

COMMERCIAL PROPERTY DEVELOPMENT COMMITTEE AGENDA

DATE: OCTOBER 16, 2024	DAY: WEDNESDAY	TIME: 10:00 am
PLACE: CONFERENCE ROOM KONSTAN, ORLANDO EXECUTIVE AIRPORT, 365 RICKENBACKER DRIVE		

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 AUGUST 2, 2023

IV. CONSENT AGENDA

- A. Recommendation to Approve Action Plan for the Redevelopment or Renovation of Colonial Promenade

On **WEDNESDAY, AUGUST 02, 2023**, the **COMMERCIAL PROPERTIES DEVELOPMENT COMMITTEE** of the Greater Orlando Aviation Authority met in the Carl T. Langford Board Room located in the main terminal building at the Orlando International Airport (MCO), One Jeff Fuqua Boulevard, Orlando, Florida. Chair Good called the meeting to order at 1:26 p.m. The meeting was posted in accordance with Florida Statutes and a quorum was present.

Committee members present, M. Carson Good, Chairman
 Mayor Dyer
 Craig Mateer

Also present, Kevin J. Thibault, Chief Executive Officer
 Kenyatta Lee, Chief of External Affairs
 Judith-Ann Jarette, Vice President, ORL Operations
 Anthony Davit, Chief Operating Officer
 Yovannie Rodriguez, Chief Administrative Officer
 Brad Friel, Senior Vice President, Modal Planning and Environmental
 Dan Gerber, General Counsel
 Anna Farmer, Manager, Board Services and Recording Secretary

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MINUTES

1. Upon motion by Mayor Dyer, second by Mr. Mateer, motion passed to accept the April 19, 2023 Commercial Properties Development Committee minutes, as written.

CONSENT AGENDA ITEMS

2. Mr. Thibault asked that the Consent Agenda be approved as presented.

A. Recommendation to Approve the Retail Lease Agreement at Colonial Promenade Shopping Center, Orlando Executive Airport, with Yazan Qamar, a franchisee for Mochinut ("QAMAR")

Mr. Mateer and Mayor Dyer inquired about what a Mochinut is.

Upon motion by Mr. Mateer, second by Mayor Dyer, vote carried to approve the recommendation of the Consent Agenda as presented.

DRAFT MINUTES OF THE AUGUST 2, 2023, COMMERCIAL PROPERTIES DEVELOPMENT COMMITTEE
MEETING

ADJOURNMENT

3. There being no further business to be considered, Chair Good adjourned the meeting at 1:29 p.m.

(Digitally signed on , 2024)

Anna Farmer
Manager, Board Services and Recording Secretary

Kevin J. Thibault
Chief Executive Officer



MEMORANDUM

TO: Members of the Commercial Properties Development Committee

FROM: Jay A. Cassens, Vice President, Aviation Real Estate

DATE: October 16, 2024

ITEM DESCRIPTION

Recommendation to Approve Action Plan for the Redevelopment or Renovation of Colonial Promenade

BACKGROUND

Early History – To provide background for this item, an abbreviated timeline may be helpful: In 1984, the Aviation Authority executed a land lease for construction, operation, and maintenance of a retail shopping center. The property was constructed in 1985. Through successive lease assignments and transfers in lieu of foreclosure, WCPRT Colonial Promenade, LLC (WCPRT), became the lessee. Over the years, improvements on the property deteriorated due to deferred maintenance and in 2016, the Aviation Authority filed for eviction of WCPRT. Subsequently, the Aviation Authority reached a settlement agreement and took possession of the facilities on July 1, 2017.

Redevelopment RFQ – In July 2018, the Aviation Authority issued a RFQ for the redevelopment of the site with the following goals: (1) to maximize the return to the Aviation Authority; (2) to reduce the risk to the Authority through a long-term master ground lease; and, (3) to modernize and update the property. Due to limited interest, and non-responsive bids, the Aviation Authority withdrew RFQ.

Maintenance and Improvements – The Aviation Authority conducted a needs assessment of the property, and in 2018-2019 invested \$2.0 million for roof replacement, theater remediation and rehab, exterior paint, and electrical and pylon sign improvements.

The Aviation Authority issued a RFP for Asset Management and Brokerage Services and subsequently on May 25, 2021, retained the services of Stiles, a high-level full-service real estate company connected with the retail business. Stiles actively marketed the center and occupancy increased from 29% to 43.5%. With the recent bankruptcy of Sam Ash, occupancy declined to 23.4% on June 1, 2024. Likewise, ORL revenues from FY2024 of \$1,125,574 reduced to projected FY2025 of \$765,062.

Current Colonial Promenade leasing challenges include facility buildout costs for perspective tenants exceed the economics of a five-year lease and the need for a minimum 10-year term for tenants to recover capital expense. Additionally, limited capital investments in the center have further deterred interest in the property.

ISSUES

The Aviation Authority's Real Estate Department is seeking approval from the Commercial Properties Development Committee (CPDC) of the following Action Plan to advance the redevelopment or renovation of Colonial Promenade:

1. **Promote** the development or renovation opportunity for the entire 21-acre site to attract a developer to execute a master lease with the Aviation Authority.
2. **Host** a real estate open house at ORL to highlight opportunities for Colonial Promenade.
3. **Accept** Letters of Intent (LOIs) and required deliverables for three months (November through January).
4. **Evaluate** LOIs and required deliverables to ensure alignment with our strategic goals for the property.
5. **Recommend** next steps to CPDC based on deliverables received.

SMALL BUSINESS

Not Applicable.

ALTERNATIVES

Authorize staff to offer tenant leases exceeding five years at Colonial Promenade, including outparcels, and to seek budget approval for Aviation Authority Capital Expenditures in the amount of \$7,012,975 to fund moderate renovations to the center.

FISCAL IMPACT

There is no fiscal impact for the Action Plan.

RECOMMENDED ACTION

It is respectfully requested that the Commercial Properties Development Committee accept this recommendation and resolve to approve the Aviation Authority's Real Estate Department's Action Plan to advance the redevelopment or renovation of Colonial Promenade to: (1) Promote the development or renovation opportunity for entire 21-acre site to attract a developer to execute a master lease with the Aviation Authority; (2) Host a real estate open house at ORL to highlight opportunities for Colonial Promenade; (3) Accept Letters of Intent (LOI) and required deliverables for three months (November through January); (4) Evaluate LOI's and deliverables to ensure alignment with our strategic goals for the property; and, (5) Make a recommendation to CPDC based on staff evaluations.