR (Temporary Flight Restriction): Airspace flight restriction imposed by the Federal Aviation Administration (FAA) when there is a government VIP or special event in the area.

APRIL 2019

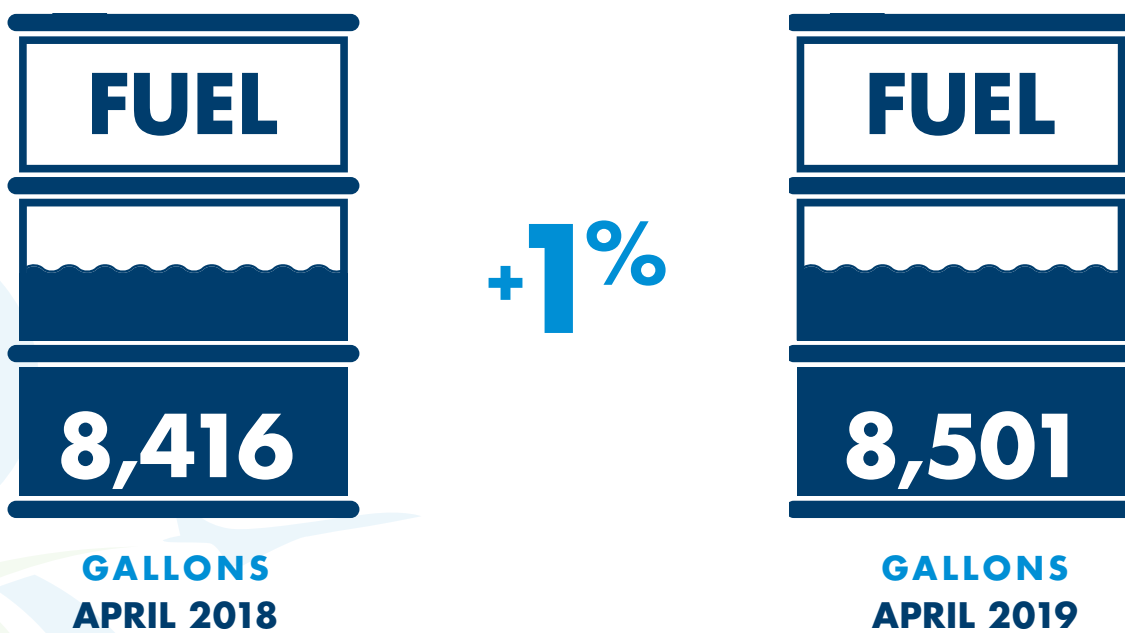
# OPERATIONS REPORT



## JET A FUEL REPORT

**Jet A:** Aviation fuel designed for use in aircraft powered by gas-turbine engines (jet aircraft).

**Chart 3:** Month of April 2018 deliveries of Jet A in gallons compared to April 2019 deliveries of Jet A.



## AVGAS FUEL REPORT

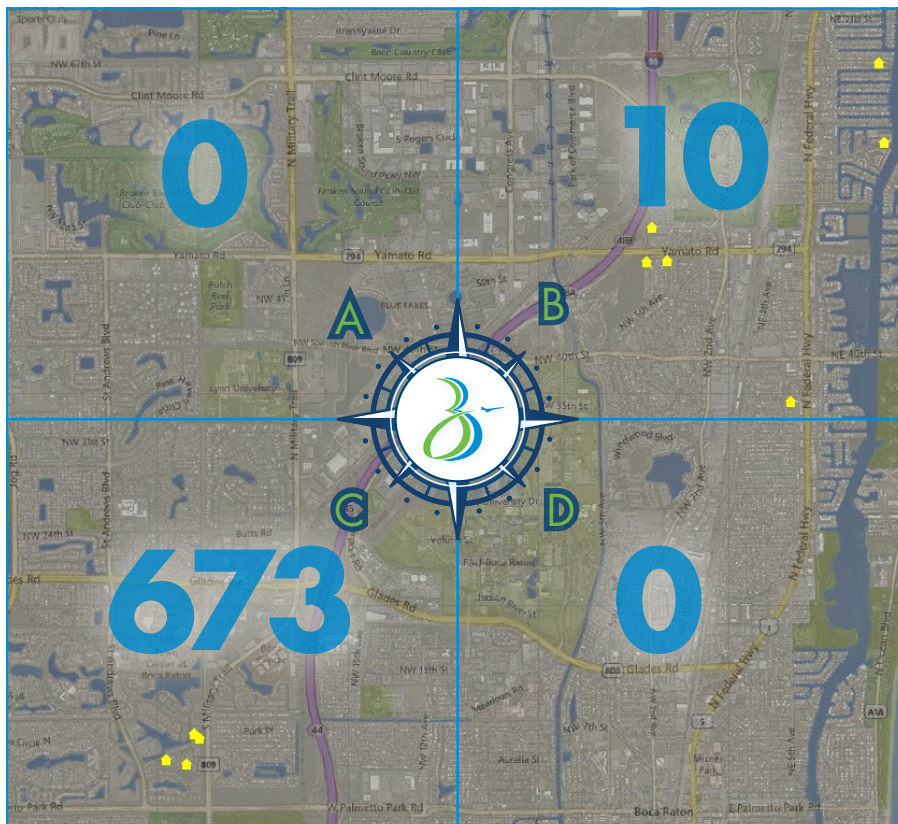
**Avgas:** Aviation gasoline designed for use in piston-engine aircraft.

**Chart 4:** Month of April 2018 deliveries of Avgas in gallons compared to April 2019 deliveries of Avgas.

APRIL 2019

# NOISE ABATEMENT REPORT

## NOISE CONCERNS PER QUADRANT



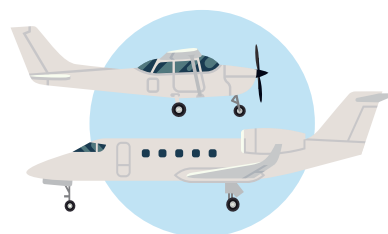
**Chart 5:** Noise concerns submitted via telephone, email, or on our website are tracked by quadrant where the noise concern occurred in relation to the airport.



