

**BOARD OF COUNTY COMMISSIONERS
AGENDA ITEM SUMMARY**

Meeting Date: April 16, 2008

Division: Administration/Airports

Department: Florida Keys Marathon Airport

Bulk Item: Yes X No

Staff Contact Person: Reggie Paros, ext.6060

AGENDA ITEM WORDING: Approval to exercise County's right of first refusal in order to decline an offer to purchase a share in Hangers On, Inc. aircraft hangars.

ITEM BACKGROUND: The County leased property which contained four (4) aircraft hangars at the Florida Keys Marathon Airport to Hangers On, Inc. The term of the lease is for a period of 22 years, terminating in 2028. The lease contains a provision granting the County the right of first refusal whenever a share (a hangar) in the Lessee's (Hangers On) stock is sold. In other words, the County can buy back a portion of the leasehold whenever a portion of the lease hold is offered for purchase. On August 15, 2007, the County entered into an agreement granting Hangers On, Inc. a longer lease term in exchange for Hangers On, Inc. assuming all costs associated with maintaining and insuring the hangars. The benefit and intent of the lease, for the County, was to realize the savings associated with the costs of maintenance and insurance for the hangars. The County currently receives monthly rent in the amount \$539.48 for the leasehold. If the County were to purchase a portion of the lease hold the County would lose that portion of the cost savings associated with the purchase. Since the County already owns the Hangar structure, the County would not benefit by buying stock in the lease hold. In addition, the County currently has no funds with which to exercise its right to purchase a share of the Lessee's stock. For the foregoing reasons, staff recommends exercising County's right of first refusal in order to decline an offer to purchase a share in Hangers On, Inc aircraft hangars.

PREVIOUS RELEVANT BOCC ACTION: On August 15, 2007, Board approved a lease agreement between Monroe County and Hangers On, Inc., tenants, for hangar space at the Florida Keys Marathon Airport.

CONTRACT/AGREEMENT CHANGES: N/A

STAFF RECOMMENDATIONS: Approval

TOTAL COST: N/A

BUDGETED: Yes No

COST TO COUNTY: N/A

SOURCE OF FUNDS: _____

REVENUE PRODUCING: Yes No X

AMOUNT PER MONTH _____

APPROVED BY: County Atty N/A OMB/Purchasing N/A Risk Management N/A

DOCUMENTATION: Included X Not Required _____

DISPOSITION: _____

AGENDA ITEM # _____

c) Lessee's sublease of any of its hangars does not in any way operate to waive or release the Lessee from any of its duties and obligations under this lease and Lessee shall remain fully bound by the terms of this lease as if no sublease existed.

d) Lessee is responsible for all sales or use taxes that may be due for rent paid pursuant to this lease and any sub lessees.

e) After the first anniversary of this Lease, when a potential purchaser offers to purchase some or all of the shares of Lessee's stock, then the Lessee must so notify County, which will have 30 days from receipt of written notification to exercise a right of first refusal to acquire those shares at the same purchase price as that offered by the potential purchaser. Upon its exercise of the right of first refusal, the County will receive, in lieu of the purchased stock certificate, the surrender of one hangar for each 25% of Lessee's stock that it purchases. After such surrender the County may lease such surrendered hangar(s) and corresponding portion of the premises to third persons free and clear of any claims of Lessee, and the rent for the remaining portion of the Premises shall be reduced pro rata. Lessee may override County's exercise of its right of first refusal by paying to County one-half of the purchase price.

5. The Lessee agrees not to cause or permit any lien, mortgage or other encumbrance to be placed on the premises hangars included. If such occurs, the Lessee must immediately undertake, at its expense, whatever actions needed to remove and cancel the lien, mortgage or other encumbrance.

6. The Lessee is responsible for all maintenance and insurance of the hangars, and shall surrender the hangar, at the conclusion of the Lease, in good condition. Lessee shall at all times during the term of this lease maintain insurance on the leased premises. If during the term of this lease one or more of the hangars is damaged or destroyed, then the Lessee must promptly, and at no cost to the COUNTY, repair or reconstruct the hangar(s). The repair or reconstruction must be