



MEMORANDUM TO VENICE CITY COUNCIL

THROUGH CHARTER OFFICER: Edward Lavalley, City Manager

E-SIGN:

FROM: Mark Cervasio, Airport Director

DEPARTMENT: Airport

DATE: 8/21/23
2023

MEETING DATE: September 12,

SUBJECT / TOPIC: First Amendment to BVK, Inc. (Sarasota Avionics), an aeronautical land lease tenant that leases 1.2 acres of land at Venice Municipal Airport located at 120 Airport Avenue West. The tenant has requested that the City approve an amendment to their lease extending the term under certain conditions.

BACKGROUND INFORMATION:

BVK, Inc. is an aeronautical land lease tenant that leases 1.2 acres of land at the airport located at 120 Airport Avenue East. The amended and restated lease began May 1, 2012 and comes to term April 30 2037. The lease provides for a five (5) year extension to the term, at the tenant's option, providing for an expiration date of April 30, 2042. There is an aircraft hangar and associated aircraft ramp and vehicle parking facilities on the property.

The lessee would like to make improvements on the leasehold consisting of the construction of a metal warehouse building and associated parking and driveway improvements to facilitate their business operation. This would constitute an investment of approximately \$150,000.00 in improvements on the property. In order to secure financing, the lessee would need to have a full 30 year term on the lease. Along with the construction of the improvements the lessee proposes to increase the lease rate from the existing \$.55 per square foot (\$28,941.26 annually) to \$.57 per square foot (\$29,993.67 annually) and continue annual CPI adjustments upon the effective date of the amendment to the lease, October 1, 2023. Additionally, reappraisal adjustments to the lease rate will be made on October 1, 2033. The lease rate will be adjusted by reappraisal again on October 1, 2048, if the tenant exercises the five year option to extend. The amendment to the lease would provide for a new expiration date of September 30, 2048, with a five (5) year option for a full 30 year term ending September 30, 2053.

Requested Action: Staff requests that City Council authorize the Mayor to execute the Third Amendment to the Lease between the City of Venice and BVK, Inc.

SUPPORTS STRATEGIC PLAN: Goal Four: Upgrade and Maintain City Infrastructure and Facilities

COUNCIL ACTION REQUESTED: For Council Adoption by Consent Motion

-
- | Yes | N/A | |
|-------------------------------------|-------------------------------------|--|
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Document(s) Reviewed for ADA compliance (required if for agenda posting) |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | City Attorney Reviewed/Approval |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Risk Management Review |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | Finance Department Review/Approval |
| | | Funds Availability (account number): |