

## MEMO

**TO:** Finance Board

**FROM:** Robert McEwing, Burlington International Airport

**DATE:** May 12, 2012

**SUBJECT:** Finance Board Approval Request – Aviatron Lease

The Burlington Airport seeks Finance Board and City Council approval for the following item related to a Lease associated with Airport property:

**Authorization to Execute Amendment to Lease Related to Aviatron rental space at Burlington International Airport.** The Airport has a lease with Aviatron, Inc. for certain land and facilities located at the Airport. This lease is now being revised and extended for three additional years until April 30, 2015. The revised lease for the building consisting of 15,680 Square feet will be at the rate of \$12,282.66 per month (\$147,392/year). In addition, there is a charge of \$0.36 per square foot for ground rental of the Leased Premises consisting of 36,060 square feet which amounts to \$1,081.83/month (\$12,982/year) The ground rent will be CPI adjusted annually.

Thank you.

A draft resolution and copy of the lease signed by Aviatron is included with this Request.

## COMMERCIAL LEASE AMENDMENT

THIS COMMERCIAL LEASE AMENDMENT effective this 1st day of May, **2012** by and between the City of Burlington, Vermont, acting by and through the Burlington Airport Commission (hereinafter called "LESSOR"), being the duly and lawfully constituted municipal corporation owning and operating the Burlington International Airport, located at 1200 Airport Drive #1 in the City of South Burlington 05403 (hereinafter called the "Airport"), and **Aviatron, Inc. (U.S.)**, a Vermont corporation authorized to do business in the State of Vermont (hereinafter called "LESSEE");

WHEREAS, LESSOR, owns and operates an airport known as the Burlington International Airport located in South Burlington, Vermont, which airport and any additions or improvements thereto or changes therein which the City hereafter makes or authorizes are hereinafter collectively called the "Airport";

WHEREAS, LESSOR has an existing Lease Agreement with LESSEE executed on 27<sup>th</sup> day of November, 2008 for the term and conditions specified therein, and

WHEREAS, LESSOR wishes to amend that lease to add an additional portion of the Airport premises previously and temporarily removed for another airport purpose, such amendment is in the interest of furthering and carrying on the purpose of the LESSOR in the operation of the Airport and in the promotion of aviation in the interest of the public: and

WHEREAS, LESSOR feels it important to adjust the leased area to reflect changes as the result of other construction and associated changes that have occurred since 2008; and

WHEREAS, LESSEE desires to obtain and use the additional portion of the premises on the Airport as hereinafter described, together with certain rights and privileges in connection therewith as further described in the original lease;

NOW THEREFORE, for and in consideration of the premises and of the mutual covenants and promises herein contained, the parties hereby covenant and agree as follows:

1. **PREMISES.** LESSOR hereby leases to LESSEE for its exclusive use, and LESSEE hereby hires and takes from LESSOR, the entire building known as the so-called Aviatron Building consisting of an Fifteen Thousand, Six Hundred Eighty (**15,680**) square feet, as shown on the original plan and sketch attached hereto and marked Exhibit "A", together with a parcel of land consisting of Thirty Six Thousand Sixty (**36,060**) square feet upon which the Aviatron Building is located together with adjacent land used for parking and future building expansion, as shown on said Exhibit "A" and hereby specifically made a part hereof, to have and to hold the said premises (collectively referred to hereinafter as the "Leased Premises") with the appurtenances hereto belonging, together with all improvements, if any, therein upon the terms and conditions provided in the original lease executed on November 27, 2008.
2. **TERM.** The term of this Amendment shall commence on May 1, 2012 and shall be

for the same term and conditions as the original Agreement which ends on April 30, 2015.

3. RENTAL. For and during the term hereof, LESSEE shall pay LESSOR the following annual rentals for the use and occupancy of the Leased Premises, in equal monthly installments in advance, on or before the fifth business day of each calendar month of the term at the office of the Director of Aviation, Burlington International Airport, 1200 Airport Drive #1, South Burlington, Vermont 05403.

a. \$9.40 per square foot for the Leased Premises comprising the space within the Aviation Building consisting of Fifteen Thousand Six Hundred Eighty (15,680) square feet, equating to an new total annual lease amount of One Hundred Forty Seven Thousand, Three Hundred Ninety Two Dollars (\$147,392); and

b. 0.36 per square foot comprising of the parcel of land upon which the Aviation Building (as amended) sets along with adjacent land, the total of which consists of Thirty Six Thousand Sixty (36,060) square feet, equating to Twelve Thousand Nine Hundred and Eighty Two Dollars (\$12,982) per annum.

Said rental amounts shall be adjusted annually to reflect increases in the cost of living as reflected in the Consumer Price Index for all Cities, all Urban Consumers, published by the Bureau of Labor Statistics of the United States Department of Labor or equivalent replacement index. As a time lapse occurs in the issuing of the Consumer Price Index, the adjustment shall be retroactive to the beginning of the term of this Amendment.

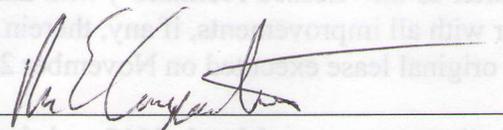
4. GENERAL CONDITIONS All conditions, notices and provisions included in the original Lease dated November 27, 2008 apply and are incorporated into this Amendment by reference.

IN WITNESS WHEREOF, this Amended Agreement has been entered into as of the date first above written.

CITY OF BURLINGTON

BY: \_\_\_\_\_ Date: \_\_\_\_\_

LESSEE

BY:  Date: 4/17/12

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**AUTHORIZATION TO EXECUTE  
AMENDMENT TO LEASE AT  
BURLINGTON INTERNATIONAL  
AIRPORT**

In the year Two Thousand Twelve.....

Resolved by the City Council of the City of Burlington, as follows:

That WHEREAS, the City of Burlington (“City”) owns and operates the Burlington International Airport in South Burlington, Vermont (“Airport”); and

WHEREAS, the City, has been leasing certain lands and facilities to Aviatron Inc. (U.S.), pursuant to the terms of a Lease Agreement effective November 27, 2008 (“Lease”); and

WHEREAS, Aviatron Inc. and the Airport now desire that the Lease be amended to reflect updated rental rates and to extend Aviatron Inc. tenancy at the Airport for an additional three years, at rents of \$12,282.66 per month (Building) and \$0.36 per square foot of land, annually CPI adjusted (Site and Parking Lot); and

WHEREAS, the Interim Director of Aviation deems the First Amendment to Lease in the best interest of the Airport and the general public and in furtherance of public airport purposes;

NOW THEREFORE BE IT RESOLVED, that upon the April 30, 2012 recommendation of the Board of Finance, the Mayor of the City of Burlington, Miro Weinberger, be and

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**AUTHORIZATION TO EXECUTE  
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AIRPORT**

hereby is authorized to execute the First Amendment to Lease between Aviatron Inc. and the City of Burlington, and such other documents as will be required for the lawful culmination of that agreement, all subject to the prior approval of the Chief Administrative Officer and the City Attorney as necessary.

NAME/PURPOSE OF CONTRACTS:	Amendment to Lease	
ADMINISTRATING DEPARTMENT:	Airport	
CONTRACT TERM:	May 1, 2012, 2012- April 30, 2015	
ANTICIPATED GRANT AMOUNTS:		N/A
SOURCE OF FUNDS:	N/A	
FISCAL YEAR:	2012-2013	
ACCOUNT NAME:	Building/Ground Rent	
ACCOUNT NUMBER:	35004.44008/44006	

200020-50 Resolution – Aviatron Amendment to Lease