

ST. PETERSBURG CITY COUNCIL

Consent Agenda

Meeting of May 7, 2009

TO: The Honorable Jeff Danner, Chair and Members of City Council

SUBJECT: Consenting to the assignment of the Lease Agreement ("Lease") between the City of St. Petersburg and LouAir Associates, Inc., a Florida for profit corporation, for the use of Hangar No. 4 at Albert Whitted Airport to West Florida Helicopters, Inc., a Florida for profit corporation; authorizing the Mayor, or his Designee, to execute a First Amendment to the Lease that modifies the use of the Premises; and to execute all documents necessary to effectuate same; and providing an effective date. *(Requires affirmative vote of at least six (6) members of City Council.)*

EXPLANATION: Real Estate and Property Management received a letter of request (attached) from Lou Edmondson, owner of LouAir Associates, Inc. ("LouAir"), a Florida for profit corporation, who is asking for permission to assign the lease agreement between the City of St. Petersburg ("City") and LouAir for the use of Hangar No. 4 at Albert Whitted Airport ("Airport") to West Florida Helicopters, Inc. ("West Florida"), a Florida for profit corporation. West Florida has been owned and operated by Randy York at the Airport since June 1981, including his ownership and operation of two predecessor entities since August 1978.

On December 5, 2005, the City Council of the City of St. Petersburg, through the adoption of Resolution No. 05-637, authorized the Mayor, or his Designee, to execute a five (5) year Lease Agreement with LouAir ("Lease"), for the use of the ±7,000 square foot Hangar No. 4 at the Airport ("Premises"). The Premises consist of ±5,676 square feet of aircraft storage space, ±956 square feet of shop space, ±312 square feet of office space and a ±56 square foot restroom. Paragraph 26 of the Lease provides that the Lease can be assigned subject to receiving the prior written approval of the City. The current Lease term continues until midnight on December 31, 2010.

The current Lease paragraph 5 provides use of the Premises to "...maintain and store company-owned aircraft for business and personal use" and further provides that "any change in use shall require the prior written approval of the City."

Due to the fact that West Florida provides broader airport-related services, it is necessary to amend the Lease to modify the Use provision of paragraph 5 to accommodate West Florida's airport business as follows:

"...maintain and store company-owned aircraft, maintain and store client-owned aircraft, conduct flight training, conduct sight seeing tours, aircraft sales, charter flights and aerial photography services."

An amendment to the Lease, deleting the existing paragraph 5 and replacing it with the new paragraph 5 language, has been signed by West Florida subject to approval of the requested assignment and amendment by City Council. Other than this minor modification to the use, all other terms and conditions of the Lease will remain the same.

For additional Lease background, the current monthly rental rate is \$2,736.16 for the remainder of 2009 with a Consumer Price Index ("CPI") adjustment effective on January 1, 2010. The Lease provides that the maximum upward CPI increase in any given year is a maximum of 3½ percent with no downward adjustment. The monthly payment includes rent, a refuse fee of \$12.52, a stormwater fee of \$17.00, and a credit of \$93.33 for capital improvements previously made to the Premises.

West Florida has provided the City with evidence of a commercial general liability insurance policy in the amount of at least \$1,000,000 per occurrence and \$2,000,000 in the aggregate, protecting the City against all claims or demands that may arise or be claimed on account of West Florida's use of the Premises as required by the Lease. The Lease may be terminated without cause by either party by providing the other party with ninety (90) days written notice prior to the scheduled date of termination. The City is under no obligation to provide a replacement facility under any circumstances.

This Lease is in compliance with Section 1.02(c)(4) of the City Charter, which permits the leasing of property on Albert Whitted Airport not exceeding twenty-five (25) years with an affirmative vote of at least six (6) members of City Council.

RECOMMENDATION: Administration recommends that City Council consent to the assignment of the Lease Agreement ("Lease") between the City of St. Petersburg and LouAir Associates, Inc., a Florida for profit corporation, for the use of Hangar No. 4 at Albert Whitted Airport to West Florida Helicopters, Inc., a Florida for profit corporation; authorize the Mayor, or his Designee, to execute a First Amendment to the Lease that modifies the use of the Premises; and to execute all documents necessary to effectuate same.

