



*City of Burlington
Burlington International Airport
1200 Airport Drive, #1
South Burlington, VT 05403
(802) 863-2874
www.btv.aero*

MEMO

TO: Board of Finance
FROM: Ryan Betcher, Burlington International Airport
DATE: November 25, 2013

SUBJECT: Board of Finance Approval Request – Addendum to Temporary Ground Lease for Hertz Car Rental

The Burlington Airport seeks City Council approval and authorization for the City to enter into a temporary ground lease agreement for parking space on Airport property.

Hertz Car Rental seeks to lease gravel lot space in the amount of 25,500 square feet from the Airport for an annual amount of \$.70 per square foot for FY'14. The rate is dependent upon Airport operating expenses and may change for each fiscal year that the agreement is in effect.

The agreement will begin on January 1, 2014 and does not contain an expiration date as it may be cancelled by either party with 30 days notice.

The agreement was reviewed by legal prior to being presented. In addition, the Airport Commission approved the terms of the agreement on November 20, 2013.

This addendum references the current car rental agreement which does contain the City of Burlington's Livable Wage language.

Thank you for your consideration.

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6 **AUTHORIZATION TO EXECUTE LEASE ADDENDUM**
7 **WITH THE HERTZ CORPORATION AT**
8 **BURLINGTON INTERNATIONAL AIRPORT**
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11 In the year Two Thousand Thirteen.....
12 Resolved by the City Council of the City of Burlington, as follows:
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15 WHEREAS, the City of Burlington (“City”) owns and operates the Burlington
16 International Airport in South Burlington, Vermont (“Airport”); and

17 WHEREAS, the City owns land and a building at the Airport known as 1200 Airport
18 Drive; and

19 WHEREAS, the Hertz Corporation now seeks to enter into a temporary ground
20 agreement for 25,500 square feet at the rental rate of approximately \$17,850 per year, with
21 possible annual adjustments based on Airport operating expenses, effective January 1, 2014, with
22 an expiration requirement of 30 days notice(“Lease”); and

23 WHEREAS, the Director of Aviation has determined that the Lease be in the best interest
24 of the City and Airport, and in the interest of public airport purposes; and

25 WHEREAS, the Board of Airport Commissioners at their meeting on November 20,
26 2013, approved the Lease; and

27 WHEREAS, the Board of Finance, at its meeting on _____, approved
28 the Lease, to be in substantial conformance with the draft document attached hereto,

29 NOW THEREFORE BE IT RESOLVED THAT the City hereby approves the
30 Lease and hereby authorizes the Director of Aviation to execute the Lease on behalf of the City,
31 subject to prior review by the Chief Administrative Officer and City’s legal counsel, as
32 necessary.
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8 **AUTHORIZATION TO EXECUTE LEASE ADDENDUM**
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13 NAME/PURPOSE OF CONTRACTS: Hertz Temporary Ground Use Agreement
14 ADMINISTRATING DEPARTMENT: Airport
15 CONTRACT AMOUNTS: Per Agreement
16 CONTRACT TERM: Effective January 1, 2014
17 DESIGNATION OF FUNDS:
18 FISCAL YEAR: 2014
19 ACCOUNT NAME: Terminal Non-Airline
20 ACCOUNT NUMBER: _____
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STANDARD TEMPORARY GROUND LEASE

THIS STANDARD TEMPORATY GROUND LEASE effective this _____ day of _____, 2013 by and between the City of Burlington, Vermont, a duly and lawfully constituted municipal corporation, acting by and through the Burlington Airport Commission (hereinafter called "LESSOR"), and The Hertz Corporation, a 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 at 1200 Airport Drive #1 in the city of 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"; and

WHEREAS, Lessor wishes to enter into a lease for a certain portion of land and improvements it owns, in the interest of furthering and carrying on its purpose in the operation of the Airport and in the public interest and the interest of public airport purposes; and

WHEREAS, LESSEE in support of their operation on the Airport desires to temporarily lease and use a portion of the Airport premises as hereinafter described, together with certain rights and privileges in connection therewith for temporary overflow parking of rental vehicles;

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, an additional portion of the so-called Overflow Parking Lot on Airport Drive Extension consisting of approximately twenty five thousand five hundred (25,500) square feet, as shown on the sketch attached hereto and marked Exhibit "A" (hereinafter "Leased Premises").

2. TERM.

The term of this Agreement shall commence on January 1, 2014 and shall continue on a month-to-month basis until termination by either party for any or no reason. Termination requires 30 days advance written notice.

3. RENTAL.

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For and during the term hereof, LESSEE shall pay LESSOR the following monthly rental 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. \$0.70 per square foot for the Leased Premises comprising the space within the Overflow Parking Lot consisting of Twenty Five thousand and Five hundred (25,500) square feet equating to a monthly cost of \$1,487.50.

If the term of this lease shall begin or end on any day of the month other than the first (1st) day, the rent for the month in which this lease shall commence or terminate shall be pro-rated on a per-diem basis.

Any rental amount payable which shall not have been paid when due shall bear interest at the rate of one and a half (1 1/2%) per month, which interest shall be paid by Lessee in addition to such amount.

4. USE OF PREMISES.

The Leased Premises shall be used solely as an overflow parking for rental vehicles.

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

ATTEST:

CITY OF BURLINGTON

Witness

BY: _____
Gene Richards, Director of Aviation

ATTEST:

CONTRACTOR

Witness

BY: _____

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