**34%**  
TFR



**2%**  
NOISE



**98%**  
TRAFFIC

TYPE OF CONCERN

**Chart 6:** Type of noise concern and/or if it occurred during a Temporary Flight Restriction (TFR).

APRIL 2019

# NOISE ABATEMENT REPORT

NOT FOLLOWING **VOLUNTARY**  
CURFEW PROCEDURES

**94**  
**OPERATIONS**



**22%**

**DURING TFR**  
**21 OUT OF 94**

**Chart 7:** A voluntary curfew violation is an operation that occurred during our voluntary night curfew from 22:00 – 07:00 without prior notification to the airport. Voluntary curfew violators are notified of their violation via letter, email, or phone to inform them of the noise sensitivity of our community and to encourage them to operate outside our voluntary night curfew hours. Voluntary curfew operations that occurred during a TFR is also tracked.

APRIL 2019

# NOISE ABATEMENT REPORT

## NIGHT OPERATIONS BY HOUR



**Chart 8:** A voluntary curfew operation is an operation that occurred during our voluntary night curfew from 22:00 – 07:00. Chart breaks down the number of operations per hour during the voluntary curfew period in April 2019.

APRIL 2019

# NOISE ABATEMENT REPORT

## NOISE ABATEMENT CALLS

| First Name | Last Name   | Community        | Quadrant | A/D/O/T | Runway | Concern      | TFR Related | Calls Received |
|------------|-------------|------------------|----------|---------|--------|--------------|-------------|----------------|
| Adam       | Cogley      | Wimbledon Villas | C        | N/A     | N/A    | Low and Loud | Yes/No      | 229            |
| Wolf       | Lehmkuhl    | Wimbledon Villas | C        | N/A     | N/A    | Low and Loud | Yes/No      | 219            |
| Ross       | Rosenberg   | Wimbledon Villas | C        | N/A     | N/A    | Low and Loud | Yes/No      | 117            |
| Arash      | Rahi        | Wimbledon Villas | C        | N/A     | N/A    | Low and Loud | Yes/No      | 107            |
| Lauren     | Brown       | N/A              | B        | A       | 23     | Noise        | Yes         | 4              |
| Donna      | Lennon      | N/A              | B        | D       | 5      | Noise        | No          | 2              |
| Sarah      | Barrington  | N/A              | B        | D       | 5      | Noise        | No          | 1              |
| Shella     | Battistello | Bell Marra       | B        | D       | 5      | Noise        | Yes         | 1              |
| Robert     | Cline       | Boca Vista       | B        | A       | 23     | Low and Loud | Yes         | 1              |
| Beverley   | Rogers      | N/A              | C        | D       | 23     | Noise        | No          | 1              |
| Al         | Togut       | N/A              | B        | O       | N/A    | Noise        | Yes         | 1              |

APRIL 2019

# CUSTOMS OPERATIONS REPORT



176

**FLIGHTS &  
OPERATIONS**



891

**PASSENGERS**

**Charts 9 & 10:** Total operations ran and total passengers during the month of April 2019.

APRIL 2019

# CUSTOMS OPERATIONS REPORT



**VESSELS**

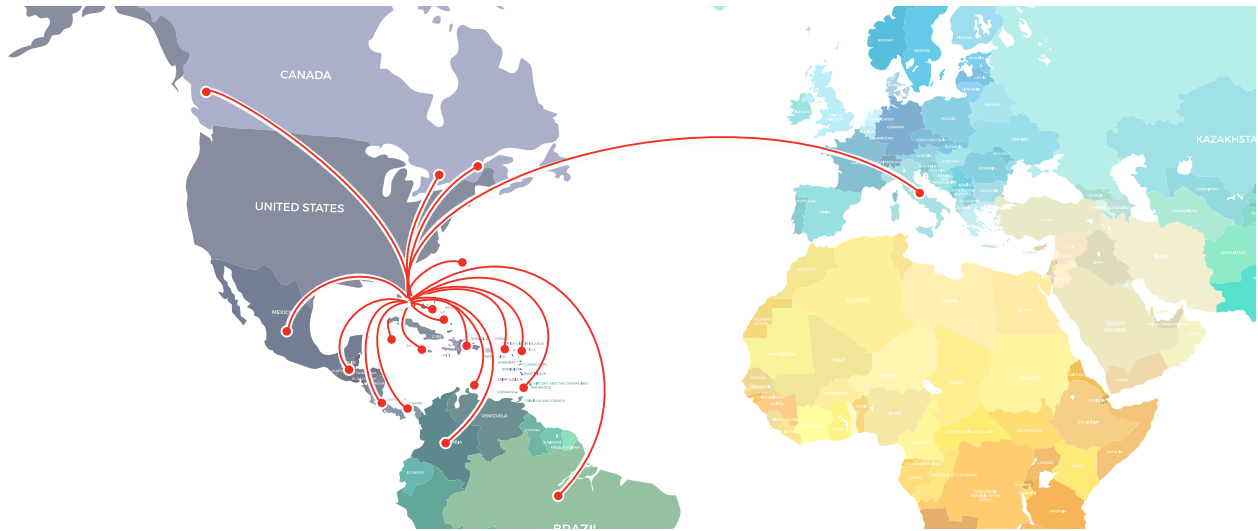


**PASSENGERS**

**Charts 11 & 12:** Total operations ran and total passengers during the month of April 2019.

APRIL 2019

# CUSTOMS OPERATIONS REPORT

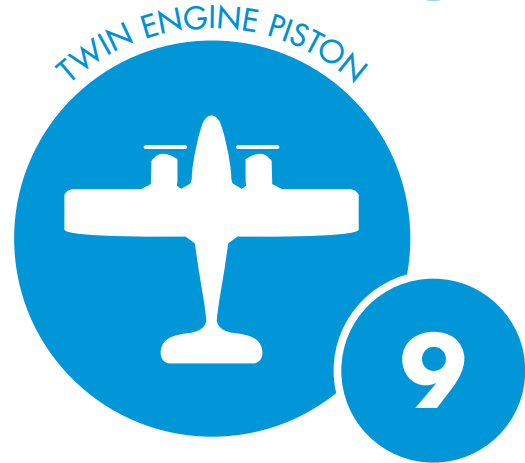
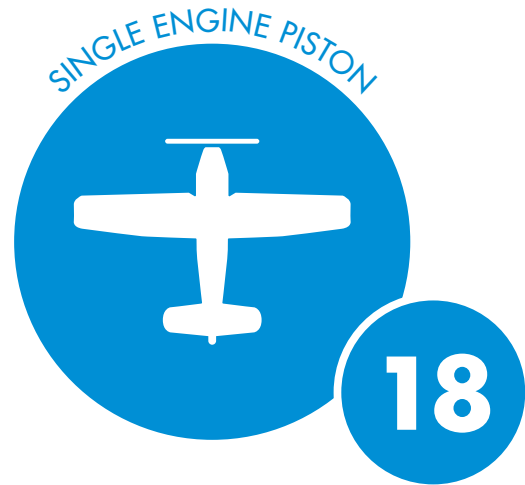


| Country          | No. of Flights |
|------------------|----------------|
| Bahamas          | 111            |
| Canada           | 18             |
| Dominican Rep.   | 7              |
| Cayman Islands   | 6              |
| St. Marteen      | 5              |
| Mexico           | 5              |
| Turks and Caicos | 4              |
| Jamaica          | 3              |
| Costa Rica       | 2              |
| Anguilla         | 2              |
| Columbia         | 2              |
| St. Thomas       | 2              |
| Aruba            | 1              |
| Bermuda          | 1              |
| Brazil           | 1              |
| Guatemala        | 1              |
| Italy            | 1              |
| Panama           | 1              |
| Virgin Islands   | 1              |

**Charts 13:** Total flights into BCT mapped by country of the flight's origin.

APRIL 2019

# CUSTOMS OPERATIONS REPORT



**Charts 14:** Total operations by type of aircraft.

APRIL 2019

# CUSTOMS OPERATIONS REPORT

AFTERHOURS CUSTOMS CLEARINGS

# 45

CLEARINGS



# 4 OUT OF 41

DURING **VOLUNTARY CURFEW**

**Chart 15:** An afterhours clearing refers to any aircraft who clears Customs outside of their normal hours of operation. These hours are Thursday - Monday from 10:30 - 18:30. This includes all aircraft who clear on Tuesdays and Wednesdays. Voluntary Curfew hours clearings refer to any aircraft who clears customs between the hours of 22:00 – 07:00.



# Memo

To: Mitchell Fogel, Chair and Board Members  
From: Christine Landers, Business Manager  
Date: May 15, 2019  
RE: **Property Insurance Policy Renewal**

---

## **AGENDA ITEM – IX - B**

The Authority's Property Insurance Policy is scheduled to expire on May 23, 2019.

The current insurance provider is Lloyd's at an annual rate of \$50,617.01, including property, terrorism and pollution coverage. Lloyd's has quoted a rate of \$50,120.94, not including pollution or terrorism coverage, which would have resulted in an increase of approximately 14% compared with the current year cost. Airport Management and Blodgett and Associates are currently working on alternatives for this coverage that would be lower than the rate quoted by Lloyd's.

Airport Management recommends approval of the renewal of the Property Insurance providing coverage from May 23, 2019 through May 23, 2020 at a cost of \$50,120.94.



