



## Public.Service.Committee.Meeting

Meeting Date: 1/14/2025

### Airport First Amendment & Assignment of BA Augusta LLC Lease Agreement

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- Department:** Augusta Regional Airport
- Presenter:** Herbert L. Judon, Jr., Airport Executive Director
- Caption:** Motion to **approve** the first amendment to, and assignment of, the BA Augusta LLC lease agreement, to NetJets Services, Inc. This item was approved by the Augusta Aviation Commission on December 12, 2024.
- Background:** BA Augusta, LLC. executed a ground lease agreement with Augusta Regional Airport/Augusta Richmond County (ARC) on August 15, 2023. BA Augusta, LLC., submitted a formal letter dated November 6, 2024, requesting the Augusta Aviation Commission (AAC) approve assignment of their ground lease to NetJets Services, Inc., in accordance with Article VII, Section O of their ground lease agreement.
- NetJets Services, Inc., submitted a formal letter dated November 11, 2024, that they have agreed to accept the assignment of the BA Augusta, LLC., ground lease agreement with requested changes to the agreement, upon approval by AAC/ARC.
- Analysis:** NetJets Services, Inc., is an international aviation organization that has been a valued customer and partner of the Augusta Regional Airport for many decades. Assignment of the BA Augusta, LLC., ground lease agreement will expand the current partnership and will benefit both entities.
- Staff negotiated with the Director, Airport Development & Strategic Opportunities, NetJets, Inc., and agreed to the following terms:
- Waiver of the “no-amendment clause”, allowing the assignment of the Agreement.*
- Allowance for a formal metes and bounds survey to be incorporated into the agreement.*
- Providing a 10-day grace period for the term extension option notice period.*

*Include a clarification statement regarding the FMV rent increase and a provision to allow payments in either monthly or annual installments at the Lessee's discretion.*

*Include clarification in the Financing section that the Lessee is the owner of all improvements on the property during the term of the lease.*

*Amend the requirement for the potential demolition of improvements upon reversion to clarify requirement to remediate any hazardous materials.*

*Amend the agreement to allow the Lessee to connect the property to Doug Barnard Parkway at their discretion.*

**Financial Impact:** BA Augusta, LLC was in arrears to the Augusta Regional Airport for 5 months of lease payment. The assignee has agreed to pay the shortfall, bringing in revenue of \$108,812.50. Account Number 551000000-3492507.

**Alternatives:** N/A

**Recommendation:** **Approve** the first amendment to, and assignment of, the BA Augusta LLC lease agreement, to NetJets Services, Inc.

**Funds are available in the following accounts:** N/A

**REVIEWED AND APPROVED BY:** N/A