

## OMB Contract Review

<b>Contract Name</b>	Standard Ground Lease and Consolidation Agreement with Brookline PIE Ulmerton, LLC at the St. Pete-Clearwater International Airport				
<b>File #</b>	19-039A	<b>Contract #</b>	N/A	<b>Date:</b>	2/4/2019

**Mark all Applicable Boxes:**

Type of Contract									
<b>CIP</b>		<b>Grant</b>		<b>Other</b>		<b>Revenue</b>	<b>X</b>	<b>Project</b>	

**Contract information:**

New Contract (Y/N)	Yes	Original Contract Amount	\$339,942.20 (After rent abatements and credits expire. CPI rate increase every 5 years)
Fund(s)	4001	Amount of Change	
Cost Center(s)	100200	Contract Amount	\$339,942.20 (After rent abatements and credits expire. CPI rate increase every 5 years)
Program(s)	2024	Amount Available	Total: \$3,217,720
Account(s)	3622301	Included in Applicable Budget? (Y/N)	Amount not included in FY19 Budget
Fiscal Year(s)	FY20-FY29		
Description & Comments			
(What is it, any issues found, is there a financial impact to current/next FY, does this contract vary from previous FY, etc.)			
<p>This is a standard ground lease agreement with Brookline PIE Ulmerton, LLC (Brookline) at the St. Pete-Clearwater International Airport. Brookline currently has leaseholds for two sites at PIE. The availability of an additional 2.68 acres caused Brookline’s development strategy to change for all three parcels. This agreement will amend, restate, and replace the Original Lease, the Hanger Lease and also include the additional 2.68 acres.</p> <p>Due to a lack of infrastructure, revenue was not received from the two current lease agreements with Brookline. This new agreement gives specific deadlines as to when the rental abatements and credits for development will terminate. This timeline will help ensure PIE will receive revenue from this agreement.</p> <p>The revenue from this contract was not included in the FY19 Adopted Budget. Due to the timing of the contract, no revenue will be received and estimated for FY19. A portion of the revenue received during year two of the agreement will be included in the FY20 budget.</p> <p>Staff indicated that the Phase III Premises was not included on the staff report because both parties can terminate a premises within 90 days of the effective date. Staff believes there is a high probability that a termination will occur for Phase III and that these premises will be relinquished so that Brookline can focus on Phase I and Phase II of development. This creates the discrepancy between the contract amount stated above and the total on the staff report. The contract amounts stated above reflect all four leaseholds as currently outlined in the agreement.</p>			

The agreement states that four separate leasehold estates will be created. A default with one premise will not constitute a default under the leasehold of other premises.

The actual square footage could be modified based on any final access road extension, location, associated stormwater drainage requirements and Lessee obtaining an approved site plan from Pinellas County Building Department.

On the five-year anniversary date and every subsequent five-year anniversary date the rent will be adjusted based on the Consumer Price Index for all Urban Consumers (CPI-U).

**Description of Leaseholds:**

Phase I-A Premises and Phase I-B Premises: To be used for office, manufacturing, hotel and/or related development. Term is effective date through June 15, 2060 with up to 2 renewal options for 5 years each. Initial annual rent is \$80,150.50. This is computed by multiplying the total net square foot by \$0.50.

Phase II Premises: To be used for office, manufacturing, hotel and/or related development. Agreement commenced on June 15, 2010 and will end June 15, 2060 with up to 2 renewal options for up to 5 years each. Initial annual rental is \$174,414.10. This is computed by multiplying the total square footage of the premises by \$0.35.

Phase III Premises: To be used for the sole purpose of constructing and operating aircraft hangers for jet charter center inclusive of storage, service, and management. Agreement commenced on November 8, 2007 and will end on June 15, 2060. The initial annual rent is computed \$85,377.60. This is computed by multiplying the total square footage of the premises by \$0.35. In addition to the rental sums, the lessee will provide fuel flowage fee payment to the airport at the current rate of \$0.065 per gallon calculated upon the amount shown on the delivery ticket at the Phase III premises.

**Analyst: Erica Mitchell**

**Ok to Sign:** ☒

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**Instructions/Checklist**

1. Upon receipt of a contract and notification in County Admin Tracking System (CATS) review the Agenda and Contract for language and accuracy. Make sure there are available funds, the dept is not overextending itself, was it planned, etc.
2. Complete the form above using the contract document and the County accounting & budgeting systems.
3. Use the "Description & Comments" section to give a brief summary of the contract and include your thoughts and pertinent information.
4. Print the form, initial, and leave folder on the Director's desk.
5. Login to CATS and click in the cell next to your name. A date will appear and click on the date you completed your review. Choose save and close the CATS system.