

MEMO

TO: Finance Board
FROM: Burlington International Airport ("Airport")
DATE: April 28, 2011

SUBJECT: Finance Board Approval Request – Amendment to an Existing Agreement With a Fixed Base Operator

The Airport seeks Finance Board and City Council approval for the following item:

Authorization for Execution of Amendment of Leasehold Agreement at Burlington International Airport.

On March 17, 2009, the Airport and Heritage Aviation, Inc. d/b/a Heritage Aviation ("Heritage") entered into a Fixed Base Operator and Lease Agreement ("Agreement") with regard to land and a building upon a portion of said land (commonly referred to as "Building 890"), for a period of years ending April 30, 2026 (with an option for two (2) additional five (5) year terms).

The Agreement allowed for construction and construction financing by Heritage upon certain terms. Eventually, Heritage financed the contemplated construction itself. At this time, Heritage is seeking financing for its ongoing operations, the securing of which will require amendments to the Agreement's existing provisions as to financing, said amendments to be without prejudice to any substantive right of the Airport under the existing Agreement.

A draft resolution is attached.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37

**AUTHORIZATION FOR EXECUTION OF
AMENDMENT OF LEASEHOLD
AGREEMENT AT BURLINGTON
INTERNATIONAL AIRPORT**

In the year Two Thousand Eleven.....
Resolved by the City Council of the City of Burlington, as follows:

THAT upon the May 2, 2011 recommendation of the Board of Finance and the May 16, 2011 approval of this body, the Interim Director of Aviation at Burlington International Airport (“Airport”) be and hereby is authorized and directed to execute on behalf of the City of Burlington (“City”) an amendment to a certain Fixed Base Operator and Lease Agreement (effective January 29, 2008) between the City and Heritage Aviation, Inc., d/b/a Heritage Aviation (“Heritage”) pertaining to Heritage’s securing of financing related to its operations at the Airport, and any other documents required to facilitate said amendment, all subject to review by the Chief Administrative Officer and City Attorney as necessary.

NAME/PURPOSE OF CONTRACTS:	Amendment to Existing Agreement with a Fixed Base Operator
ADMINISTRATING DEPARTMENT:	Airport
CONTRACT TERM:	Unchanged
ANTICIPATED TOTAL-SOURCE OF FUNDS:	Not Applicable
FISCAL YEAR:	Not Applicable
ACCOUNT NAME:	Not Applicable
ACCOUNT NUMBER:	Not Applicable