



Pinellas County

Legislation Details (With Text)

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Type: Real Estate Item **Status:** Passed
File created: 3/14/2023 **In control:** Administrative Services
On agenda: 5/9/2023 **Final action:** 5/9/2023
Title: Lease with Sheltair Aviation for development and occupancy of a hangar and office space for Pinellas County Sheriff and waiver of the County's Indemnification Policy detailed in Resolution No. 06-70.

Sponsors:

Indexes:

Code sections:

Attachments: 1. FE_PE Pinellas County Sheriff's Lease with Sheltair executed 4 20 2023, 2. PE Pinellas County Sheriff's Lease with Sheltair executed 4 20 2023.pdf, 3. Sheriff Hangar Presentation, 4. PCSO Exclusive Hangar and Office Lease - KAG 4.19.23 clean, 5. PCSO Exclusive Hangar and Office Lease - KAG 4.19.23 clean, 6. PCSO Exclusive Hangar and Office Lease - MRM-DLS3.30, 7. Resolution 06-70 Contractual Indemnification by the County (1), 8. CONTRACT.RVW- Sheltair_23-0405A

Date	Ver.	Action By	Action	Result
5/9/2023	1	Board of County Commissioners	approved	Pass

Subject:

Lease with Sheltair Aviation for development and occupancy of a hangar and office space for Pinellas County Sheriff and waiver of the County's Indemnification Policy detailed in Resolution No. 06-70.

Recommended Action:

Approval of the lease (Lease) between Pinellas County (County) and Sheltair Aviation, Inc (Sheltair) for development and occupancy of a hangar and office space for use by the Pinellas County Sheriff's Office (PCSO) Flight Unit and waiver of the County's Indemnification Policy detailed in Resolution No. 06-70.

- The current hangar utilized by the PCSO was constructed in the mid-1960's and is past its useful life, not only from a design/structural perspective but also from an operational perspective. The current hangar is 11,000 square feet (SF), situated on 1.30 acres of land leased by the County from the St. Petersburg Clearwater International Airport (Airport), and is not large enough to house the PCSO Flight Unit.
- The proposed new hangar is estimated to be 43,000 SF and will be constructed on 5.14 acres of land currently leased by the Airport to Sheltair (Prime Lease).
- The new hangar will be purposefully built to house the PCSO Flight Unit's helicopters and airplane. The hangar will contain a climate-controlled repair and parts facility, office space, locker/restrooms, and meeting/training space. It will be designed in a modular format for potential future expansion if required by the PCSO.
- The proposed new hangar site was a former aircraft fueling operation, Pemco World Air Service. There were four spill events during 1986 and 1987 resulting in the site requiring remediation prior to construction. The search for sites and limited number of sites available combined with the environmental testing and subsequent remediation of the current site has

resulted in a protraction of this project.

- Discussion and planning pertaining to a hangar replacement has been ongoing for several years with the former Real Estate Management Department; the Department of Administrative Services began the site selection process approximately two years ago resulting in the current Lease for consideration.
- Once remediation is completed by the Airport and design is completed by Sheltair with PCSO approval, construction is expected to take 18 months. We anticipate the PCSO will have use of this facility by October 2025.
- The Lease is coterminous with Sheltair's Prime Lease which expires November 15, 2066, inclusive of two ten-year renewal options.
- Sheltair has communicated that they cannot agree to the County's standard language related to indemnification; consequently, we are requesting the Board waive the County's Indemnification Policy, Resolution No. 06-70 disallowing indemnification of other parties.
- The full-year fiscal impact of this lease will be \$2,267,382.00 and is anticipated in Fiscal Year (FY) 2026. The current year cost of \$315,000.00 is fully budgeted in FY23. No expenses are anticipated in FY24, and partial-year expenses of approximately \$1.3M are anticipated in FY25 (seven months of rent) if project completed ahead of schedule.

Strategic Plan:

Ensure Public Health, Safety and Welfare

2.1 Provide planning, coordination, prevention, and protective services to create and enhance a safe, secure and health community

Deliver First Class Services to the Public and Our Customers

5.3 Ensure effective and efficient delivery of county services and support

Summary:

This agreement provides the PCSO a greatly enhanced and modern aircraft hangar designed and built specific to the needs and operations of the PCSO. The design of the hangar is modular allowing potential future expansion should the need arise. The site the new hangar will be constructed on is controlled by lease agreement between the Airport and Sheltair. The site was once an aircraft fueling operation run by Pemco; there were four spill events during 1986 and 1987 resulting in the necessary, current remediation of the site being performed by the Airport with Florida Department of Environmental Protection oversight.

The new hangar will meet full operational requirements of the PCSO with PCSO staff involved in every aspect of design and operation and will include but not be limited to: climate controlled repair and parts section; locker/bathrooms and meeting/training space. The new facility will have ample surface parking and will fill immediate and future needs of the PCSO.

Background Information:

The discussion and planning pertaining to the construction of a new hangar for the PCSO has apparently been going on for several years. The DAS started the site selection process approximately 2 years ago, trying to find an appropriate site at the Airport to either construct or have a third-party construct and lease back a new hangar. There were three potential sites for a new hangar at the Airport of which the current selected site became the only viable option. The new site

is located very close to the current PCSO hangar and has access to a runway. The site has been under lease by Sheltair for many years; prior to Sheltair control, the site was occupied by Pemco and utilized as a fueling operation. There were four spill events during 1986 and 1987 resulting in current remediation by the Airport at the site resulting in some protraction of this initiative.

Resolution No. 06-70 disallows the County's indemnification of other parties; the County's Policy may only be waived based on the availability of the goods or services from other sources and the County's need/desire for the goods or services. Based on the unavailability of alternate sites for this required project, and the need to provide PSCO with adequate facilities for their Flight Unit, the criteria to waive the County's Policy has been met.

Fiscal Impact:

Total year one (FY26) expenses in connection with this Lease are projected to be \$2,267,382.00 and are comprised of estimated rent to Sheltair, pass through land rent to Airport, real estate taxes, utilities, and operating expenses. The current facilities have an annual expense of \$115,229.00, making this a \$2,152,153.00, or 1,867.7% increase to annual expenses.

The agreement requires an expense of \$315,000.00 to be paid in FY23 by the County to Sheltair towards project costs but is budgeted at \$980,000.00. This will create \$665,000 lapse funds in DAS in FY23. There will be no costs related to this item in FY24 as costs are not expected to be incurred again until March 2025 (FY25).

Staff Member Responsible:

Diana Sweeney, Deputy Director, Administrative Services

Joe Lauro, Director, Administrative Services

Tom Jewsbury, Director, Clearwater St Petersburg International Airport

Partners:

Pinellas County Sheriff Office

Sheltair

Attachments:

Lease Agreement

Resolution No. 06-70

Map of site

Concept drawing of hangar