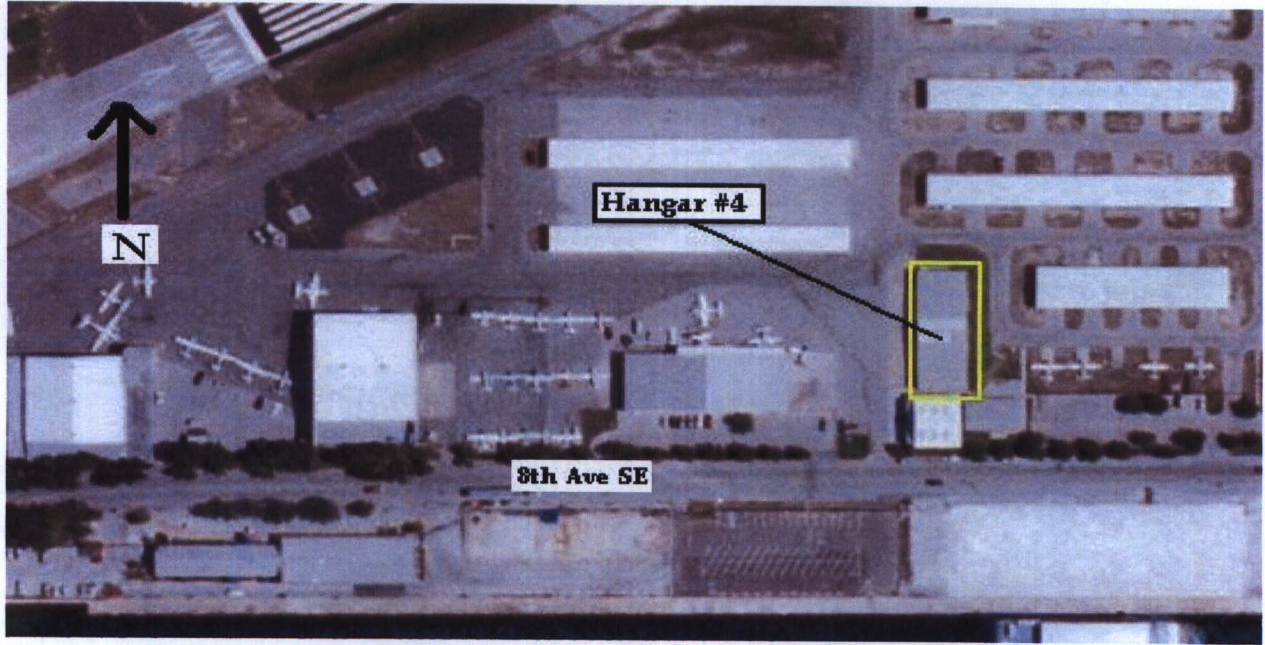
COST/FUNDING/ASSESSMENT INFORMATION: N/A

ATTACHMENTS: Illustration, Letter of Request and Resolution

APPROVALS: Administrative: Joseph F. Zesti CB EG
Budget: N/A
Legal: RAB
(As to consistency w/attached legal documents)

