



GREATER ORLANDO AVIATION AUTHORITY

Orlando International Airport
One Jeff Fuqua Boulevard
Orlando, Florida 32827-4399

AGENDA REVIEW

Department: Commercial Properties

Drafted by: Shannon Wiggins, Esq.

Reviewed by: Marcos Marchena, Esq.

Final approval of changes after agenda review(s): _____

MEMORANDUM

TO: Members of the Aviation Authority

FROM: James E. Rose, Deputy Executive Director - Business Services and Facilities

DATE: December 10, 2014

ITEM DESCRIPTION:

Recommendation to Approve Consent to Assignment and Release of Fixed Base Operator (FBO) Lease with Showalter Flying Service, Inc. ("Showalter")

BACKGROUND

Showalter is the lessee and fixed base operator under that certain Fixed Base Operator Lease Agreement, effective as of January 1, 1997, as amended (the "Lease"). The Lease has a remaining term of approximately 30 years with an expiration date of September 30, 2044.

ISSUES

Showalter requested that the Aviation Authority consent to an assignment of its interest in the Lease to Atlantic Aviation-Orlando Executive LLC ("Atlantic OEA"), a wholly owned subsidiary of Atlantic Aviation FBO, Inc. ("Atlantic FBO").

Showalter also requested that the Aviation Authority release it from its obligations under the Lease.

Atlantic FBO provided the Aviation Authority with information evidencing that it is experienced in operating FBOs, that it has not defaulted under any other agreement with the Aviation Authority and that it has financial capability that satisfy the Aviation Authority's

requirements with an appropriate deposit or letter of credit. Atlantic OEA is a newly formed entity which does not satisfy the requirements of the Aviation Authority.

Staff recommended that the Consent to Assignment and Release be approved but that it be conditioned upon Atlantic FBO signing an unconditional guaranty for the performance of Atlantic OEA under the Lease.

The Lease also allows for the Aviation Authority to release Showalter from liability from and after the date of any assignment if the lessee is not in default.

As customary, staff recommends Showalter not be released from environmental liability or indemnification for liability to third parties arising from the commencement of the Lease until the effective date of the assignment.

ALTERNATIVES

The Aviation Authority Board could determine that there is reason to withhold consent and not allow the assignment or release.

FISCAL IMPACT

Under the Lease, Atlantic OEA will be responsible for the same rent structure and fees as Showalter.

RECOMMENDED ACTION

It is respectfully requested that the Aviation Authority Board resolve to (1) Approve a consent to assignment of the Showalter Flying Services FBO Lease to Atlantic OEA; (2) require Atlantic FBO to execute a guaranty to secure the performance of Atlantic OEA; (3) release Showalter from its obligations under the lease, except environmental and indemnification for third-party liability; (4) request that the City Council of Orlando approve the consent as it involves a lease exceeding a ten year term; and (5) authorize an Aviation Authority Officer or the Executive Director to execute the necessary documents following satisfactory review by Legal Counsel.