

MEMORANDUM

TO: **Real Estate & Transportation Committee**
Commissioner Mike Musick, Chairman
Commissioner Bill Read
Commissioner Chad McLeod

FROM: City Attorney's Office

DATE: February 7, 2022

RE: **Third Amendment to Lease Agreement with Lance Aviation, Inc.**

Attached hereto for your consideration is a proposed Third Amendment to the Lease Agreement with Lance Aviation, Inc. located on the south side of the Airport at 3131 Flightline Drive. Lance Aviation, Inc., which specializes in helicopter maintenance and repair, has been operating at the Airport for over twenty (20) years and currently leases hangar and office space.

This Third Amendment modifies the calculation used to determine annual rent increases. Pursuant to this Third Amendment, annual rent increases will be adjusted to reflect a 2.5% increase for the remainder of the Lease term rather than an annual increase tied to a change in the Consumer Price Index. This Third Amendment will have a retroactive effective date of January 1, 2022, subject to City Commission approval. This annual rent adjustment is consistent with the leases the Airport has with other tenants in the facility. Lance Aviation, Inc. is currently in the second year of its initial ten (10) year Lease term. Except as set forth in this Third Amendment all other terms and conditions of the Lease and subsequent amendments thereto, will remain in full force and effect.

It is recommended that the City Commission approve this Third Amendment to Lease with Lance Aviation, Inc. and authorize the appropriate City officials to finalize and execute this Third Amendment consistent with the above-specified terms.

Attachment

THIRD AMENDMENT TO LEASE AGREEMENT

This Third Amendment to Lease Agreement is made and entered into this 7th day of February 2022, by and between the **City of Lakeland**, a Florida municipal corporation (hereinafter referred to as the "Lessor"), whose address is 228 S. Massachusetts Avenue, Lakeland, Florida 33801 and **Lance Aviation, Inc.** (hereinafter referred to as "Lessee"), whose address is 3131 Flightline Drive Suite 103 Lakeland, Florida 33811.

WITNESSETH:

WHEREAS, the Lessor and Lessee entered into a Lease Agreement (the "Lease Agreement"), on January 1, 2015; and

WHEREAS, the Lessor and Lessee entered into the First Lease Amendment on December 18, 2017 to include additional office space to the leased Premises and adjust the rent based on the additional space; and

WHEREAS, the Lessor and Lessee entered into the Second Lease Amendment on December 21, 2020 to reduce the leased space and adjust the rent based on the reduction in space; and

WHEREAS, the Parties now seek to modify the Lease to remove CPI adjustments from the base rent and add graduated adjustments to the base rent; and

NOW THEREFORE, the Parties hereto do mutually agree to amend the Lease Agreement as set forth below:

1. Section 3.2 of the Lease Agreement shall be modified as follows:

3.2 Commencing January 1, 2022, the Base Rent to be paid hereunder shall be subject to an annual increase of two and one half percent (2.5%) at the expiration of each one (1) year period the Lease is in effect.

YEAR	PERIOD	ANNUAL RATE	MONTHLY RATE
1	January 1, 2021 – December 31, 2021	\$49,528.80	\$4,127.40
2	January 1, 2022 – December 31, 2022	\$50,767.02	\$4,230.59
3	January 1, 2023 – December 31, 2023	\$52,036.20	\$4,336.35
4	January 1, 2024 – December 31, 2024	\$53,337.10	\$4,444.76
5	January 1, 2025 – December 31, 2025	\$54,670.53	\$4,555.88
6	January 1, 2026 – December 31, 2026	\$56,037.29	\$4,669.77
7	January 1, 2027 – December 31, 2027	\$57,438.22	\$4,786.52
8	January 1, 2028 – December 31, 2028	\$58,874.18	\$4,906.18
9	January 1, 2029 – December 31, 2029	\$60,346.03	\$5,028.84
10	January 1, 2030 – December 31, 2030	\$61,854.68	\$5,154.56

2. Except as otherwise amended herein, all other terms and conditions of the Lease, First Amendment and Second Amendment shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this Third Amendment to the Lease Agreement to be executed and their respective seals to be hereunto affixed, the day and year first above written.

ATTEST:

City of Lakeland, Florida
a municipal corporation

By: _____
Kelly S. Koos
City Clerk

By: _____
H. William Mutz
Mayor

(Seal)

APPROVED AS TO FORM AND CORRECTNESS:

By: _____
Palmer C. Davis
City Attorney

Signed in the presence of:

Lance Aviation, Inc.

Witness

By: _____
(Signature)

Witness

Printed Name and Title