



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

**DATE:** May 12, 2017

**TO:** Ed Lavalley, City Manager

**FROM:** Mark J. Cervasio, Airport Director

**CITY COUNCIL MEETING DATE:** June 13, 2017

**SUBJECT:** Authorize the Mayor to Execute a Lease Amendment between the City of Venice and Swift Group, Inc.

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**Background:**

Swift Group, Inc. is an aeronautical land lease tenant with a t-hangar building on the airfield for storage of owners' aircraft. In accordance with their 20-year lease, Swift Group currently pays \$10,891.08 in annual rent to the Airport Fund, with annual adjustments based on the Consumer Price Index (CPI).

A recent survey indicated that there are discrepancies in the current legal description of the leasehold parcel.

Additionally, Swift Group proposes to invest in capital improvements to the property valued at approximately \$90,000, and which include:

- Roof replacement;
- Door and wall panel replacement;
- Abandonment of the existing well and connection to the City's water system;
- Exterior lighting replacement; and
- Repaving of all hangar access aprons.

In order to correct the legal description and in consideration of the proposed capital investment, staff has negotiated a lease amendment, which includes the requirement to construct specific improvements (Section 66) as well as an update of the terms and conditions to the current industry trends and City of Venice standards. These changes include, but are not limited to, the following:

- Revised legal description;
- Extend the lease term to 30 years with a 5-year renewal option;
- Updated "Indemnification of Lessor" provision;
- Updated "Insurance" provision;
- Updated "Default" provision;
- Updated "Property Rights Reserved" provision;
- Addition of "Rent Adjustment" provision;
- Addition of "Compliance with Laws, Regulations, Ordinances and Rules" provision;
- Addition of "Inspection of Improvements";
- Addition of "Environmental Regulations" and "Environmental Inspections" provisions;
- Addition of "Security" provision; and
- Addition of "Federal Review" provision.

**Risk Management:**

The Director of Administrative Services has reviewed and approved the proposed First Amendment to Lease.

**City Attorney:**

The City Attorney's office has reviewed and approved the proposed First Amendment to Lease.

**Requested Action:**

Staff requests that City Council authorize the Mayor to execute the First Amendment to Lease between the City of Venice and Swift Group, Inc.

**Attachments:**

First Amendment to Lease

Existing Lease