

Real Estate & Transportation Committee
July 7, 2014

The Real Estate & Transportation Committee met in the City Commission Conference Room immediately following the Municipal Board Committee meeting. Commissioner Don Selvage (chair) and Commissioners Justin Troller & Phillip Walker (members) were present. Mayor Howard Wiggs and Commissioners Edie Yates and Keith Merritt were present. City Manager Doug Thomas, Community Development Director Jim Studiale, Assistant City Manager Brad Johnson, City Attorney Tim McCausland, and City Clerk Kelly Koos were present along with Airport Director Gene Conrad.

Commissioner Don Selvage called the meeting to order at 7:26 a.m.

The purpose of this meeting was to discuss two lease agreements at the Airport.

Lease Agreement with Florida Modification Specialists, LLC

This was a proposed Lease Agreement with Florida Modification Specialists, LLC (FMS) for 86,500 square feet of hangar space, including bays two (2) and three (3), located at 3430 Aircraft Drive at the Airside Center. FMS previously subleased the second bay from Sky King. Both FMS and the Airport were seeking to enter into a direct lease for all of the above referenced space. Accordingly, the Airport and FMS have agreed to a new Lease Agreement that includes both bays.

The Lease, with a retroactive effective date of July 1, 2014 subject to approval by the City Commission, shall be for an initial term of ten (10) years, including two (2) additional five (5) year renewal options upon mutual written agreement of the parties. The annual rent would be \$172,800 during the first five (5) years of the initial term. Thereafter, years six (6) through ten (10) of the initial term shall be subject to annual Consumer Price Index (CPI) increases capped at 3% annually. The rent pursuant to this Lease Agreement reflected an increase of \$90,206 over the previous existing agreement with FMS.

Action: Commissioner Phillip Walker moved to approve the lease. Commissioner Justin Troller seconded and the motion carried unanimously.

Lease Agreement with Florida Gate Masters, LLC

This was a proposed Lease Agreement with Florida Gate Masters, LLC (Florida Gate Masters) for 1,125 square feet of office space and 4,575 square feet of warehouse space located at 3830 Airfield Court on the north side of the Airport, adjacent to the facility leased by the City's Telecommunications Department.

The term of this Lease Agreement, with a retroactive effective date of July 1, 2014 and subject to approval by the City Commission, would be for an initial term of five (5) years, including two (2) additional two (2) year renewal options upon mutual written agreement

of the parties. The annual rent would be \$33,000 for the first two (2) years of the Lease, with annual rent increases thereafter of \$1,200.00 for the remaining years of the initial term. Rent increases during any renewal term thereafter would be subject to adjustments in the Consumer Price Index (CPI).

The Lessee would be provided a sixty (60) day move in period during which Lessee would only be responsible for payment of the utilities. Florida Gate Masters selling its present location. The Lease Agreement provided a termination clause in the event the sale did not close in early August.

As a condition of Florida Gate Masters executing the Agreement, the Airport has agreed to upgrade the electric to the building to accommodate the required three phase power that Florida Gate Masters required. In addition, the Airport would install a fence on the west side of the property to provide a secure area. The total costs for the improvements were estimated at \$12,000 for which the Airport was seeking City approval to appropriate those funds.

Action: Commissioner Phillip Walker moved to approve the lease. Commissioner Justin Troller seconded and the motion carried unanimously.

The Committee adjourned at 7:33 a.m.