# Memo

To: Mitchell Fogel, Chair and Board Members  
From: Clara Bennett, Executive Director  
Date: May 15, 2019  
RE: **Presentation on Lease Reversion Provisions**

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## **AGENDA ITEM – IX - C**

As requested by the Board at the April 17<sup>th</sup> Board Meeting, Airport Legal Counsel will provide an overview of lease reversion provisions.

# Reversion Provision

Prepared by Lewis Longman & Walker, P.A.

November 15, 2017



**LLW**

LEWIS  
LONGMAN  
WALKER

Reversion Provision:

*A lease provision that provides for the ownership of a tenant-constructed improvement to revert to the Boca Raton Airport Authority (“the Authority”) at some time during or after the lease period.*

Two Questions Have Been Raised:

- Is a Reversion Provision a Taking?
- Is a Reversion Provision Ethical/Appropriate Behavior by the Authority?



**LLW**

LEWIS  
LONGMAN  
WALKER

Question One - Is a Reversion Provision a Taking?

Definition of a “Taking”:

When a governmental entity acquires private property, either through condemnation procedures, through physical occupation of the private property without the consent of the owner, or through the enactment or enforcement of regulation that deprives the owner of his/her use and enjoyment of the property, or substantially all of the property’s economic value.

*See generally Teitelbaum v. South Florida Water Management Dist., 176 So. 3d 998, 1002-03 (Fla. 3d DCA 2015).*

***Answer: No, takings law does not apply to the adoption or implementation of consensual contract provisions by a government acting in its proprietary capacity.***



**Presentation on Reversion Provisions**  
**November 15, 2017**

The Authority's execution of a lease of airport property is proprietary in nature. *Santa Monica Airport Ass'n FAD* (FAA Docket No. 16-99-21).

Example of the Difference Between Proprietary and Regulatory Behavior

*DeFalco v. City of Hallandale Beach*, 18 So.3d 1126 (Fla. 4<sup>th</sup> DCA 2009).

City evicted residents of a mobile home park owned by the City. Residents claimed that state statute required the government to determine that adequate alternative facilities were available for the residents. The Court said that the state statutory provision did not apply when the City was acting in its proprietary capacity as land-owner, rather than in its regulatory capacity as a planning body.



**LLW**

**LEWIS  
LONGMAN  
WALKER**

Question Two - Is a Reversion Claim Ethical/Appropriate?

BRAA has the authority to negotiate leases for property at the Airport, including the buildings and hangars thereon, and to grant concessions upon such terms and conditions as it shall deem proper.

Sec.(5)(1), Ch. 2004-468, Laws of Florida.



**LLW**

LEWIS  
LONGMAN  
WALKER

Question Two - Is a Reversion Claim Ethical/Appropriate?