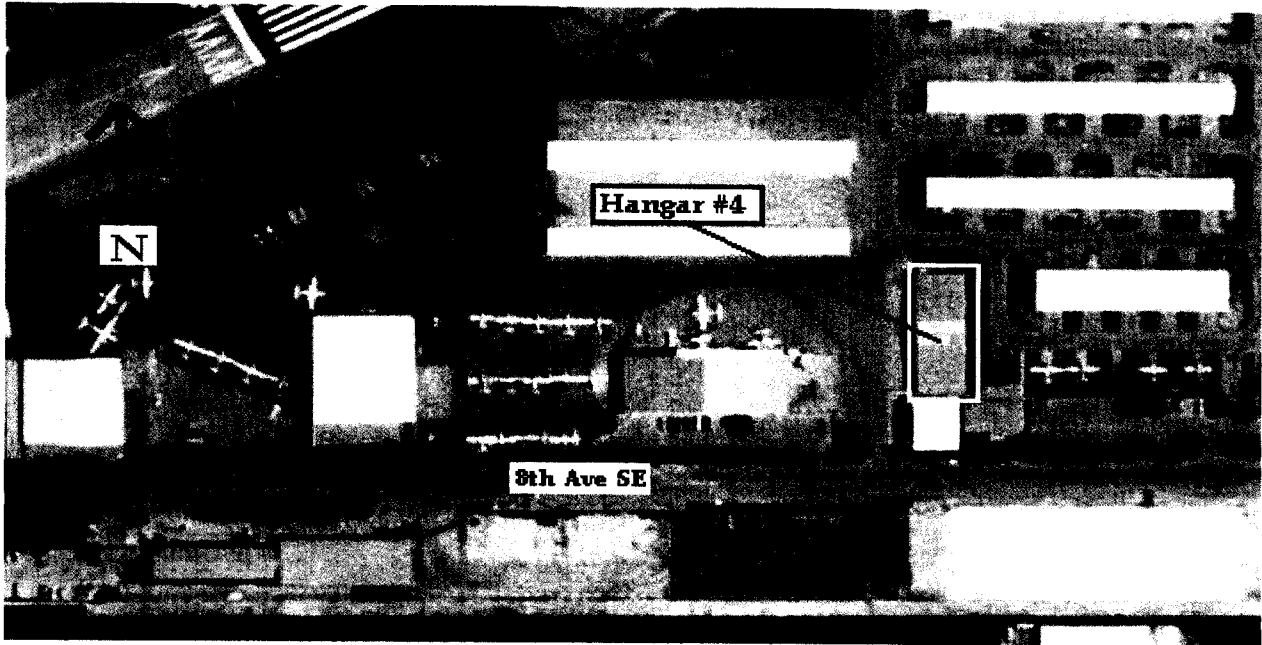
ILLUSTRATION

(LOCATION OF THE HANGAR ON THE AIRPORT)



ILLUSTRATION

(LOCATION OF THE HANGAR ON THE AIRPORT)



March 27, 2009

Richard Lesniak, Airport Manager
Albert Whitted Airport, City of St. Petersburg
107 8th Avenue SE
St. Petersburg, FL 33701

Lou Edmondson
Lou Air Associates, Inc.
107 8th Ave SE
St. Petersburg, FL 33701

REF: HANGAR #4 LEASE

Dear Mr. Lesniak,

With regard to the discussions between Lou Air Associates, Inc. (Lou Edmondson), West Florida Helicopters, Inc. (Randy York) and the City of St. Petersburg, I hereby request that my lease of Hangar #4 at Albert Whitted Airport dated December 1, 2005 be assigned to West Florida Helicopters.

Thank you for your prompt resolution to this matter.



Lou Edmondson

President

A RESOLUTION CONSENTING TO THE ASSIGNMENT OF THE LEASE AGREEMENT ("LEASE") BETWEEN THE CITY OF ST. PETERSBURG AND LOUAIR ASSOCIATES, INC., A FLORIDA FOR PROFIT CORPORATION, FOR THE USE OF HANGAR NO. 4 AT ALBERT WHITTED AIRPORT TO WEST FLORIDA HELICOPTERS, INC., A FLORIDA FOR PROFIT CORPORATION; AUTHORIZING THE MAYOR, OR HIS DESIGNEE, TO EXECUTE A FIRST AMENDMENT TO THE LEASE THAT MODIFIES THE USE OF THE PREMISES; AND TO EXECUTE ALL DOCUMENTS NECESSARY TO EFFECTUATE SAME; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, Real Estate and Property Management received a letter of request from Lou Edmondson, owner of LouAir Associates, Inc. ("LouAir"), a Florida for profit corporation, who is asking for permission to assign the lease agreement between the City of St. Petersburg ("City") and LouAir for the use of Hangar No. 4 at Albert Whitted Airport ("Airport") to West Florida Helicopters, Inc. ("West Florida"), a Florida for profit corporation; and

