



**City of Venice
City Manager's Report
Agenda Item Request**

DATE: October 9, 2015

TO: Ed Lavalley, City Manager

FROM: Christopher A. Rozansky, Airport Director

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CITY COUNCIL MEETING DATE: October 27, 2015

SUBJECT: Authorize the Mayor to Execute the Restated Lease between Tristate Aviation Group of Florida, LLC and the City of Venice and Approve Reimbursement of \$5,806.02 in Rent

Background:

Tristate Aviation Group of Florida, LLC (dba Suncoast Air Center) is a commercial aeronautical tenant that leases about 13.4 acres at the Airport, including the facilities located at 220, 224 and 400 Airport Avenue East. They provide aircraft fuel, maintenance, rental cars, catering and other related services to tenants and visitors of the community. Tristate currently pays \$177,677.64 in annual rent to the Airport Fund.

Below is a summary of outstanding issues related to the aforementioned leases:

- 1) The Runway 5-23 Runway Object Free Area extends onto approximately 0.63 acres of the easternmost parcel leased by Tristate and cannot be developed;
- 2) Tristate has requested to release all 2.53 acres of the undeveloped parcel at the east end of Airport Avenue;
- 3) The Taxiway Object Free Area overlaps the southern lease boundary by approximately 9,000 sq. ft. Tristate is unable to use this area for aircraft parking since it must be kept clear to provide adequate wingtip clearance for aircraft on Taxiway A. The encroachment was reduced by the recently completed construction project because Taxiway A was moved 17-ft south;
- 4) At the request of Airport staff, Tristate has agreed to relocate their aboveground fuel storage tanks and self-service fuel system, as shown in Exhibit D of the Restated Lease, in order to facilitate future hangar development on the parcel adjacent to the current facility;
- 5) Earlier this year, Tristate developed 1.5 acres of aircraft parking apron on their leased premises at their own expense to provide additional space for visiting aircraft;

- 6) Tristate demolished the former Honoluana Restaurant building after discovering it would be cost prohibitive to renovate the structurally deficient facility. Tristate now desires to lease the property for aircraft parking, but has paid a rental rate based on the former restaurant use since the facility was demolished in January 2014. The difference in the rental rates was determined to be \$5,806.02.

Airport staff has negotiated this proposed Restated Lease to consolidate all leased parcels, resolve the aforementioned matters and amend other terms and conditions. Highlights include:

- 1) A thirty (30) year initial term and a five (5) year option to renew;
- 2) An adjusted rental rate of \$132,811.56 per year, primarily due to the reduction in acres leased and conversion of one parcel from restaurant to aircraft parking use. A rent adjustment is included every three (3) years throughout the term of the lease;
- 3) A requirement to provide aircraft fueling services and the privilege to conduct other commercial aeronautical activities for which it meets the minimum standards;
- 4) The right to conduct non-aeronautical commercial activities on a short-term basis (5 years or less) under certain conditions, including prior FAA consent and a rent adjustment;
- 5) A requirement to relocate the aboveground fuel storage tanks and self-service fuel system.

Other terms and conditions of the Restated Lease have been updated to reflect recent industry trends.

Risk Management:

The Director of Administrative Services has reviewed and approved the proposed restated lease.

Finance Department:

The Finance Department has reviewed and approved the proposed restated lease.

City Attorney:

The City Attorney has reviewed and approved the proposed restated lease.

Requested Action:

Staff requests that City Council authorize the Mayor to execute the Restated Lease between Tristate Aviation Group of Florida, LLC and the City of Venice and to approve reimbursement of \$5,806.02 in rent.

Attachments:

Restated Lease
Existing Leased Parcel Sketch
Existing Leases (3)