

PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS

AGENDA ITEM SUMMARY

Meeting Date: July 10, 2007 [x] Consent [] Regular
[] Workshop [] Public Hearing

Department:

Submitted By: Department of Airports

Submitted For: Properties

I. EXECUTIVE BRIEF

Motion and Title: Staff recommends motion to:

- A. Approve termination of the North County General Aviation Airport Hangar Lease Agreement with Barry Aviation Florida, Inc., dated July 21, 2004 (R-2004-1665) for Hangar # 11300-19, effective July 10, 2007 for failure to make required rental payments.
- B. Approve termination of the North County General Aviation Airport Executive Hangar Lease Agreement with Barry Aviation Florida, Inc., dated October 18, 1995 (R-95-1744D), as assigned on March 19, 1999 (R-99-533D), for Hangar # 11250-8, effective July 10, 2007 for failure to make required rental payments.
- C. Approve termination of the North County General Aviation Airport Executive Hangar Lease Agreement with Barry Aviation Florida, Inc., dated January 7, 2003 (R-2003-0039) for Hangar # 11250-2, effective July 10, 2007 for failure to make required rental payments.
- D. Authorize the County Attorney's Office to initiate eviction proceedings or other appropriate legal action against Barry Aviation Florida, Inc., if necessary.

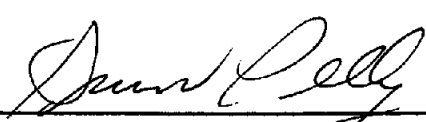
Summary: The Board approved the North County General Aviation Airport Hangar Lease Agreement for Hangar No.11300-19 on August 17, 2004; the North County General Aviation Airport Executive Hangar Lease Agreement for Hangar No.11250-8 on December 19, 1995, which was assigned to Barry Aviation Florida; and the North County General Aviation Airport Executive Hangar Lease Agreement for Hangar No. 11250-2 on January 7, 2003. Since January 1, 2007, Barry Aviation Florida has failed to make its monthly rental payments as required by the Lease Agreements. Staff is recommending termination of the Lease Agreements effective July 10, 2007. Although it is unclear whether legal proceedings will be necessary, the Department is requesting the Board to authorize the County Attorney's Office to proceed with appropriate legal action in the event eviction proceedings and/or proceedings for the recovery of unpaid rentals or damages becomes necessary. Countywide JB


Background and Justification:

BACKGROUND AND JUSTIFICATION CONTINUED ON PAGE 3

Attachments:

- 1. Notice of Default dated May 15, 2007
- 2. Notice of Default with intent to terminate dated May 29, 2007

Recommended By:  6/14/07
Department Director Date

Approved By:  6/26/07
County Administrator Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Capital Expenditures	_____	_____	_____	_____	_____
Operating Costs	_____	_____	_____	_____	_____
Operating Revenues	\$22,426	_____	_____	_____	_____
Program Income (County)	_____	_____	_____	_____	_____
In-Kind Match (County)	_____	_____	_____	_____	_____
NET FISCAL IMPACT	\$22,426	_____	_____	_____	_____
# ADDITIONAL FTE POSITIONS (Cumulative)	_____	_____	_____	_____	_____

Is Item Included in Current Budget? Yes _____ No _____
 Budget Account No: Fund 4100 Department 120 Unit 8250 Object 4415
 Reporting Category _____

B. Recommended Sources of Funds/Summary of Fiscal Impact:

Annual rental is \$44,722. Additional legal costs may be incurred.
 It is likely that these hangars will be re-leased by a new tenant due to the demand at North County Airport.

C. Departmental Fiscal Review: CM Simmer

III. REVIEW COMMENTS

A. OFMB Fiscal and/or Contract Development and Control Comments:

The net fiscal impact represents a negative revenue adjustment for 9 months at \$3,727 per month (a gross total of \$33,541), offset by application of a security deposit of \$11,115.

[Signature] 6-28-07
 OFMB
 6/22/07 CN 6/21/7

[Signature] 6/25/07
 Contract Dev. and Control

B. Legal Sufficiency:

[Signature] 6/26/07
 Assistant County Attorney

C. Other Department Review:

 Department Director

Background and Justification: (continued)

The Department has provided a notice of default in accordance with the requirements of the Lease Agreement. Barry Aviation Florida has failed to make its monthly rental payments. The Department will apply Barry Aviation Florida's security deposit of \$11,115.22 to unpaid rental in the amount of \$11,183.40. Upon approval of termination by the Board, the Department will send Barry Aviation Florida a notice of the termination.

PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS
Addie L. Greene, Chairperson
Jeff Koons, Vice Chair
Karen T. Marcus
Warren H. Jewell
Mary McCarty
Burt Aaronson
Jess R. Santamaria

COUNTY ADMINISTRATOR
Robert Weisman

DEPARTMENT OF AIRPORTS



May 29, 2007

CERTIFIED MAIL

Mrs. Patricia Barry
Barry Aviation Florida, Inc.
11600 Aviation Blvd. Suite. 16
West Palm Beach, Florida 33412

NOTICE OF DEFAULT/INTENT TO TERMINATE

Re: Executive Hangar Lease Agreement dated October 18, 1995 (R# 95-1744D),
as assigned on March 19, 1999 (R# 99-533-D) (Hangar# 11250-8)
Executive Hangar Lease Agreement dated January 7, 2003 (R# 2003-0039)
(Hangar # 11250-2)
Hangar Lease Agreement dated July 21, 2004 (R# 2004-1665) (Hangar # 11300-19)

Dear Mrs. Barry:

Barry Aviation is in default of the above-referenced Lease Agreements with Palm Beach County for non-payment of rent in the amount of \$11,183.40, plus applicable sales tax.