The Authority is also subject to FAA Grant Assurances. There are grant assurance limitations to ownership and leases on property at an airport.

- Grant Assurance 5, Preserving Rights and Powers, prohibits sponsor from taking any action that may deprive it of the right and power to direct and control airport development.
- Accordingly, the FAA counsels that “providing developers with an option to acquire a fee interest in federally obligated airport property is not acceptable to the FAA.”

FAA Guidance Handbook Page 6-2 (2017).



**LLW**

LEWIS  
LONGMAN  
WALKER

Question Two - Is a Reversion Claim Ethical/Appropriate?

FAA Guidance Limits Terms of a Lease Based on Concerns about Preserving Title and Authority:

- FAA states in its Grant Assurance Compliance Handbook:
  - Most tenant ground leases of 30 to 35 years are sufficient to retire a tenant's initial financing and provide a reasonable return for the tenant's development of major facilities.
  - Leases that exceed 50 years may be considered a disposal of the property in that the term of the lease will likely exceed the useful life of the structures erected on the property. FAA offices should not consent to proposed lease terms that exceed 50 years.

FAA Guidance Handbook Page 12-3 (2017).



**LLW**

LEWIS  
LONGMAN  
WALKER

Question Two - Is a Reversion Claim Ethical/Appropriate?

FAA Guidance Indicates that FAA Offices Should Look to Make Sure that Sponsors Retain Ownership Interests:

- FAA states in its Grant Assurance Compliance Handbook:
  - In reviewing [leases], the FAA office should concentrate on determining the nature of the rights granted and whether granting those rights may be in violation of the sponsor's federal obligations:

...

(5) Title. Does the title to tenant facilities vest in the sponsor at the expiration of the lease? Do any lease extension or option provisions provide for added facility rent once the title of facilities vests in the sponsor?

FAA Guidance Handbook Page 12-3 (2017).



**LLW**

LEWIS  
LONGMAN  
WALKER

Question Two - Is a Reversion Claim Ethical/Appropriate?

Grant Assurance 38. Hangar Construction - addresses the question even more directly, saying:

If the airport owner or operator and a person who owns an aircraft agree that a hangar is to be constructed at the airport for the aircraft at the aircraft owner's expense, the airport owner or operator will grant to the aircraft owner for the hangar a a long term lease that is subject to such terms and condition on the hangar as the airport owner or operator may impose.

Thus, the consideration for the aircraft owner for building the hangar is the right to negotiate a "long term lease" in order to recoup the investment costs. *De Vries et. al v. City of St. Clair, Mo.*, 2014 WL 12738001 \*1, \*33 (May 20, 2014).



Question Two - Is a Reversion Claim Ethical/Appropriate?

Thus, FAA expects that title to improvements constructed on Airport property will vest in the Sponsor at the end of the lease and has determined that a 30 year lease term generally compensates an investing tenant for the development of the property.

BRAA staff have incorporated FAA Guidance into lease term provision as a best practice.

Answer: Reversion Clauses are ethical and appropriate.



**LLW**

LEWIS  
LONGMAN  
WALKER

Question Two - Is a Reversion Claim Ethical/Appropriate?

Reported cases involving reversion clauses:

- *Spa Rental, LLC v. Somerset F Pulaski County Airport Board*, 2015 WL 5308076 \*1, \*2 (Sep. 1, 2015).
- *Appalachian Star Ventures, Inc.*, 1997 WL 1120735 FAA Docket No. 16-96-02.
- *The Aviation Center, Inc. v. City of Ann Arbor*, 2005 WL 3722716 \*1, \*21 FAA Docket 16-05-01(Dec. 16, 2005).

Airports routinely seek to initiate long-term leases to provide tenants with enough time to recover invested capital on the leasehold. Upon expiration of the lease, all facilities and improvements can become the property of the airport sponsor. [See, *Wilson Air Center v. Memphis and Shelby County Airport Authority*, FAA Docket No. 16-99-10, (8/30/01); upheld in *Wilson Air Center, LLC v FAA*, 372 F.3d 807(C.A. 6, June 23, 2004)]





# Memo

To: Mitchell Fogel, Chair and Board Members  
From: Scott Kohut, Deputy Director  
Date: May 15, 2019  
RE: **FAA South-Central Florida Metroplex Update**

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## **AGENDA ITEM – IX - C**

Airport Management will provide an update on the FAA South-Central Florida Metroplex.

# WELCOME

## PUBLIC INFORMATION WORKSHOP

South-Central Florida Metroplex

## FEDERAL AVIATION ADMINISTRATION

# Welcome

Welcome to the FAA's Workshop on the South-Central Florida Metroplex.

The designs you will see tonight are preliminary.  
We welcome your input.

You may provide your comments tonight in writing,  
or you may leave your comments at this website:  
[https://www.faa.gov/nextgen/nextgen\\_near\\_you/  
community\\_involvement/florida/](https://www.faa.gov/nextgen/nextgen_near_you/community_involvement/florida/)

# Project Goals

## WHAT DOES THIS PROJECT HOPE TO ACHIEVE?

Take advantage of Performance Based Navigation by implementing procedures that will help enhance the safety and efficiency of the airspace.

Provide deconfliction of arrivals and departures for airports in close proximity to one another, allowing for independent operations at each airport.

Reduce conflicts in routes between Florida airports, and in routes connecting Florida to other national and international destinations.

Improve air traffic flow and efficiency, in order to keep pace with the growth in aviation and tourism in Florida.

## WHY ARE WE DOING THIS PROJECT?

The existing departure and arrival procedures do not take full advantage of modern technology. The project will replace outdated systems with satellite-based technology.

Improve the predictability of air traffic flows to enhance safety and efficiency while reducing the workload for air traffic controllers and pilots.

Reduce airspace constraints associated with restricted military airspace, general aviation operations, space vehicle launches, and drones.

Provide environmental benefits by reducing carbon emissions and aircraft fuel consumption.

