



MEMORANDUM

City of Venice

Airport

TO: Ed Lavallee, City Manager

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

DATE: August 8, 2018

COUNCIL APPROVAL: Yes

MEETING DATE: August 28, 2018

STRATEGIC PLAN GOAL: Ensure a Financially Sound City

SUBJECT: Authorize the Mayor to Execute a Third Amendment to Lease between the City of Venice and Agape Flights, Inc.

Background: Agape Flights, Inc. ("lessee") is a commercial aeronautical land lease tenant that leases approximately 1.5 acres of land at the Airport, including the facilities located at 100 Airport Ave ("leased premises") for storage of aircraft and conducts aeronautical activities. In accordance with the 25-year Lease dated February 9, 1999 ("lease") and Second Amendment to Lease, lessee currently pays \$24,103.44 in annual rent to the Airport Fund, with annual adjustments based on the Consumer Price Index (CPI).

Lessee has contacted staff requesting an extension in lease terms and to invest in capital improvements to the leased premises valued at approximately \$150,000. In consideration of the proposed capital investment, staff has negotiated a Third Amendment to Lease, ("third amendment") which includes the following:

- Extend the term of the lease an additional fifteen (15) years, with said extension term running from March 1, 2024 and ending on February 28, 2039; and
- Provided lessee is not in default, lessee has the option to renew the lease for one (1) additional period of five (5) years, commencing on March 1, 2039 and ending on February 29, 2044; and
- Within two (2) years of the date of the third amendment, replace the entire roof on the building located on the leased premises; and
- Prior to February 29, 2024, lessee shall repair and/or replace the entire aircraft parking apron located on the leased premises.

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

If approved, staff requests the attached originals (3 of each) be forwarded to the City Clerk's office to obtain the Mayor's signature.

Distribution: One signed original to Records and two signed originals returned to VNC.

City Attorney Review/Approved: Yes

Risk Management Review: Yes

Finance Department Review/Approved: N/A

Funds Availability (account number): N/A

ORIGINAL(S) ATTACHED: Third Amendment to Lease (3)

Cc: