

Memorandum



Date: October 19, 2004

To: Honorable Chairperson Barbara Carey-Shuler, Ed.D.
and Members, Board of County Commissioners

Agenda Item No. 7(A)(1)(D)

From: George M. Burgess
County Manager

Subject: Amendment to Development Lease for Avborne Heavy Maintenance, Inc.

RECOMMENDATION

It is recommended that the Board of County Commissioners approve a four-year extension to the Development Lease Agreement by and between Miami-Dade County and Avborne Heavy Maintenance, Inc., formerly known as Professional Modification Services, Inc., thereby extending the expiration of the lease to April 2034, and providing that the premises may be used for other aviation-related uses with the permission of the County which should not be unreasonably withheld. It is further recommended that the competitive selection process for this lease amendment be waived pursuant to Section 8.1(b) of the Code.

BACKGROUND

Pursuant to Resolution No. 392-98, the Board of County Commissioners approved a Development Lease Agreement with Professional Modification Services, Inc. for certain County-owned unimproved land on the north side of Miami International Airport for the construction of an aircraft maintenance hangar building. The term of the lease is thirty years commencing twenty-four months after the date of the commencement of the lease (June 29, 1998), or upon the date of substantial completion, or upon the date of issuance of a temporary certificate of occupancy. In August 1999, the lease agreement was modified to change the name of the Lessee to Avborne Heavy Maintenance, Inc.

Avborne is in negotiations with Capital Trust Agency (the "Issuer") to refinance its debt relating to the hangar. The Issuer will enter into an Interlocal Agreement with Miami-Dade County, for the issuance of taxable and tax-exempt bonds. As a precondition of the refinancing, the Issuer is requiring that Avborne obtain a four-year extension of its development lease to 2034 and expand the permitted use of the facility to maximize the Issuer's ability to relet the facility if necessary. The refinancing will allow Avborne to ramp up their capital expenditures in 2005 and will lead to new growth for 2005 and beyond, thereby aiding Avborne's recovery from the industry downturn after September 11, 2001. Avborne's current estimates reflect incremental man-hour increases (the revenue driver for the aircraft maintenance industry) of 150,000 in 2005 and 300,000 in 2006 from pre- 9/11 numbers. With these estimates, it is expected that they will add approximately 125 new employees in 2005 and 130 new employees in 2006.

In view of the commitment of resources by Avborne to this thirty-year development lease, it is recommended that the competitive selection process for this lease amendment be waived pursuant to Section 8.1(b) of the Code.

Assistant County Manager



MEMORANDUM

(Revised)

TO: Hon. Chairperson Barbara Carey-Shuler, Ed.D.
and Members, Board of County Commissioners

DATE: October 19, 2004

FROM: Robert A. Ginsburg
County Attorney

SUBJECT: Agenda Item No. 7(A)(1)(D)

Please note any items checked.

- "4-Day Rule" ("3-Day Rule" for committees) applicable if raised
- 6 weeks required between first reading and public hearing
- 4 weeks notification to municipal officials required prior to public hearing
- Decreases revenues or increases expenditures without balancing budget
- Budget required
- Statement of fiscal impact required
- Bid waiver requiring County Manager's written recommendation
- Ordinance creating a new board requires detailed County Manager's report for public hearing
- Housekeeping item (no policy decision required)
- No committee review

Approved _____ Mayor

Agenda Item No. 7(A)(1)(D)

Veto _____

10-19-04

Override _____

RESOLUTION NO. _____

**RESOLUTION AUTHORIZING EXECUTION OF
FIRST AMENDMENT TO DEVELOPMENT LEASE
AGREEMENT WITH AVBORNE HEAVY MAINTENANCE,
INC., EXTENDING THE AGREEMENT FOR ONE
FOUR-YEAR TERM AND PROVIDING THAT PREMISES
MAY BE USED FOR OTHER AVIATION RELATED USES;
WAIVING COMPETITIVE BID REQUIREMENTS**

WHEREAS, this Board desires to accomplish the purposes outlined in the accompanying memorandum and documents, copies of which are incorporated herein by reference,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that this Board hereby approves a First Amendment to the Development Lease Agreement between Miami-Dade County and Avborne Heavy Maintenance, Inc., which Amendment extends the Agreement for one term of four consecutive years and provides that the premises may be used for other aviation related uses, all as more particularly set forth in the accompanying memorandum from the County Manager.

This Board authorizes the County Manager or his designee to execute the First Amendment in substantially the form attached hereto, for and on behalf of Miami-Dade County. Pursuant to the provisions of Section 2-8.1(b) of the Code, the competitive selection process for this First Amendment is hereby waived upon the written recommendation of the County Manager.

The foregoing resolution was offered by Commissioner
, who moved its adoption. The motion was
seconded by Commissioner
and upon being put to a vote, the vote was as follows:

Dr. Barbara Carey-Shuler, Chairperson	
Katy Sorenson, Vice-Chairperson	
Bruno A. Barreiro	Jose "Pepe" Diaz
Betty T. Ferguson	Sally A. Heyman
Joe A. Martinez	Jimmy L. Morales
Dennis C. Moss	Dorrin D. Rolle
Natacha Seijas	Rebeca Sosa
Sen. Javier D. Souto	

The Chairperson thereupon declared the resolution duly passed and adopted this
19th day of October, 2004. This Resolution and contract, if not vetoed, shall become
effective in accordance with Resolution No. R-377-04.

MIAMI-DADE COUNTY, FLORIDA
BY ITS BOARD OF COUNTY
COMMISSIONERS

HARVEY RUVIN, CLERK

Approved by County Attorney as RW
to form and legal sufficiency.

Roy Wood

By: _____
Deputy Clerk

FIRST AMENDMENT
TO DEVELOPMENT LEASE
AGREEMENT C-634 BETWEEN
MIAMI-DADE COUNTY, FLORIDA
AS LESSOR, AND AVBORNE HEAVY
MAINTENANCE, INC., AS LESSEE,
MIAMI INTERNATIONAL AIRPORT

THIS AMENDMENT ("Amendment") made and entered into as of the ____ day of _____, 2004, by and between Miami-Dade County, a political subdivision of the State of Florida ("County") and Avborne Heavy Maintenance, Inc., a Florida Corporation ("Lessee").

WHEREAS. By Resolution No. 392-98, adopted on April 28, 1998, the Board of County Commissioners of Miami-Dade County approved a Development Lease Agreement ("Agreement") with Professional Modification Services, Inc., ("PMS"), Lease C-634, under which PMS was granted the right to fully fund and construct on Airport Land improvements consisting of an aircraft hangar building to be known as Building 850 being located at Miami International Airport: and

WHEREAS. Lessor and Lessee are parties to the certain Development Lease Agreement dated as of June 29, 1998 (the "Lease") with respect to that certain real property located in Miami-Dade County, Florida as more particularly described in Article 2.2 to the Lease (the "Premises").

WHEREAS. A First Amendment to Development Lease C-634 effective the 1st day of June, 1999 changed the Lessee's name to Avborne Heavy Maintenance, Inc.

WHEREAS. In a formal written request dated August 20, 2004, the Lessee proposes a modification to Development Lease C-634 Article 2 Term and Premises provision and to Article 3 Use of Premises provision of the Lease.

WHEREAS. The parties desire to amend the Lease in certain respects as set forth below.

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NOW, THEREFORE, for and in consideration of the premises and the mutual covenants herein contained, the parties hereto agree to amend Development Lease Agreement C-634, dated June 29, 1998, as follows:

1. The foregoing recitals are true and correct and are incorporated herein in their entirety.
2. This Amendment shall be deemed a part of, but shall take precedence over and supersede any provisions to the contrary contained in the Lease.
3. Article 2.1 of the Lease is hereby amended to include the following provision:

The County hereby extends the thirty (30) year term of the Development Lease Agreement for an additional four (4) years. Such new thirty year term shall begin on the date of execution of this First Amendment ("The New Commencement Date").
4. Article 3.1 (A) of the Lease is hereby amended to include the following provision:
 - The Premises may be used for other aviation related uses, including, but not limited to air cargo, subject to the County's consent, which shall not be unreasonably withheld, delayed or conditioned.
5. All other terms, covenants and conditions contained in this Agreement between the parties, dated June 29, 1998, not inconsistent herewith, shall remain in full force and effect.

(SIGNATURES APPEAR ON NEXT PAGE)

IN WITNESS WHEREOF, the parties hereto have caused this First Amendment to be executed by their appropriate officials of the Date first written above.

**BOARD OF COUNTY COMMISSIONERS,
MIAMI-DADE COUNTY, FLORIDA**

By: _____
County Manager

Attest: Harvey Ruvin, Clerk

By: _____
Deputy Clerk

(County Seal)

AVBORNE HEAVY MAINTENANCE, INC.

By: _____
President

Print Name

Attest: _____
Corporate Secretary

Print Name

(Corp. Seal)