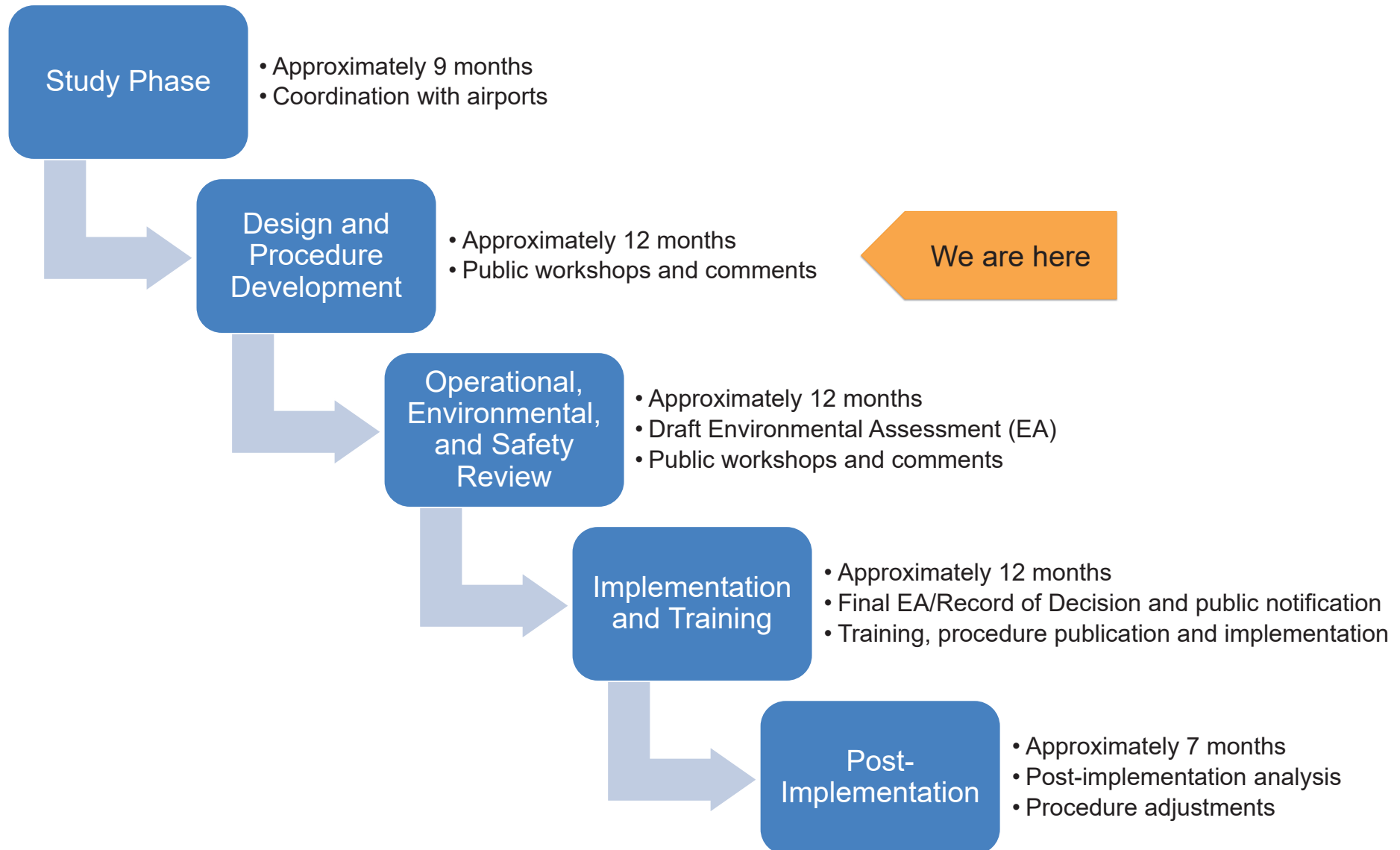
## TERMINOLOGY

**RNAV**  
Area Navigation

**SID**  
Standard Instrument Departure

**STAR**  
Standard Terminal Arrival Route

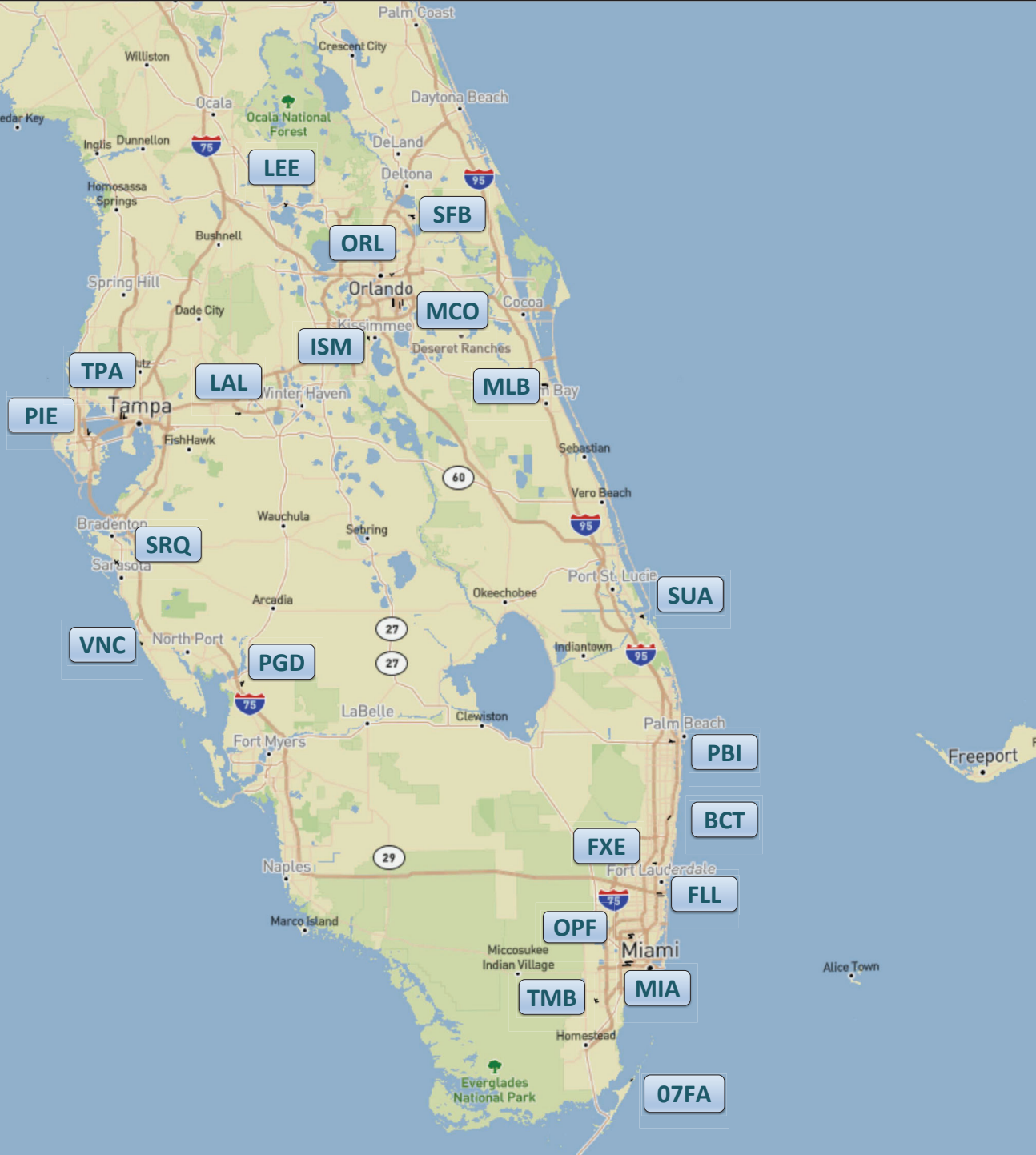