WHEREAS, West Florida has been owned and operated by Randy York at the Airport since June 1981, including his ownership and operation of two predecessor entities since August 1978; and

WHEREAS, on December 5, 2005, the City Council of the City of St. Petersburg, through the adoption of Resolution No. 05-637, authorized the Mayor, or his Designee, to execute a five (5) year Lease Agreement with LouAir ("Lease"), for the use of the ±7,000 square foot Hangar No. 4 at the Airport ("Premises"); and

WHEREAS, the Premises consist of ±5,676 square feet of aircraft storage space, ±956 square feet of shop space, ±312 square feet of office space and a ±56 square foot restroom; and

WHEREAS, paragraph 26 of the Lease provides that the Lease can be assigned subject to receiving the prior written approval of the City; and

WHEREAS, the current Lease term continues until midnight on December 31, 2010; and

WHEREAS, the current Lease paragraph 5 provides use of the Premises to *"...maintain and store company-owned aircraft for business and personal use"* and further provides that *"any change in use shall require the prior written approval of the City."*; and

WHEREAS, due to the fact that West Florida provides broader airport-related services, it is necessary to amend the Lease to modify the Use provision of paragraph 5 to accommodate West Florida's airport business as follows: *"...maintain and store company-owned aircraft, maintain and store client-owned aircraft, conduct flight training, conduct sight seeing tours, aircraft sales, charter flights and aerial photography services."*; and

WHEREAS, an amendment to the Lease, deleting the existing paragraph 5 and replacing it with the new paragraph 5 language has been signed by West Florida subject to approval of the requested assignment and amendment by City Council; and

WHEREAS, other than this minor modification to the use, all other terms and conditions of the Lease will remain the same; and

WHEREAS, for additional Lease background, the current monthly rental rate is \$2,736.16 for the remainder of 2009 with a Consumer Price Index ("CPI") adjustment effective on January 1, 2010; and

WHEREAS, the Lease provides that the maximum upward CPI increase in any given year is a maximum of 3½ percent with no downward adjustment; and

WHEREAS, the monthly payment includes rent, a refuse fee of \$12.52, a stormwater fee of \$17.00, and a credit of \$93.33 for capital improvements previously made to the Premises; and

WHEREAS, West Florida has provided the City with evidence of a commercial general liability insurance policy in the amount of at least \$1,000,000 per occurrence and \$2,000,000 in the aggregate, protecting the City against all claims or demands that may arise or be claimed on account of West Florida's use of the Premises as required by the Lease; and

WHEREAS, the Lease may be terminated without cause by either party by providing the other party with ninety (90) days written notice prior to the scheduled date of termination; and

WHEREAS, the City is under no obligation to provide a replacement facility under any circumstances; and


WHEREAS, this Lease is in compliance with Section 1.02(c)(4) of the City Charter, which permits the leasing of property on Albert Whitted Airport not exceeding twenty-five (25) years with an affirmative vote of at least six (6) members of City Council.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of St. Petersburg, Florida, that this City Council consents to the assignment of the Lease Agreement ("Lease") between the City and LouAir Associates, Inc., a Florida for profit corporation, for the use of Hangar No. 4 at Albert Whitted Airport to West Florida Helicopters, Inc., a Florida for profit corporation; and

BE IT FURTHER RESOLVED that the Mayor, or his Designee, is hereby authorized to execute a First Amendment to the Lease that modifies the use of the Premises; and to execute all documents necessary to effectuate same.


This Resolution shall become effective immediately upon its adoption.

LEGAL:




City Attorney (Designee)

APPROVED BY:



Chris Ballestra, Director
Downtown Enterprise Facilities

APPROVED BY:



Bruce E. Grimes, Director
Real Estate and Property Management