The Department of Airports intends to recommend to the Board of County Commissioners that Barry Aviation's Lease Agreements with the County be terminated effective July 10, 2007 for non-payment of rent. Your security deposit under the Lease Agreements will be applied to unpaid rent due. In addition, you may be held liable for the difference between the deposit amount and the balance owed.


Upon termination of the Lease Agreements, you will be required to vacate the premises immediately. Failure to vacate the premises may result in legal action against you.

PALM BEACH COUNTY DEPARTMENT OF AIRPORTS
846 Palm Beach International Airport
West Palm Beach, FL 33406-1470
(561) 471-7412 FAX: (561) 471-7427
www.pbia.org

PALM BEACH COUNTY GLADES AIRPORT
Pahokee

PALM BEACH COUNTY PARK AIRPORT
Lantana

NORTH COUNTY GENERAL AVIATION AIRPORT
Palm Beach Gardens

 printed on recycled paper

"An Equal Opportunity Affirmative Action Employer"

If you have any questions, please do not hesitate to give me a call at (561) 656-5978.

Sincerely,



Colleen K. Hawkins
Assistant Airports Property Manager

cc: Laura Beebe, Deputy Director, Airports Business Affairs
Anne Helfant, Assistant County Attorney
Rick Collins, Landmark Aviation

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COUNTY ADMINISTRATOR
Robert Weisman

DEPARTMENT OF AIRPORTS


Palm Beach International Airport
GATEWAY TO

May 15, 2007

Barry Aviation
11600 Aviation Blvd. Suite 16
West Palm Beach, Florida 33412

Default Notice

RE: North County General Aviation Airport Hangar Lease Agreement (11300-19)
North County General Aviation Airport Executive Hangar Lease Agreements
(11250-2; 11250-8)

Dear Mrs. Barry:

Landmark Aviation has recently notified the Department that Barry Aviation is in violation of its North County General Aviation Hangar Lease Agreement with Palm Beach County for non-payment of rent for hangar Nos. 11250-8, 11250-2, and 11300-19. As of today's date, Landmark has not received the outstanding rental payments. According to Landmark Aviation, Barry Aviation is currently three months past due in hangar rental payments in the amount of \$11,183.40 plus any applicable sales tax.

Please be advised that Barry Aviation has ten (10) days from the delivery date of this notice to cure the Lease violations pursuant to paragraph 12.03 of the North County General Aviation Airport Executive Hangar Lease Agreements. In addition, Barry Aviation has three (3) days from the delivery date of this notice to cure the Lease violation pursuant to paragraph 19 of the North County General Aviation Airport Hangar Lease Agreement.

If the Lease violations are not cured within the aforementioned time, the Department of Airports will be recommending to the Palm Beach County Board of County Commissioners to terminate your Lease Agreements.


Your security deposits will be applied to unpaid rent due in accordance with the terms of your Lease Agreements. In addition, you will be held liable for the difference between the deposit amount and the balance owed.

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Sincerely,



Colleen K. Hawkins
Assistant Airports Property Manager

cc: Laura Beebe, Deputy Director, Airports Business Affairs
Anne Helfant, Assistant County Attorney
Rick Collins, Landmark Aviation

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none">Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.Print your name and address on the reverse so that we can return the card to you.Attach this card to the back of the mailpiece, or on the front if space permits.	<p>Signature: <i>[Handwritten Signature]</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name): JULIUS ZULAVE C. Date of Delivery: 5/16/07</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input type="checkbox"/> No If YES, enter delivery address below:</p>
1. Article Addressed to: Barry Aviation 11600 Aviation Boulevard Suite 16 West Palm Beach, FL 33412	3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.
. Article Number (Transfer from service label)	4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes
7003 1680 0005 6795 5976	

S Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)
For delivery information, visit our website at www.usps.com

OFFICIAL USE

Postage	\$	Postmark Here
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$	

Sent To: Barry Aviation
Street, Apt. No.,
or PO Box No. 11600 Aviation Blvd., Ste. 16
City, State, ZIP+4
West Palm Beach, FL 33412

PS Form 3800, June 2002
See Reverse for Instructions

7003 1680 0005 6795 5976



May 9, 2007
Barry Aviation
11600 Aviation Blvd. Suite 16
West Palm Beach FL. 33412

Default Notice

Dear Patty:

The purpose of this letter is to inform you that you owe past due rent in the amount of **\$14,172.81** for hangar and office space at the North county Airport.

<u>DATE</u>	<u>INVOICE</u>	<u>AMOUNT</u>
3/1/07	27185	\$4,724.27
4/1/07	27410	\$4,724.27
5/1/07	27633	\$4,724.27

According to paragraph 19 of the Hangar Lease Agreement ("Agreement"), you must pay all past due rent and other charges within 3 days of receipt of formal written notice of past due rent or you will be considered in default of the Agreement. Please consider this letter a formal notice of past due rents. Unless we receive payment of all rent due in accordance with the Agreement, Palm Beach County will be forced to seek payment by drawing on the Security Deposit provided to Palm Beach County pursuant to paragraph 6 of the Agreement. Failure to pay all past due monies entitles the County to exercise all remedies under paragraph 20 of the Agreement including, but not limited to, declare the entire rent for the balance of the term due and payable, terminate the tenant's right to possession of the hangar, and/or pursue any other remedy now or hereafter under the laws and judicial decisions of the State of Florida.

It is our sincere hope that you will pay all past due rent immediately and continue to remain a valued tenant of the North County Airport and Landmark Aviation.

If you have any questions, please do not hesitate to give me a call at 626-9799.

Sincerely,

Rick Collins
General Manager
Landmark Aviation

Airport Name
Street Address, City State Zip
main 000 000 0000 fax 000 000 000