

**COMMERCIAL PROPERTY DEVELOPMENT COMMITTEE
AGENDA**

DATE: APRIL 19, 2023

DAY: WEDNESDAY

TIME: 1:45 pm

PLACE: CARL T. LANGFORD BOARD ROOM, ORLANDO INTERNATIONAL AIRPORT, ONE JEFF FUQUA BOULEVARD

For individuals who conduct lobbying activities with Aviation Authority employees or Board members, registration with the Aviation Authority is required each year prior to conducting any lobbying activities. A statement of expenditures incurred in connection with those lobbying instances should also be filed prior to April 1 of each year for the preceding year. Lobbying any Aviation Authority Staff who are members of any committee responsible for ranking Proposals, Letters of Interest, Statements of Qualifications or Bids and thereafter forwarding those recommendations to the Board and/or Board Members is prohibited from the time that a Request for Proposals, Request for Letters of Interests, Request for Qualifications or Request for Bids is released to the time that the Board makes an award. The lobbyist shall file a Notice of Lobbying (Form 4) detailing each instance of lobbying to the Aviation Authority within 7 calendar days of such lobbying. Lobbyists will also provide a notice to the Aviation Authority when meeting with the Mayor of the City of Orlando or the Mayor of Orange County at their offices. The policy, forms, and instructions are available on the Aviation Authority's offices web site. Please contact the Chief Administrative Officer with questions at (407) 825-7105.

I. CALL TO ORDER

II. ROLL CALL

III. CONSIDERATION OF MINUTES FOR JANUARY 18, 2023

IV. CONSENT AGENDA

- A. Recommendation to Approve the Retail Lease Agreement at Colonial Promenade Shopping Center, Orlando Executive Airport, with Dmansr Enterprises, Inc. ("DMANSR")

ADJOURNMENT

3. There being no further business to be considered, Chair Good adjourned the meeting at 1:56 p.m.

(Digitally signed on , 2023)

Anna Farmer
Manager, Board Services and Recording Secretary

Kevin J. Thibault
Chief Executive Officer



GREATER ORLANDO AVIATION AUTHORITY

Orlando International Airport
One Jeff Fuqua Boulevard
Orlando, Florida 32827-4399

MEMORANDUM

TO: Members of the Commercial Properties Development Committee

FROM: Victoria Jaramillo, Chief Development Officer

DATE: April 19, 2023

ITEM DESCRIPTION

Recommendation to Approve the Retail Lease Agreement at Colonial Promenade Shopping Center, Orlando Executive Airport, with Dmansr Enterprises, Inc. ("DMANSR")

BACKGROUND

In 1984, the Aviation Authority entered into a land lease with Mark A. and Rosalind Schurgin, for approximately 16.5 acres at Orlando Executive Airport for construction, operation and maintenance of a retail shopping center. Through successive lease assignments and transfers in lieu of foreclosure, WCPRT Colonial Promenade, LLC (WCPRT), became the lessee. Over a number of years, the improvements on the property deteriorated due to deferred maintenance and in 2016, the Aviation Authority filed for eviction of WCPRT. Thereafter, on July 1, 2017, a settlement agreement was reached and possession of the property was turned over to the Aviation Authority.

Subsequent to receipt of possession, the Aviation Authority limited new tenant leases and renewals to a 12-month term. During that time, Sembler struggled to find suitable tenants and the occupancy rate at Colonial Promenade declined from 67% to 41%. In that regard, Sembler advised Staff that longer-term leases are required in order to increase occupancy. More specifically, longer-term leases are considered necessary for the construction of tenant improvements and to afford tenants sufficient time to recover the cost of their improvements.

On February 19, 2020, this Committee authorized the issuance of up to five-year tenant leases at Colonial Promenade Shopping Center, provided that the Aviation Authority retain the right to terminate any tenant lease prior to expiration without cause, based on an equitable reimbursement of all agreed upon unamortized tenant improvements, if any.

ISSUES

The predecessors in interest to the Aviation Authority and DMANSR entered into a Retail Lease at Colonial Promenade Shopping Center effective December 1, 2004, and through successive amendments, the term will expire on May 31, 2023. The Aviation Authority and DMANSR desire to enter into a new Retail Lease Agreement to occupy 1,270 square feet for the display and retail sale of vacuum cleaners, and related accessories thereto as defined in the lease, for a period of four years. DMANSR shall pay annual rent of \$20,320.00 (\$16.00 per sq. ft.) with fixed 3% annual base rent escalations and additional rent of \$4,762.50 (\$3.75 per sq. ft.) during the first year, as adjusted annually based on its prorata share of real estate taxes, insurance and common area maintenance of the center.

The Aviation Authority shall retain relocation rights to similar square footage and improvements upon thirty days prior written notice and reimbursement of reasonable and actual expenses associated with the relocation.

The Aviation Authority shall retain termination rights to redevelop the Shopping Center either in whole or the majority of the land or buildings comprising the Shopping Center with twelve months prior written notice.

ALTERNATIVES

The Committee may elect not to approve the proposed Retail Lease Agreement.

FISCAL IMPACT

The fiscal impact is \$85,011.30 in base rent revenue for the four-year term, and, annual additional rent revenue of \$4,762.50, adjusted annually based on its prorate share of real estate taxes, insurance and common area maintenance of the center. Funding for the brokerage commission of \$4,064.00 (5%) shall be paid in installments of fifty percent (50%) of each monthly base rental payment actually received by the Aviation Authority, until paid in full.

RECOMMENDED ACTION

It is respectfully requested that the Commercial Properties Development Committee accept this recommendation and recommend to the Aviation Authority Board the approval of a Four year Retail Lease Agreement with Dmansr Enterprises, Inc., at Colonial Promenade, as outlined above, for 1,270 square feet to be used for the display and retail sale of vacuum cleaners, and related accessories thereto as defined in the lease, at the initial annual rate of \$16.00 per square foot, with 3% annual escalations and annual additional rent of \$3.75 per square foot, as annually adjusted based on operating expense budget and reconciliation.