# Metroplex Project Phases





### Metroplex Study Area Overview Map

- Overview of the 21 airports included in the Metroplex



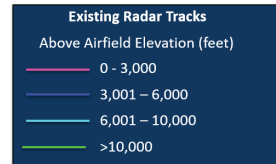
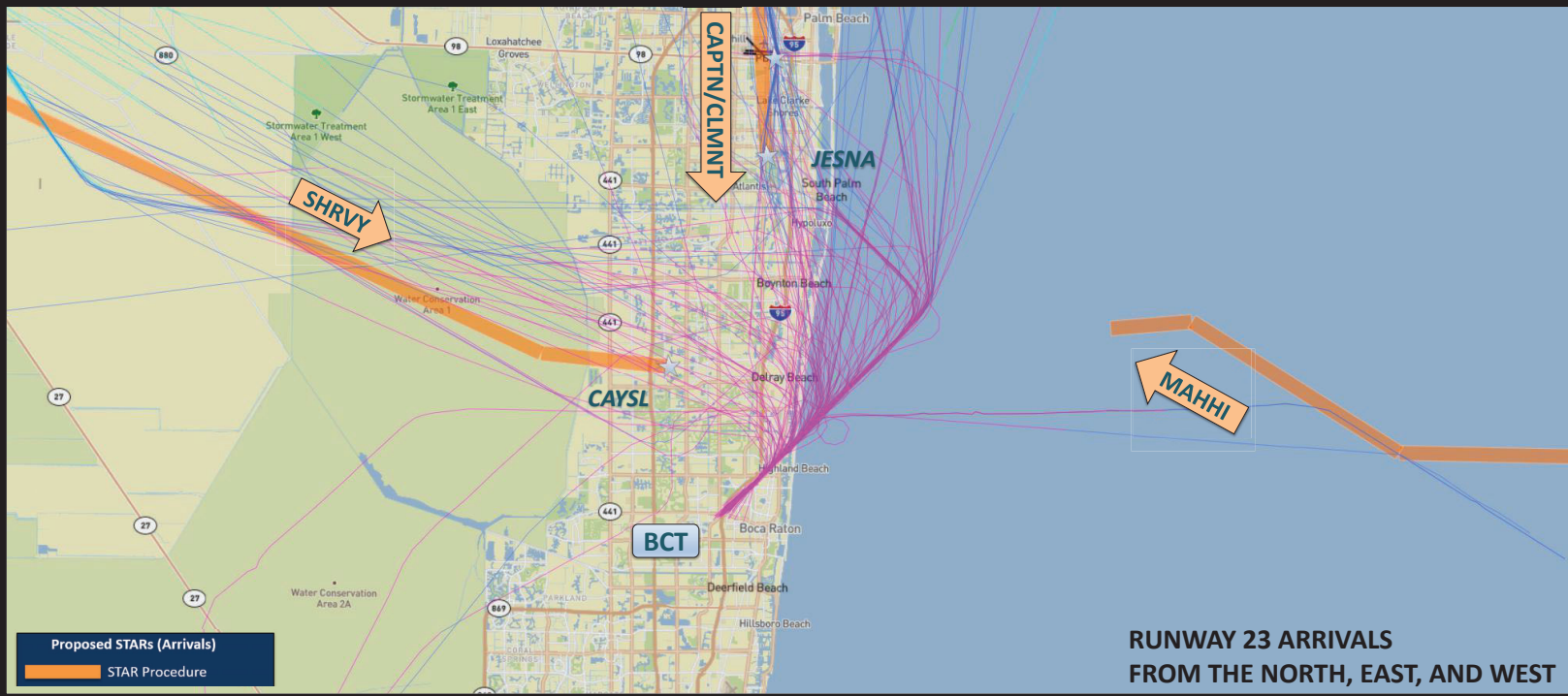
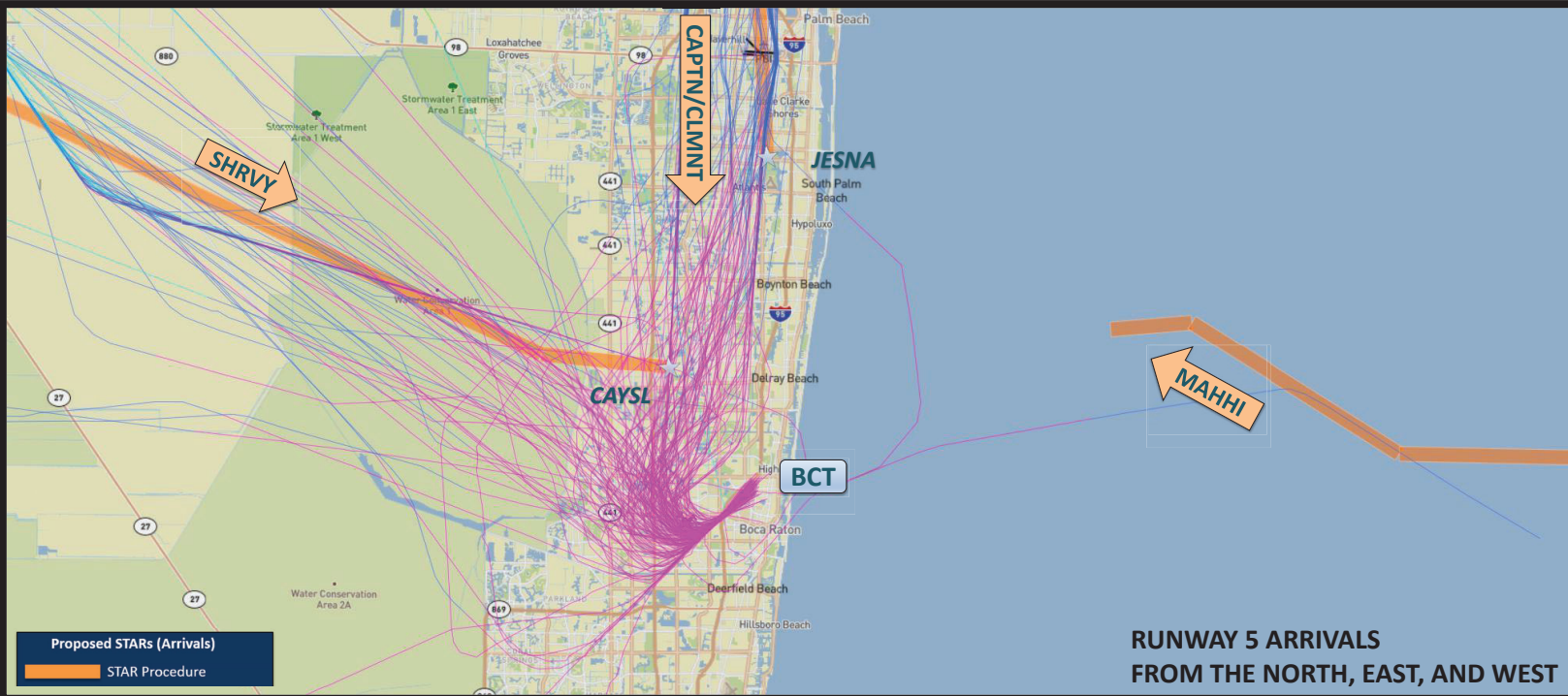


# BCT Boca Raton Airport

Area Navigation (RNAV)  
 Standard Terminal Arrivals (STARs)  
**CAPTN ONE**  
**CLMNT ONE**  
**MAHHI ONE**  
**SHRVY ONE**

## Arrival Procedures in North and South Flow

- This board shows BCT arrival traffic using Runway 5 and Runway 23
- Aircraft arriving would be radar vectored by ATC to the runway as they currently are today
- ATC occasionally would direct aircraft away from the procedure to avoid hazardous weather, for operational need, or for safety
- Radar track data are a sample from January to May 2018



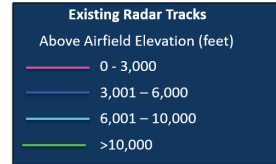
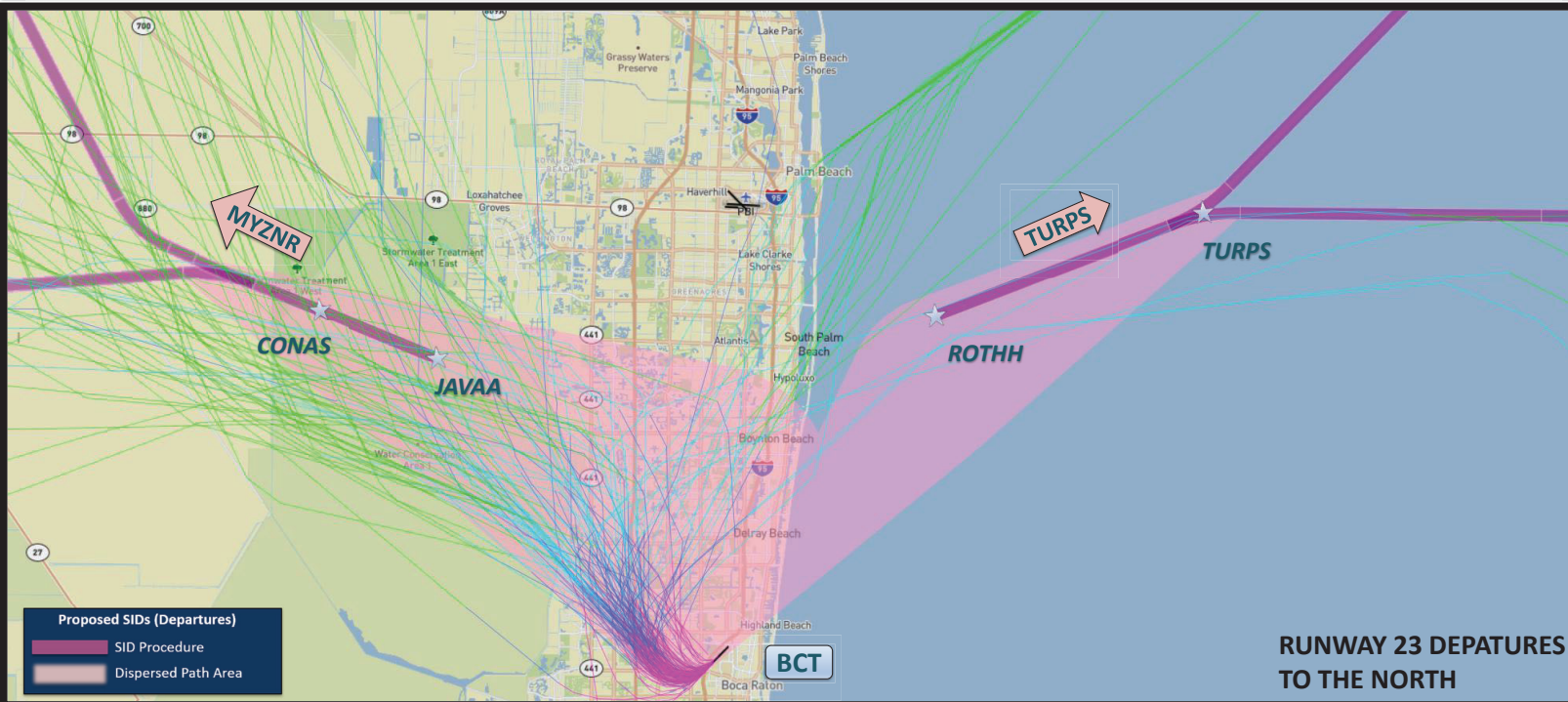
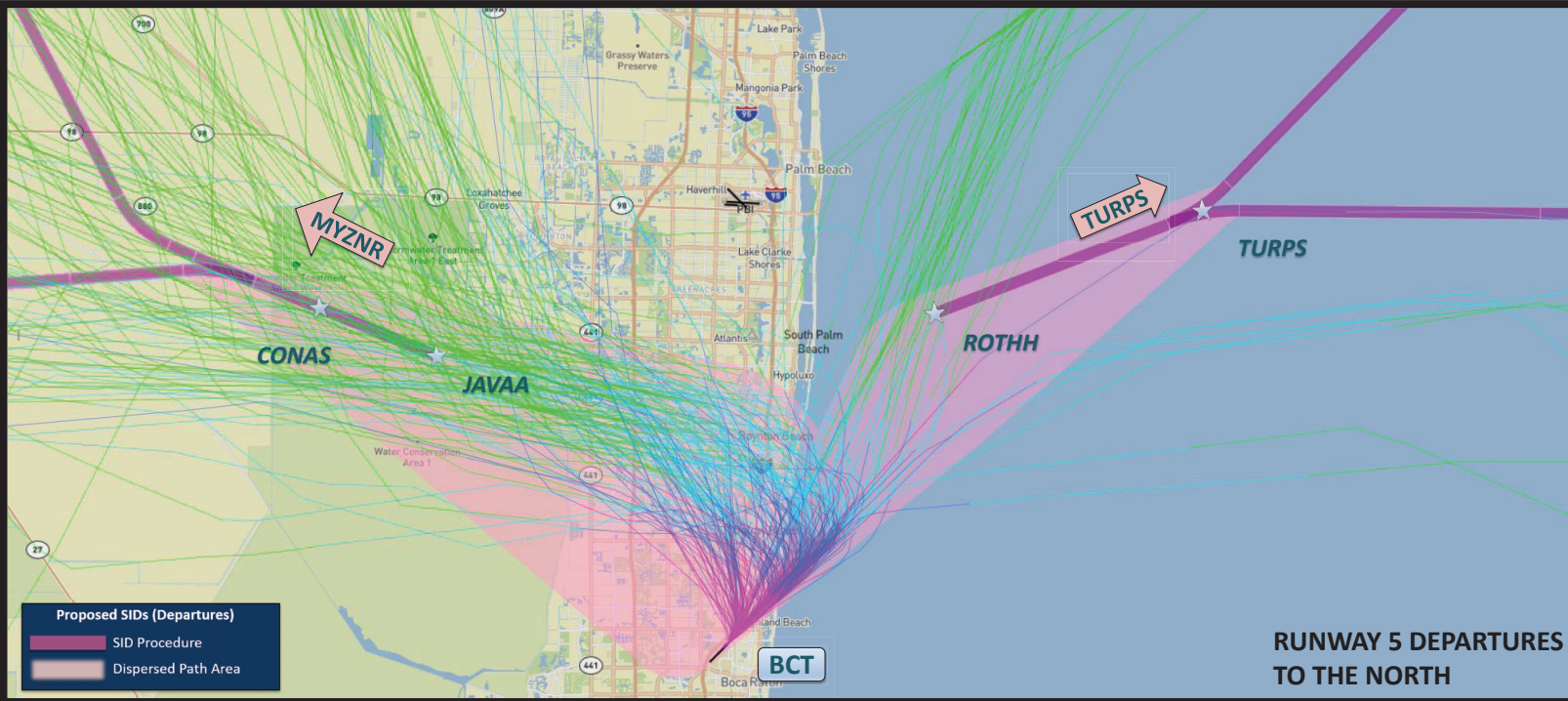


**BCT** Boca Raton Airport  
 Area Navigation (RNAV)  
 Standard Instrument Departures (SIDs)

MYZNR ONE  
 TURPS ONE

Departure Procedures in North and South Flow

- This board shows BCT departure traffic using Runway 5 and Runway 23
- Aircraft departing BCT would be radar vectored by ATC to join the SID procedures
- ATC occasionally would direct aircraft away from the procedure to avoid hazardous weather, for operational need, or for safety
- Radar track data are a sample from January to May 2018





# Memo

To: Mitchell Fogel, Chair and Board Members  
From: Christine Landers, Business Manager  
Date: May 15, 2019  
RE: **Boca High School NJROTC Student Visit**

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## **AGENDA ITEM – IX – E**

On May 2, 2019 the Boca Raton Airport Authority hosted students from Boca Raton High School NJROTC for a career day at the Airport.

The students were exposed to all aspects of employment in the aviation field. The day included a visit to Atlantic Aviation, Reliable Jet, Signature Flight Support, Boca Aircraft Maintenance, the Custom and Border Protection Facility, Lynn University, BRAA Administration office and the Air Traffic Control Tower.

They also participated in a roundtable lunch with Lynn University, representatives from Atlantic Aviation, the Air Traffic Control Tower and Airport Management.